Sustainable Challenges for a Better Planet & Life

2025-2026 Samsung Electro-Mechanics Sustainability Report

SAMSUNG ELECTRO-MECHANICS

About This Report

About This Report

Samsung Electro-Mechanics publishes an annual sustainability report to strengthen trust with stakeholders and communicate responsibly on Sustainability Management. This report systematically outlines the vision, strategies, key achievements, and improvement activities across Sustainability through which the Company aims to transparently share its efforts and progress.

Reporting Standards

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. Samsung Electro-Mechanics applied the Sustainability Accounting Standards Board (SASB) Standards to report on key activities by material issue specific to the industry. Furthermore, the Company referenced IFRS S2, the sustainability disclosure standard of the International Sustainability Standards Board (ISSB), to report on its Response to Climate Change and related performance. Samsung Electro-Mechanics also supports the UN Sustainable Development Goals (UN SDGs) and reports on implementation activities aligned with each goal. Financial information in this report was prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS).

Reporting Period GRI 2-3

This report covers performance from January 1, 2025, to December 31, 2025, and includes information from the first half of 2026 for certain key qualitative achievements. The report provides quantitative data from the past five years (2021–2025) to illustrate year-over-year trends.

Reporting Scope GRI 2-2

This report includes key economic, social, and environmental information from the domestic and overseas sites of Samsung Electro-Mechanics and its subsidiaries, based on the consolidated financial statements under the Korean International Financial Reporting Standards (K-IFRS). Due to physical constraints, Samsung Electro-Mechanics applied separate calculation standards for environmental and social indicators at certain overseas sites, and specified any data changes resulting from discontinued operations in the footnotes.

Report Assurance

To ensure the objectivity and reliability of its content, this report underwent third-party verification based on site visits and document reviews. The Company applied the four sustainability principles of inclusivity, materiality, responsiveness, and impact throughout the report in accordance with AA1000AS v3 (2021). Furthermore, Samsung Electro-Mechanics complies with ISO 14064 and IPCC greenhouse gas guidelines by undergoing annual greenhouse gas verification by an independent organization.

Commitment to Global Sustainability Standards

Samsung Electro-Mechanics participates in various global initiatives to comply with global sustainability standards and create sustainable value. Furthermore, the Company transparently discloses its Sustainability Management activities by publishing ESG data through global organizations and rating agencies.

Forward-Looking Statements

This report contains forward-looking statements in addition to historical and current information. These statements, typically identified by terms such as "plan," "pursue," "expect," "intend," "goal," "strategy," "estimate," "anticipate," and "project," reflect Samsung Electro-Mechanics' future business strategies, environmental targets—including greenhouse gas emissions and energy consumption—external sustainability commitments, and operational strategies. Although these forward-looking statements are based on current estimates, forecasts, and available information deemed reasonable, their absolute accuracy cannot be guaranteed. These statements are intended to help stakeholders understand Samsung Electro-Mechanics' approach to key ESG areas, strategies, initiatives, and the anticipated operating environment; therefore, readers should not place undue reliance on them for investment or other purposes. Various external factors beyond our control—including geopolitical events, global economic conditions, underlying assumptions, inherent risks, and uncertainties—may affect these statements, causing actual results to differ materially from those expressed in this report. Except as required by law, Samsung Electro-Mechanics assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Consequently, readers should not assume that this information remains current or accurate after the publication date of this report.

Report Preparation Incorporating AI Analysis

This report is formatted to enable Large Language Model (LLM)-based AI to effectively understand and analyze information. Headings and body text are structurally connected, and tables and graphs are organized to convey information clearly. The report uses consistent data units and avoids complex symbols and images. Metadata describing the document structure and key hyperlink information are clearly written in sentence form, enabling AI to efficiently analyze and retrieve the content.

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Introduction

CEO Message GRI 2-22

> "Samsung Electro-Mechanics at the crossroads of change, with the 'Be Professional!' spirit, united as one, toward a better future, will continuously strive forward."

Dear Stakeholders,
In 2025, the spread of global protectionism heightened internal and external uncertainties, including tariff risks and raw material supply issues. Amidst this rapidly changing business environment, Samsung Electro-Mechanics continued to restructure its business portfolio to focus on high value-added products while advancing revenue growth in growth markets such as AI/Servers and the mobility industry (electronic components). As a result, the Company sustained its growth momentum, achieving a record-breaking annual revenue of KRW 11 trillion—the highest since its foundation. Although the business environment in 2026 is expected to remain challenging due to slowing global set demand and increased exchange rate volatility, growth is projected to accelerate in future markets such as AI/Servers, autonomous vehicles, and humanoid robots. Navigating these shifts, we will establish a robust Sustainability Management system through the following strategies.

First, we will build a business portfolio centered on high value-added and high-growth products.
Samsung Electro-Mechanics continues to launch industry-leading IT products, such as ultra-compact MLCCs and wide-angle correction camera modules, based on its differentiated technology. The Company is also focusing on developing next-generation solutions to strengthen product competitiveness in growth markets such as the mobility industry and AI/Servers. Moving forward, we will achieve performance growth that exceeds the market growth rate by continuously expanding our business centered on high value-added and high-growth products, including ultra-small, high-voltage, and high-capacity MLCCs, large-area and multi-layer package substrates, and high-reliability camera modules.

Second, we will secure growth engines for new future businesses.
Samsung Electro-Mechanics is advancing various new businesses to seize opportunities in future markets, including mobility, humanoid robots, AI/Servers, and energy. Building on the stable supply of automotive hybrid lenses and industrial silicon capacitors, the Company invested in Alva Industries, an ultra-small electric motor manufacturer, to secure competitiveness in core components for humanoid robots. Furthermore, Samsung Electro-Mechanics is preparing the development and mass production of next-generation components, including glass package substrates and water electrolysis components. Through proactive technology development and investment, we will solidify the foundation for mid- to long-term growth.

Third, we will become a trusted company in the global market through Sustainability Management.
Under the slogan "Sustainable Challenges for a Better Planet & Life," Samsung Electro-Mechanics is fully committed to fulfilling its corporate social responsibility. Over the past year, the Company remained dedicated to advancing ESG management by responding to climate change, minimizing its environmental impact, and fostering a corporate culture of mutual respect. In particular, by establishing safety and environment as its top management principle, Samsung Electro-Mechanics strove to create a safe workplace for all employees. As a result of these efforts, we became the first company in Korea to be selected for the CDP Platinum Club eight times, and we have been included in the FTSE4Good Index for 15 consecutive years and the DJBIC World for 17 consecutive years. Going forward, we will continue to pursue the harmonious development of the economy, environment, and society, and exert a positive influence on global society.

Dear Stakeholders,
Samsung Electro-Mechanics aims to become a top-tier tech company that achieves unwavering growth despite external risks. We deeply appreciate the continued interest and support of all our stakeholders on this journey. As we navigate through times of change, we ask for your ongoing support and encouragement so that Samsung Electro-Mechanics can achieve sustainable growth driven by our "Be Professional" spirit.
Thank you.

CEO of Samsung Electro-Mechanics
Chang Duckhyun

Company Overview

Corporate Overview GRI 2-1

Since its founding in 1973, Samsung Electro-Mechanics has grown into a global comprehensive component manufacturer producing everything from advanced electronic components to precision mechanical parts. In its early years, the Company laid the foundation for the technological independence of the domestic component industry by producing audio and video components. It subsequently focused on developing next-generation core products, including materials, computer components, chip components, mobile communication components, and optical components. Since the 2000s, the Company has secured world-class technological capabilities in major electronic components, including MLCC, Power Inductor, camera and communication modules, and package substrates.

Samsung Electro-Mechanics pursues world-class status for its core products through continuous technological innovation and enhanced convergence capabilities. To proactively respond to future industrial changes in areas such as AI, servers, automotive, humanoids, and aerospace, the Company is advancing its products, diversifying its business portfolio, and fostering next-generation growth engines early on, thereby positioning itself as a global leader in the new era.

Key Financial Information

Revenue	Operating Profit	Net income
KRW 11,314,459 million	KRW 913,331 million	KRW 730,990 million

Workforce by Region

Total Employees	36,500 employees
Korea	12,176 employees
Asia	24,229 employees
Americas	59 employees
Europe	36 employees

Revenue by Region

Total	KRW 11,314,459 million
Korea	KRW 3,626,777 million
Southeast Asia	KRW 2,368,787 million
Europe	KRW 371,139 million
China	KRW 4,441,764 million
Americas	KRW 422,280 million
Japan	KRW 83,712 million

Management Philosophy

Samsung Electro-Mechanics aims to become a top-tier tech component company that delivers valuable experiences to all through premier Components and original solutions. To realize this, the Company established its mission and vision in collaboration with its employees. In 2023, marking its 50th anniversary, the Company declared a new vision, "The Core of a Digital Future," embodying its commitment to leading the digital era. Accordingly, the Company is actively practicing its core values (RiGHT©) to foster mutual growth and satisfaction among all stakeholders—including employees, customers, shareholders, and suppliers—while advancing strategies to strengthen technological competitiveness, expand operations, build an efficient organization, and recruit top talent.

Mission

We provide valuable experiences to all through top-tier Components and innovative solutions.

We bring the best components and compelling solutions that enrich people's experience

Vision

A premier growth company that I want to work for and everyone wants to work with.

Enable all lives to experience an unparalleled journey through excellence and growth
(All lives includes employees, customers, vendors and any other associates)

Vision Slogan

Samsung Electro-Mechanics' products and people are at the heart of the digital future.

The Core of a Digital Future

Core Values

1 Respect all
- Express opinions freely.
- Embrace each other's diversity.

2 Integrity first
- Act consistently in accordance with principles.
- Act fairly and justly.

3 Growth Mindset
- Pursue growth and learning with curiosity.
- Strive for personal growth with a sense of ownership.

4 Harmony with
- Maintain physical and mental health.
- Find joy in work.
- Contribute to customers, local communities, and humanity.

5 Technology for Great
- Focus on the best technology to drive customer success.
- Continuously take on new challenges without fear of failure.
- Delve deeply to uncover the fundamental essence.

6 Challenge
- Boldly take on challenges based on our core value, RiGHT©.
- Grow into top-tier experts in core fields.

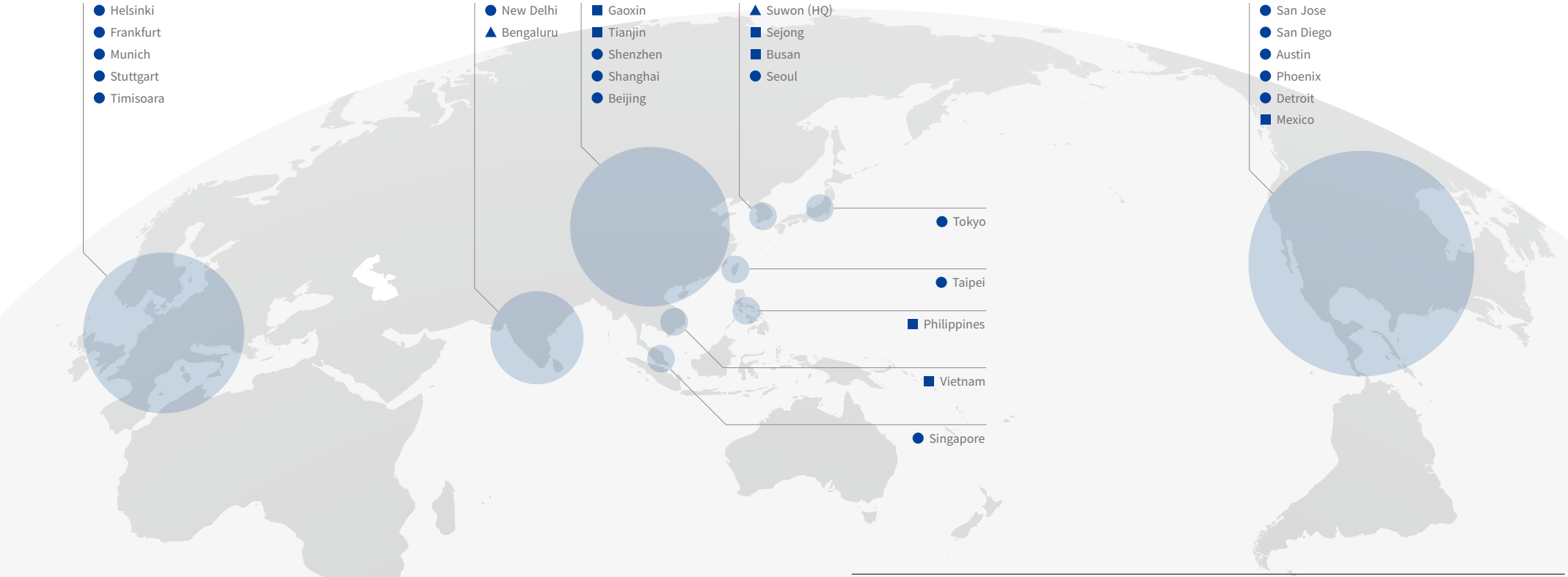
Leadership Principles

Encourage curiosity, Stimulate learning, Generate energy and Deliver success

Company Overview

Global Network

Samsung Electro-Mechanics operates production subsidiaries, sales subsidiaries, and sales offices tailored to regional characteristics and market environments across Korea, the Americas, Europe, Japan, China, and Southeast Asia. Among its three domestic sites, the Suwon site integrates production, R&D, marketing, and management support functions. Serving as core domestic production hubs, the Busan and Sejong sites focus on manufacturing high value-added products, including next-generation semiconductor package substrates and MLCC. Overseas, the Company has established a robust global network comprising production subsidiaries in Vietnam, the Philippines, China, and Mexico; sales subsidiaries across the Americas, Europe, and Asia; and an R&D subsidiary in India.



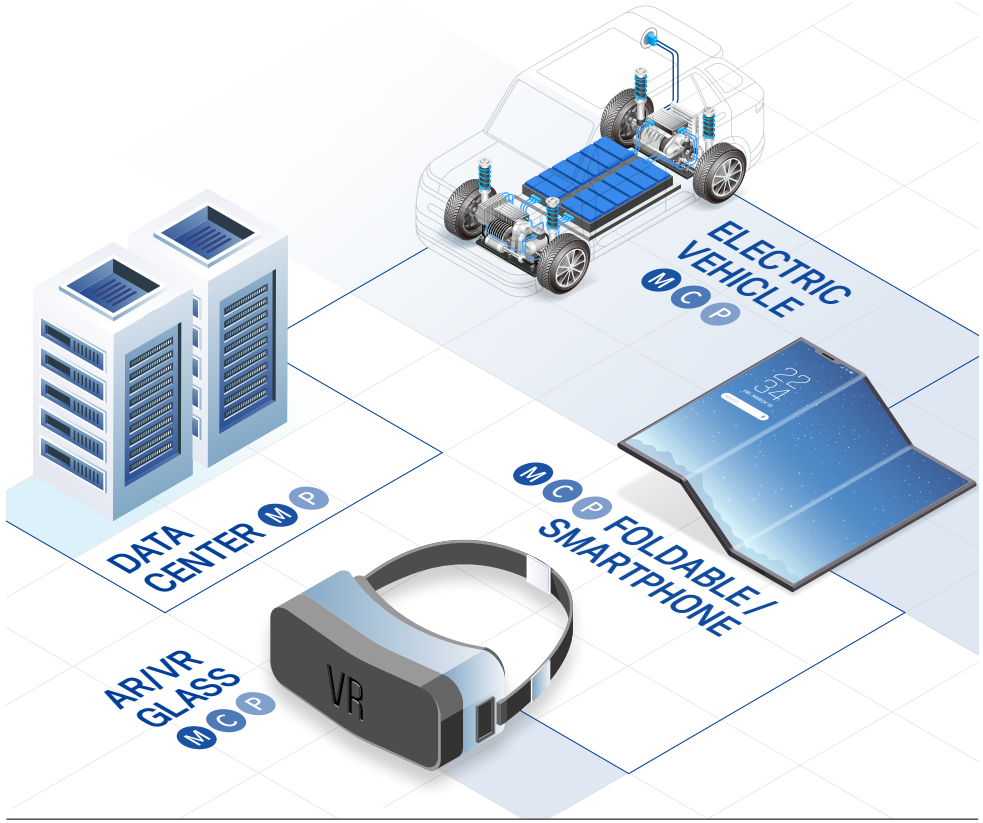
▲ R&D Centers	■ Production Sites	● Sales Sites and Offices
2 in 2 countries	7 in 5 countries	18 in 10 countries

Business Overview

Main Businesses

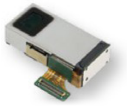
| Samsung Electro-Mechanics' Key Products

Samsung Electro-Mechanics delivers valuable experiences to both customers and society through top-tier Components and differentiated solutions.



M Components

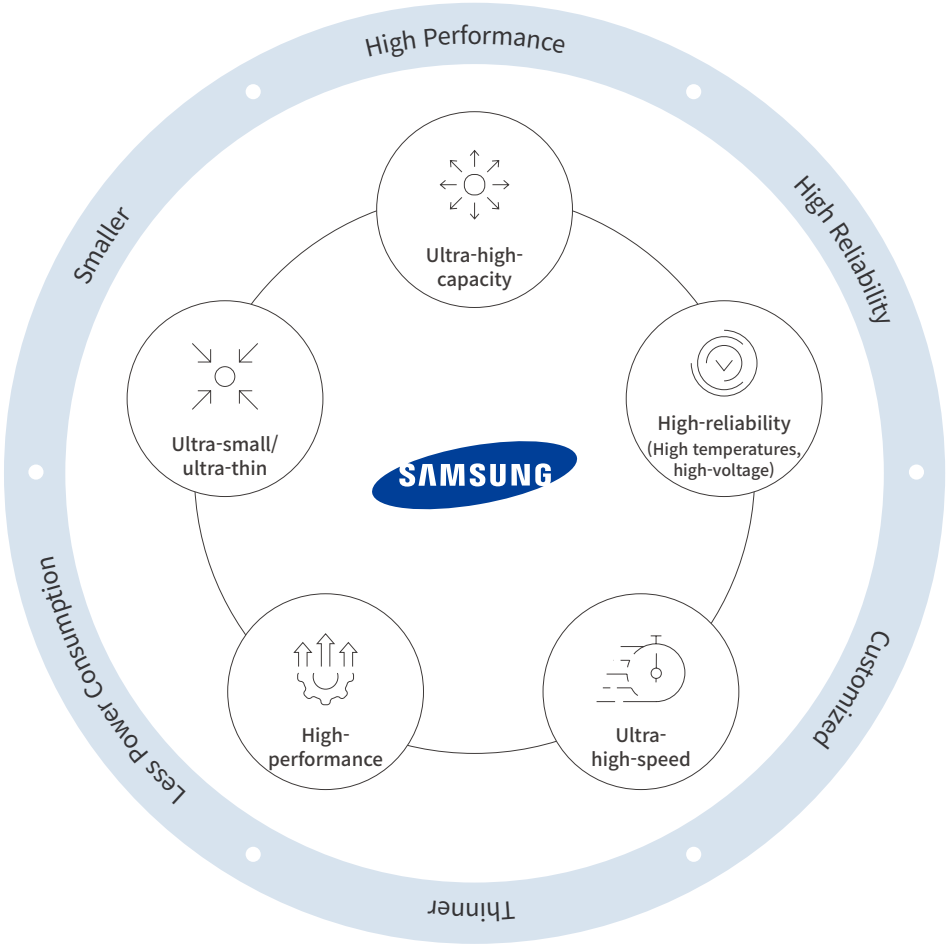
C Optics Solutions



P Package Solutions

| Advancing Components for New Form Factors

Samsung Electro-Mechanics is focused on advancing its components to develop its chip components, package substrates, and camera modules businesses into world-class operations.



Business Overview

Product Overview GRI 2-6

M Components

Optics Solutions | Package Solutions

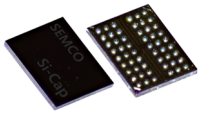
The Components business provides passive chip components essential for various electronic devices. Key products include Multilayer Ceramic Capacitors (MLCC), silicon capacitors, inductors, Chip Resistors, and tantalum capacitors. These products are essential for applications ranging from smart IT and home appliances to industrial, automotive, and medical equipment. Through R&D investments aimed at continuously developing competitive new products, the Company develops its own manufacturing methods and equipment, while securing core materials, such as dielectric materials and magnetic substances, based on proprietary technology. To strengthen its entry into new markets, such as the automotive and industrial sectors, by enhancing the development of high-reliability MLCC, the Company is actively responding to customer demands by expanding its lineup of inductor products, including Power Inductors, which are experiencing steadily increasing demand. Based on this technological expertise, the Company will continue to expand its portfolio of high value-added products by focusing on the development of high-reliability products, including ultra-compact and high-capacity components, automotive parts, and products designed for high temperatures and high-voltage environments.

Key Component Products

MLCC

A ceramic capacitor made by stacking dielectric materials and electrodes in a chip shape, it acts as a "dam" that regulates the flow of a constant current in a circuit and prevents electromagnetic interference between components.

Silicon Capacitor



A capacitor made by stacking dielectric materials and electrodes on silicon, it performs the same function as an MLCC but can be thinned to 100μm or less. Placed close to the package, it is advantageous for power stabilization and offers high stability against temperature changes.

Power Inductor

Magnetic substances block rapid changes in current within the circuit and ensure a constant flow of current through the electronic circuit.

Chip Resistor

Utilizing its ability to limit direct or alternating current, it lowers the voltage or maintains a constant current within an electronic circuit.

Tantalum

Designed in a chip format, it is applicable to surface-mount devices and functions to charge and discharge electrical charges while eliminating noise.

Components Revenue and Revenue Share

Category	2024	2025
Revenue	KRW 4,462,050 million	KRW 5,198,501 million
Revenue Share	43.55%	45.95%

Component Applications

1 Smart IT

2 Consumer Electronics

3 Industrial and Automotive Electronics

4 Medical Equipment

Business Overview

Product Overview

C Optics Solutions

Components | Package Solutions

The Optics Solutions business comprises IT and automotive camera modules used in smartphones, mobile devices, and automobiles. As all applications demand advanced technologies—such as high-definition, miniaturization, slim designs, low power consumption, and high rigidity—Samsung Electro-Mechanics delivers superior camera modules and solutions by integrating its optical lens design, circuit design, packaging, and software technologies with its core material capabilities.

Optics Solutions Revenue and Revenue Share

Category	2024	2025
Revenue	KRW 3,797,396 million	KRW 3,814,205 million
Revenue Share	36.89%	33.71%

Optics Solutions Applications

1 Automotive

2 Smart IT/Home Appliances

3 Security

4 IoT (Internet of Things)

Key Optics Solutions Products

Camera Modules

Camera modules serve as sensors for capturing photos and videos, as well as for measurement, recognition, and detection in smartphones, automobiles, and smart homes. These components require advanced technologies to deliver high-definition, slim designs, low power consumption, high rigidity, and multifunctionality. The market is expanding as smartphone camera modules become increasingly advanced, driving demand for additional features such as autofocus, Optical Image Stabilization (OIS), folded lenses, and apertures. Samsung Electro-Mechanics leads the industry with unrivaled lens and actuator design technologies that meet diverse user needs and expectations. The Company continuously develops differentiated solutions, such as integrating IT camera technologies into automotive cameras.

Advancing automotive camera technology

Delivering agile and precise performance

Clear	Slim	Bright	Blur-free	Wide field of view
World's first 5M+	Hybrid Lens	IRIS	Actuator	FoV 180°

Automotive cameras with IT camera technology

Business Overview

Product Overview

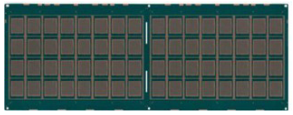
P Package Solutions

Components | Optics Solutions

The primary products of the Package Solutions business are semiconductor package substrates. These circuit connection components electrically connect and mechanically support semiconductors and electronic components, serving as essential parts across all industries, from IT and home appliances to automobiles, aircraft, and ships. The recent surge in data usage has driven the demand for high-performance semiconductor chips, leading to larger package substrates with higher densities and multilayer structures. Leveraging its accumulated technological expertise and stable supply capabilities, the Company is advancing technologies for thin, high-density, multilayer structures and fine line widths. Through these efforts, the Company is strengthening its R&D capabilities to make IT devices highly functional, lighter, and more compact. Furthermore, the Company is effectively applying and expanding this technological competitiveness in the market through close collaboration with its customers.

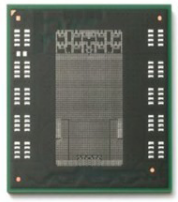
Key Package Solutions Products

Ball Grid Array (BGA)



Used in core semiconductors for mobile devices and PCs, these package substrates transmit electrical signals between semiconductors and main boards while protecting the semiconductors from external elements.
The Flip Chip Chip Scale Package (FCCSP), a key BGA product, connects semiconductor chips to the substrate using ball-shaped bumps instead of wire bonding. It features a high level of integration, with the semiconductor chip occupying over 80% of the total package substrate area, and is primarily used in AP semiconductors for mobile IT devices.

Flip Chip Ball Grid Array (FCBGA)



This highly integrated package substrate connects semiconductor chips and the package substrate using bumps, improving electrical and thermal characteristics. In particular, as CPU substrate circuits become more highly integrated, the number of substrate layers increases. Along with the demand for finer interlayer alignment, thin substrate manufacturing technology is becoming increasingly important for producing slimmer devices.

Package Solutions Revenue and Revenue Share

Category	2024	2025
Revenue	KRW 2,034,657 million	KRW 2,301,753 million
Revenue Share	19.76%	20.34%

Package Solutions Applications

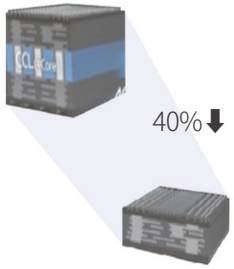
1 BGA

Smart phone | Tablet | PC | Smart watch

2 FCBGA

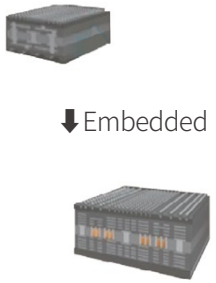
Server/ Network | Auto motive | PC | DTV | Game

Thinning (Coreless)



Passive components embedding

BGA FCBGA

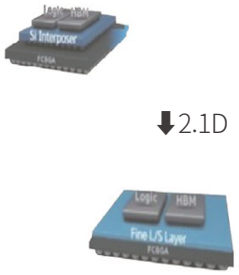


Large-area / High multilayer structures

Note PC

Miniaturization (Fine Line & Space)

2.5D



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Sustainability Management

Sustainability Management Strategy

Samsung Electro-Mechanics is committed to creating stakeholder value and enhancing corporate value through sustainable growth. As part of these efforts, the Company established "Sustainable Challenges for a Better Planet & Life" to practice Sustainability Management and developed SYNC, a four-pillar framework, to implement this vision. SYNC centers on four core tasks: creating a sustainable global environment, Creating sustainable value, fostering co-prosperity with local communities, and ensuring a trusted governance structure. Through this framework, the Company aims to continuously create future value.

| Mission and Framework

Mission

Sustainable Challenges for a Better Planet & Life

Framework

Strive for Sustainability	Yield Lasting Value	Nurture Our Communities	Credible Governance

Challenge

Response to Climate Change	Mutual Respect and Safe Workplaces	Nurturing Future Generations	Establishing Leading Governance
Minimizing Environmental Impact	Enhancing Supply Chain Sustainability	Promoting a Culture of Giving	Practicing Ethical Management

Progress Indicator

S
Strive for Sustainability

	KPI Definition	2025 Performance	Target	Target Year
Response to Climate Change				
Continuously reduce energy and power consumption	Reduction in power consumption	5% reduction	Annual 5% reduction	Ongoing
Expand carbon footprint-certified products	Cumulative number of certified products	23 items	23 items	2025
Transition 100% of corporate vehicles by 2030[1]	Electric vehicle transition rate	5%	100%	2030
Strive to transition to 100% renewable energy by 2050	Renewable energy transition rate	Secured a total of 291,553 MWh of renewable energy	30%	2030
Minimizing Environmental Impact				
Reduce single-use items	replacing single-use items in company cafeterias and cafés[2]	Completed full replacement of all 102 types of single-use items in company cafeterias and cafés	100%	2024
Expand company-wide water reuse	Increasing the reuse rate	33.90%	41.80%	2030
Zero Waste to Landfill (ZWTL) certification for all sites by 2025	Certification acquisition rate	100%	100%	2025
Production of workwear using waste materials	Workwear adoption rate	Produce 100% of new workwear from recycled materials by 2025	100%	2027

1) Transitioning to zero-emission vehicles in line with vehicle replacement cycles
2) 102 types of handmade and select finished products (PLA material) in cafeterias and cafes

Y
Yield Lasting Value

	KPI Definition	2025 Performance	Target	Target Year
Mutual Respect and Safe Workplaces				
Maintain an Organizational Health Index score of 70 or higher through 2030	Organizational Health Index	Work: 74.7 points / Colleagues: 75.5 points / Company: 72.2 points	70 points or higher	Ongoing
Continuously expand female leadership and establish a diversity management system	Ratio of female core talent (female core talent / total core talent)	11.00%	12.80%	2028
Maintain zero serious accidents	Serious accidents	0 cases	0 cases	Ongoing
Enhancing Supply Chain Sustainability				
Share vision with customers and expand two-way communication	Number of customer touchpoint activities	3 sessions	3 sessions per year	Ongoing
Expand on-site support and training for suppliers	Target companies and training sessions for shared growth innovation activities	35 companies / 155 sessions	Over 30 companies / 130 sessions per year	Ongoing

Progress Indicator

N
Nurture Our Communities

	KPI Definition	2025 Performance	Target	Target Year
Nurturing Future Generations				
Expanding youth education support (Blue Elephant)	Cumulative number of participants	1.62 million	3 million	2029
Promoting a Culture of Giving				
Employee talent donation and promotion of a culture of giving (Nanum Kiosk)	Cumulative number of sponsored children	227 children	450 children	2029

C
Credible Governance

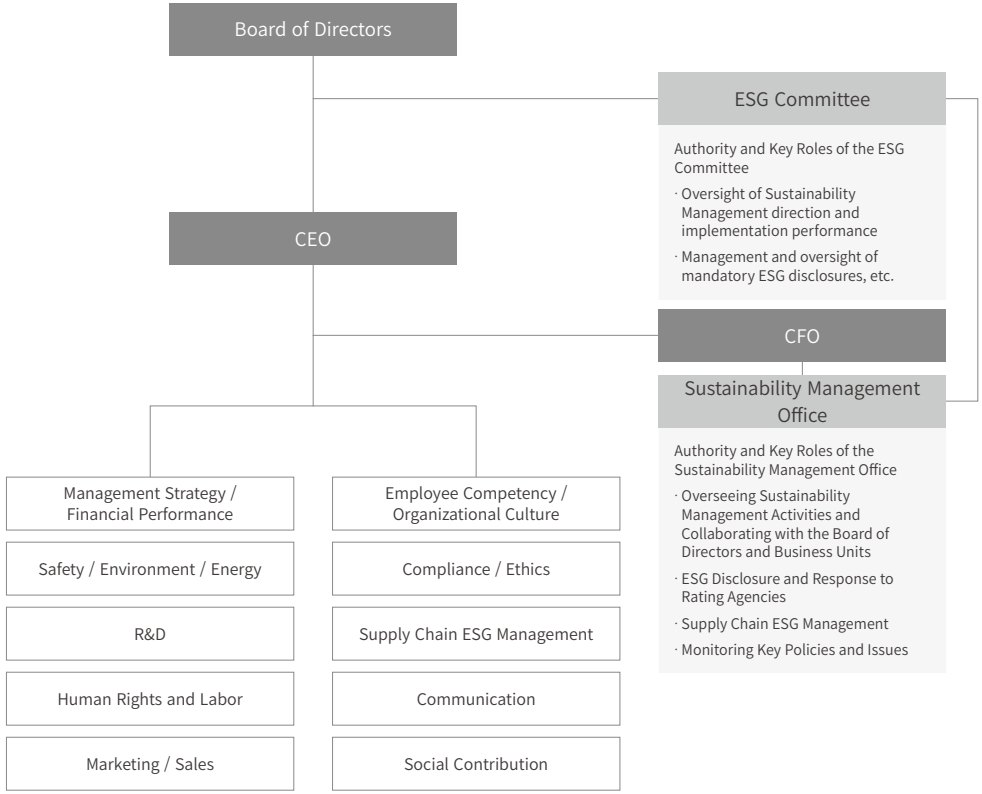
	KPI Definition	2025 Performance	Target	Target Year
Establishing Leading Governance				
Maintain at least 50% female Independent Directors	Percentage of female Independent Directors	50%	50% (2/4)	Ongoing
Strengthening the expertise and diversity of the Board of Directors	Ensuring the expertise and diversity of Independent Directors	One per specialized field, four expertise enhancement activities	One per specialized field, Four expertise enhancement activities	Ongoing
Maintaining a majority of Independent Directors	Ratio of Independent Directors to total Inside and Independent Directors	57%	57% (4 persons/7 persons)	Ongoing
Practicing Ethical Management				
Preventing Corruption through Employee Anti-Fraud Training	Anti-Fraud Training Completion Rate	100%	100%	Ongoing
Conducting Employee Compliance Training	Training Completion Rate	100%	100%	Ongoing
Establishing a Security Threat Response System across HQ and Overseas Subsidiaries	Security Threat Assessment and Improvement	Completed in Korea, Tianjin, Gaoxin, the Philippines, and Vietnam	100%	2026

Sustainability Management Framework

Governance GRI 2-14

To realize sustainable value and strengthen communication with stakeholders, Samsung Electro-Mechanics has established an ESG Committee under the Board of Directors. As the highest decision-making body, the ESG Committee carries out core roles such as driving Samsung Electro-Mechanics' sustainability management strategy and deliberating on ESG disclosure matters. In addition, to strengthen company-wide execution capabilities, we are building a systematic foundation for sustainability management centered on the Sustainability Management Office under the CFO. The Sustainability Management Office oversees internal sustainability management activities and, working together with collaborating departments in each area, takes on a substantial role across all aspects of ESG, including strategy development, information disclosure, external cooperation, and communication.

Sustainability Management Organization Chart



Detailed Executive-Level Management Process

To enable informed decision-making on Sustainability Management, the Company establishes detailed strategies in consultation with management and relevant departments, and reviews implementation performance through working-level councils. The ESG Disclosure Working Group deliberates and makes decisions on specific strategies, including the application of the EU CSRD and IFRS climate disclosures, as well as the establishment of an ESG disclosure and evaluation platform.

Performance Compensation System

To strengthen management accountability for ESG and systematically integrate Sustainability Management into corporate strategy and execution, Samsung Electro-Mechanics incorporates relevant metrics into its organizational and executive performance evaluation systems. The Company evaluates performance by tailoring environmental and social Sustainability Management objectives—such as renewable energy transition, energy conservation, eco-friendly infrastructure development, safety enhancements, compliance management, and fostering a culture of mutual respect—to the specific roles of each organization and executive. These evaluation results are tied to executive compensation, and the Company will continue to refine its organizational and executive performance evaluation and compensation systems.

Status of ESG Committee Meetings

Date	Agenda	Attendance Rate
2025.04.28	· Appointment of the Chair of the ESG Committee · Disclosure of the Corporate Governance Report · Disclosure of the Sustainability Report	100%
2025.11.26	· Report on ESG Operations and Regulatory Trends · Report on the Status of Response to Climate Change	100%

Awards & Recognition

Samsung Electro-Mechanics actively engages with domestic and international ESG assessments, using them as opportunities to evaluate and further advance its Sustainability Management. Based on the assessment criteria, the Company periodically reviews its overall Sustainability Management and implements systematic improvement activities.

Dow Jones Best-in-Class World

Included for **17** consecutive years

S&P Dow Jones
Best-in-Class Indices

FTSE4Good

Selected for **15** consecutive years

FTSE4Good

Korea Institute of Corporate Governance and Sustainability (KCGS)

A rating for **8** consecutive years

KCGS
Korea Institute of Corporate Governance and Sustainability

Sustainalytics ESG Risk

Low Risk rating for **8** consecutive years

SUSTAINALYTICS

MSCI ESG Ratings

AA rating

MSCI

CDP Climate Change Hall of Fame

Platinum Club

CDP
DRIVING SUSTAINABLE ECONOMIES

Double Materiality Assessment

Samsung Electro-Mechanics conducts a Double Materiality Assessment to identify Sustainability Management issues that may significantly impact stakeholders and to establish effective response strategies. This assessment evaluates the significance of these issues by simultaneously considering the environmental and social impacts of corporate activities (Inside-Out) and the financial impacts of environmental and social changes on the Company (Outside-In). In 2024, the Company conducted this assessment based on the materiality assessment implementation guidance provided by the European Financial Reporting Advisory Group (EFRAG) and disclosed the results in its 2024 Sustainability Report. For the 2025-2026 period, the Company reviewed the validity of these findings. After comprehensively reviewing external factors, including changes in the regulatory environment, the Company confirmed no material changes in the issue composition compared to the previous period and maintained the existing six material issues. Based on the Double Materiality Assessment results, Samsung Electro-Mechanics conducts an in-depth analysis of the potential opportunities and risks that Sustainability Management issues pose to its business and stakeholders. The Company systematically manages these identified material issues through its enterprise-wide Risk Management system.

Concept of Double Materiality Assessment

Issue Identification and Materiality Assessment Process GRI 3-1

Samsung Electro-Mechanics conducted its Double Materiality Assessment through a four-step process: understanding the business context, identifying impacts, risks, and opportunities (IROs), assessing impacts, and selecting material issues. To understand the business context, the Company analyzed key issues across its internal operations, investors, industry, and value chain. Based on this analysis, it derived 14 issues, selected a shortlist, and identified the associated IROs. The Company evaluated the environmental and social impacts of these identified IROs based on likelihood, severity (scale and scope), and remediability. It also assessed the financial impacts based on risks, opportunities, and relevant regulations and policies. The material issues identified on this basis went through an internal review, and the top priority material issues were finally reported to the ESG Committee.

STEP 1	STEP 2	STEP 3	STEP 4
Understanding the Company	**Impacts, Risks, and Opportunities (IRO) Identification**	**Impact Assessment**	**Material issue selection and reporting of results**
Understanding the Company's business context · Setting reporting scope and boundaries · Identifying stakeholder engagement levels by assessment stage · Confirm Topic Pool (Long List) · Prioritization Topic (Shortlist) Derivation	Process of identifying impacts, risks, and opportunities relevant to the Company · By stakeholder Impacts, Risks, and Opportunities (IRO) Specification · Impact Pathway Execution	Process of evaluating the level of identified impacts, risks, and opportunities · Environmental and social impact assessment (Inside- Out) · Financial impact assessment (Outside-In)	Process of selecting material issues based on assessment results and reporting to the highest decision-making body · Setting thresholds and selecting final material issues · Highest decision-making body

Materiality Assessment Results GRI 3-2

The Company selected the top six material issues by quantitatively assessing environmental, social, and financial impacts and qualitatively evaluating ESG strategic direction and internal importance. Among these, the highest-ranking topics were Response to Climate Change, Human Resources Management, and Ethics and Compliance Management, in that order.

Category	Topic	Environmental and Social Impact	Financial Impact
Environment	Climate Change Response	High	High
	Resource Circulation Management	High	Mid
Social	Human Resources Management	High	Mid
	Safety and Health	High	Mid
	Supply Chain Management	High	Mid
Governance	Ethics and Compliance Management	Mid	High

Stakeholder Engagement GRI 2-29

Samsung Electro-Mechanics pursues sustainable growth by actively engaging with diverse stakeholders, including customers, shareholders and investors, employees, suppliers, local communities, and the media. The Company builds trust by operating tailored communication channels for each stakeholder group and actively integrating their key interests and requirements into its business operations. Moving forward, the Company will continuously expand these channels to foster transparent communication and strengthen collaborative relationships with stakeholders.

Stakeholders	Communication Channels	Key Interests	Key Activities
Customers	· Newsroom, social media channels · Online PR Hall · Product catalogs · Component Library	· Product and service quality · Accurate product information · Prompt response · Transparent communication	· Listening to customer feedback and seeking solutions · Introducing the latest technologies and industry trends · Monitoring policies on hazardous substances in products by customer and country
Shareholders & Investors	· General Meeting of Shareholders · Analyst meetings · Quarterly management briefings · Samsung Electro-Mechanics Newsroom · Business Report	· Financial performance · ESG risk management · Stable business operations · Transparent information disclosure	· Transparent governance operations and disclosure · Strengthening shareholder return policies · Operating the ESG Committee under the Board of Directors · Quarterly earnings releases
Employees	· Hanulim Council · Mental Health Center · Learning Platform · Compliance Program · One-on-One Meetings · Town Hall Meetings	· Safe and Happy Workplace · Labor-Management Relations · Mental Health · Opportunities for Learning and Growth · Benefits and Compensation	· Listening to employee feedback and resolving grievances · Providing counseling and meditation classes for employee mental health · Providing customized training programs · Conducting compliance training and providing manuals by compliance category
Suppliers	· Win-Win Cooperation Academy · Supplier Code of Conduct · Supplier CEO Workshop · Shared Growth Program · Procurement Portal Site	· Strategic Partnerships · Fair Trade · Shared Growth · Workers' Human Rights	· Listening to supplier feedback and seeking solutions · Strengthening suppliers' regulatory response capabilities · Strengthening joint development cooperation · Conducting compliance management evaluations
Local communities near business sites	· Meetings with local governments · Meetings with social welfare organizations	· Revitalizing the local economy · Corporate social contributions · Protecting local community health	· Environmental conservation activities near business sites · Giving back through employee volunteering · Operating CSR programs for education and employment
Media	· Press releases · Newsroom · Press seminars	· Information transparency · Information accuracy · Information timeliness	· Hosting seminars on industry trends, technologies, and product knowledge

21 Response to Climate Change
36 Resource Circulation Management
40 Human Resources Management
51 Safety and Health
59 Supply Chain Management
67 Ethical and Compliance Management

Material Topics

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Response to Climate Change TCFD Report

Governance

Management and Oversight Roles of Decision-Making Bodies GRI 2-12

The ESG Committee under the Board of Directors of Samsung Electro-Mechanics oversees overall ESG management, including environmental issues such as climate change, energy, greenhouse gas emissions, and water resources. Comprising four Independent Directors and two Inside Directors, the Committee reviews and approves key agenda items regarding short-, mid-, and long-term strategies for the response to climate change and the transition to carbon neutrality. The Sustainability Management Office submits these agenda items following consultations with relevant departments, including the Safety and Environment Team and the Infrastructure Team. The ESG Committee holds regular biannual meetings, with a total of two regular meetings held in 2025. In 2022, the Committee approved an environmental management strategy encompassing goals for the response to climate change and resource circulation, with key achievements and progress reported annually since then.

Board of Directors' Management and Oversight of Climate Change

Role of the Board of Directors	ESG Committee	Purpose & function	Management and oversight of key ESG strategies and issues, including climate change
		Composition	4 independent (non-executive) directors, 2 inside (executive) directors
		Reporting line	Key agenda items reported to the Board of Directors
Role of Management	Safety and Environment Conference	Purpose & function	Oversight of greenhouse gas reduction and energy-saving plans, and issue management
		Composition	Participation of key executives, led by the CSO[1)]
		Reporting line	Key agenda items reported to the CSO

1) CSO: Chief Safety Officer

Key Climate Change Agenda Items

Date	Agenda Item	Description	Reported/ Approved
2025.04.28	Disclosure of the Sustainability Report	Report on the disclosure of the Sustainability Report, including climate change-related content such as carbon neutrality targets, plans, and performance	Approved
2025.11.26	Report on ESG Operations and Regulatory Trends	Report on global climate and ESG disclosure regulatory trends and disclosure status	Reported
2025.11.26	Report on the status of the response to climate change	Report on 2025 climate change-related performance, including renewable energy transition targets and performance, and greenhouse gas reduction initiatives	Reported

Competency of Decision-making Bodies

Samsung Electro-Mechanics appoints experts with extensive knowledge and experience in management, economics, law, or related technologies as Independent Directors on the Board of Directors. In addition, the ESG Committee has appointed an environmental expert as its chair to lead discussions on the response to climate change.

Consideration of Climate-related Risks and Opportunities in Key Decision-making

Samsung Electro-Mechanics incorporates safety, environment, and infrastructure reviews into its investment process for major decisions, such as business feasibility reviews and new investment approvals. The Company proactively reviews risks and opportunities related to environmental regulatory compliance, investments in prevention facilities, greenhouse gas emission reductions, and the transition to renewable energy, reflecting them in its decision-making.

Role of Management GRI 2-13

Samsung Electro-Mechanics' management continuously reviews the risks and opportunities climate change may present to overall business operations, striving to minimize environmental impacts by implementing strategies for the response to climate change. Additionally, management regularly convenes the Safety and Environment Conference to discuss climate-related risks, as well as business and financial impacts that may arise during operations, integrating these insights into the climate change risk management process.

Management Performance Evaluation and Compensation Related to Climate Change

To internalize climate change risk management, Samsung Electro-Mechanics has incorporated safety and environment-related metrics into the regular performance evaluation system for management. In particular, performance indicators, including the renewable energy transition rate and energy cost savings, were incorporated into the performance evaluation framework for the executive overseeing the Global Safety Center and linked to compensation.

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Response to Climate Change TCFD Report

Strategy

| Climate-related Risks and Opportunities GRI 201-2

Identification of Climate-related Risks and Opportunities

Samsung Electro-Mechanics selected key factors and assessed their materiality in order to identify climate-related risks and opportunities that could affect the Company's outlook. For physical risks, it identified impacts by time period by leveraging various methods such as peer and industry analysis, stakeholder surveys, and roundtables, together with Jupiter Intelligence, a specialized global climate-modeling service provider, and determined the expected timing of each risk and opportunity. The expected time horizons for climate-related impacts were set as short-term (within 1 year), medium-term (within 5 years), and long-term (beyond 5 years), reflecting global climate-change response goals and the Company's long-term vision while also addressing a rapidly changing technological environment and market conditions, particularly with regard to the international community's goal of carbon neutrality by 2050. In addition, Samsung Electro-Mechanics recognizes the impact of climate change on its business and considers climate-related risks and opportunities in its decision-making processes, thereby strengthening the linkage between climate-related impacts and strategic decision-making, and plans to continue building out its climate-change response framework going forward.

Climate-related Risks, Opportunities, and Expected Impact Types

Risks and Opportunities			Description	Impact and Expected Timeframe[1]
Physical Risk	Acute	Typhoons, floods	• Risk of product and facility damage, loss from flooding, and power outages due to natural disasters	-[2]
	Chronic	Drought	• Increased operating costs due to rising potential water prices	
Transition Risk	Policy and Legal	Rising carbon credit prices	• Increased purchasing costs due to rising carbon credit prices and expanded paid allocations driven by stricter global carbon regulations	Short-term, Mid-term, Long-term
		Stricter GHG emission reporting obligations	• Fines for non-compliance with the Enforcement Decree of the Act on the Allocation and Trading of Greenhouse-Gas Emission Permits	Mid-term, Long-term
	Technology	Low-carbon product development	• Increased R&D costs for low-carbon product development • Increased investment and operating costs due to new line expansion	Mid-term, Long-term
		Transition to low-carbon production processes	• Increased investment costs for low-carbon production facilities	Short-term, Mid-term, Long-term
	Market	Increased production costs due to fuel and electricity price fluctuations	• Increased purchasing costs due to unit price fluctuations of non-renewable energy sources (electricity, natural gas, crude oil, etc.)	Short-term, Mid-term, Long-term
Opportunities	Resource efficiency	Use of low-carbon production processes and logistics systems	• Cost reduction through manufacturing process improvements and efficiency gains • Reduced greenhouse gas emission-related costs and operating expenses by decreasing electricity and fuel consumption	Mid-term, Long-term
	Energy sources	Use of low-carbon and renewable energy	• Decrease in production costs due to lower renewable energy purchase costs and reduced non-renewable energy purchases	Mid-term, Long-term
	Products	Increase in sales of low-carbon and existing products	• Increase in sales driven by growing demand for low-carbon products and services	Short-term, Mid-term, Long-term

1) Short-term: Within 1 year (2026), Medium-term: 1 to 5 years (2027-2030), Long-term: Over 5 years (2031-)
2) For physical risks, the expected financial impact of a disaster was calculated over the entire analysis period, without identifying the expected time of actual occurrence.

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Response to Climate Change TCFD Report

Strategy

| Climate-related Risks and Opportunities

Alignment of Impact Timeframes for Identified Risks and Opportunities with Strategic Planning Periods

Samsung Electro-Mechanics sets the expected time horizons over which the impacts of climate-related risks and opportunities materialize as short-term (within 1 year), medium-term (within 5 years), and long-term (beyond 5 years). This reflects global climate-change response goals and the Company's long-term vision, while also enabling flexible responses to a rapidly changing technological environment and market conditions. In particular, its long-term strategy aimed at 2050 is aligned with the international community's direction toward achieving carbon neutrality. At the same time, Samsung Electro-Mechanics recognizes the significant impact that climate change has on its business operations and corporate value, and takes climate-related risks and opportunities into account. Through this, Samsung Electro-Mechanics plans to continue strengthening the linkage between climate-related impacts and the Company's strategic decision-making.

Raw material procurement

Risks and Opportunities		Current and Expected Impacts
Physical Risk (Acute)	Typhoons and floods	(Current) Increase in short-term transportation and procurement costs due to port closures and logistics delays (Expected) Increase in costs due to supply instability and rising raw material prices
Physical Risk (Chronic)	Drought	(Current) Increase in operating costs due to delays in raw material mining and refining (Expected) Increase in costs due to supply instability and rising raw material prices
Transition Risk	Increase in production costs due to fluctuations in fuel and electricity prices	(Current) Increase in raw material procurement costs due to rising supplier production costs (Expected) Increase in operating costs due to securing long-term contracts and inventory for stable procurement
Opportunities	Use of low-carbon and renewable energy	(Current) Reduction in upstream GHG emissions (Expected) Reduction in procurement costs due to energy price stabilization and decreased reliance on imported fuels

| Business Model and Value Chain

Current and Anticipated Impacts on the Business Model and Value Chain

Samsung Electro-Mechanics consists of three business divisions: passive components, package substrate, and camera modules. Each division produces core components for various electronic devices, including smartphones, PCs, and industrial applications. The Company also strengthens its competitiveness by operating multiple domestic and overseas production bases and global sales subsidiaries.

Samsung Electro-Mechanics' value chain comprises R&D, raw material procurement, production, logistics, marketing and sales, and services. At each stage, the Company develops new technologies, secures stable materials, and provides technical support to customers. Furthermore, in line with Sustainability Management, the Company actively advances company-wide initiatives, including environmental impact assessments, energy efficiency improvements, and carbon emission reductions.

In particular, Samsung Electro-Mechanics has determined that its raw material procurement and production divisions will be the most significantly affected depending on the level of climate change mitigation and adaptation, and it has therefore designated these divisions as areas for managing climate-related risks and opportunities. Accordingly, it systematically identifies the climate-related risks and opportunities anticipated at each stage of the value chain, and it establishes monitoring systems and response strategies to manage them. A detailed analysis of the current and anticipated impacts of the identified climate-related risks and opportunities across the entire value chain is included in this report.

R&D

Risk and Opportunities		Current and Expected Impacts
Transition Risks	Transition to low-carbon production processes	(Current) Increase in facility investment costs due to the early stage of process improvements, such as the adoption of low-carbon equipment (Expected) Increase in operating costs for the operation and maintenance of low-carbon equipment, and long-term reduction in production costs due to improved energy efficiency and lower emissions allowance costs
	Development of low-carbon products	(Current) Increase in R&D investment costs (Expected) Increase in facility investment costs due to the expansion of production lines

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Response to Climate Change TCFD Report

Strategy

| Strategy and Decision-Making

Current and Anticipated Impacts on the Business Model and Value Chain

Production

Risks and Opportunities		Current and Anticipated Impacts
Physical Risks (Acute)	Typhoons, floods, etc. Natural disasters	(Current) Short-term revenue decline due to production and operational delays (Expected) Increase in operating costs and insurance premiums due to equipment restoration and enhanced maintenance
Transition Risks	Increase in carbon credit prices	(Current) Increase in operating costs due to rising carbon credit prices and electricity rates (Expected) Increase in mid- to long-term investments and operating costs due to the need to scale up the transition to low-carbon processes
	Stricter GHG emissions reporting obligations	(Current) Fines incurred due to non-compliance with relevant laws and regulations (Expected) Decrease in new orders and revenue due to a decline in brand image and trust
Opportunities	Use of low-carbon and renewable energy	(Current) Increase in operating costs due to the purchase of carbon credits and fossil fuels (Expected) Reduction in production costs due to the stabilization of renewable energy prices and decreased reliance on imported fuels

Logistics

Risks and Opportunities		Current and Anticipated Impacts
Physical Risks (Acute)	Typhoons and floods	(Current) Decreased supply chain efficiency due to transportation delays (Anticipated) Increased supply chain instability and impact on logistics costs due to natural disasters

Marketing and Services

Risks and Opportunities		Current and Anticipated Impacts
Opportunities	Increased sales of low-carbon and existing products	(Current) Short-term profitability improvements (Anticipated) Securing revenue stability through customer diversification and market expansion, and improving medium- to long-term profitability

Areas of Concentrated Risks and Opportunities

Samsung Electro-Mechanics recognizes its raw material procurement and production divisions as areas where climate-related risks and opportunities are concentrated. Accordingly, it identifies the climate-related risks and opportunities that may arise at each stage of the value chain, and it also establishes monitoring systems and response strategies to manage them. Through this approach, Samsung Electro-Mechanics strives to manage climate-related risks while actively capitalizing on new business opportunities.

Establishing Response Strategies for Risks and Opportunities_① Direct and Indirect Mitigation and Adaptation Efforts

An analysis of the impact of climate-related physical and transition risks and opportunities on the business model identified no changes requiring a fundamental transition. However, Samsung Electro-Mechanics is exploring various measures to enhance its resilience against potential risks and maximize climate-driven opportunities. Accordingly, the Company has established key strategies to directly and indirectly address climate-related risks and opportunities, and is implementing them in phases.

Direct Mitigation and Adaptation Efforts

Risks and Opportunities		Current Efforts	Anticipated Actions
Physical Risks	Typhoons and floods Risks	• Enhancing disaster prevention facilities at business sites • Building a weather monitoring system	• Establishing long-term response strategies • Establishing disaster recovery plans and conducting regular drills • Reviewing diversification of business site locations • Strengthening supply chain risk management
	Drought	• Expanding water reuse facilities • Establishing a rainwater harvesting system	• Raising water reduction targets for business sites in water-stressed areas • Investing in the development of alternative water resources
Transition Risks	Rising carbon prices	• Implementing GHG emission reduction activities	• Transitioning to 100% renewable energy (by 2050)
	Stricter GHG emission reporting obligations	• Regularly monitoring changes in regulations and guidelines	• Enhancing the consistency of statutory reporting items and data
	Low-carbon product development	• Investing in product energy efficiency improvements	• Incorporating low-carbon design in the R&D phase
	Rising energy costs	• Implementing energy reduction initiatives	• Using low-carbon fuels and transitioning to renewable energy
Opportunities	Use of low-carbon/renewable energy	• Monitoring renewable energy markets/policies	• Transitioning to 100% renewable energy (by 2050)

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Response to Climate Change TCFD Report

Strategy

| Strategy and Decision-Making

Indirect Mitigation and Adaptation Efforts

Category	Current Efforts	Anticipated Actions
Supply Chain Management	Diversification of raw material suppliers	Support for strengthening supply chain climate risk management
Product Development	Acquisition of low-carbon product certifications	R&D for low-power products
Stakeholder Engagement	Response to and management of external ESG assessments	Continuous monitoring of and response to stakeholder requirements
Low-Carbon Market Monitoring	Renewable energy market and policy monitoring	Identification of carbon reduction/removal projects

Establishing Response Strategies for Risks and Opportunities_② Key Activities for Addressing Climate Change

The international community recognizes achieving carbon neutrality by 2050 as a top priority to minimize corporate environmental impacts and limit the rise in global temperature to 1.5°C. In line with this trend, Samsung Electro-Mechanics likewise supports the goals of the Paris Agreement and is implementing measures to reduce carbon emissions, including energy reduction activities at its business sites, process gas reduction, acquisition of product carbon footprint certifications, and the transition of company vehicles to electric vehicles. In addition, to implement the RE100 initiative, it is pursuing the installation of solar self-generation facilities at its business sites, the adoption of on-site and off-site Power Purchase Agreements (PPAs), and the purchase of Renewable Energy Certificates (RECs), with a plan to transition to 100% renewable energy by 2050.

Greenhouse Gas Reduction Activities

Samsung Electro-Mechanics is working to reduce its use of electricity and energy, which accounts for more than 90% of the company's total greenhouse gas emissions. After analyzing the factors behind year-over-year changes in energy use, the company sets reduction targets and manages its greenhouse gas reduction goals through company-wide energy-saving activities such as operating energy-saving tasks by site and process, adopting high-efficiency energy equipment and technologies, and reducing process gas emissions.

Environmental Energy Investment and Operation

Samsung Electro-Mechanics is making investments in the environmental and energy field, including switching to high-efficiency equipment to reduce power consumption and building process gas reduction facilities to cut CF4 emissions.

Overseas Subsidiary GHG Management System

As greenhouse gas emissions have increased at its overseas production subsidiaries in China, Vietnam, the Philippines, and elsewhere, Samsung Electro-Mechanics monitors the greenhouse gas emissions of these overseas production subsidiaries. When expanding overseas plants, it consults with the relevant departments in advance to collect and manage data related to emission increases.

Transition of Corporate Vehicles to EVs

Samsung Electro-Mechanics has established a goal to transition 100% of its corporate vehicles[1] to electric vehicles by 2030. To achieve this, the Company is building electric vehicle charging infrastructure in the parking lots of its domestic sites, creating an environment where employees can use electric vehicles more conveniently.

1) All purchased/leased vehicles, including executive vehicles and commuter buses

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Response to Climate Change TCFD Report

Strategy

Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities _ ③ Energy Use Reduction Activities GRI 302-4

Samsung Electro-Mechanics sets reduction targets every year to lower its energy use and, led by an energy task force, continuously pursues the operation of high-efficiency equipment and efficiency-improvement activities. In particular, aiming for a 5% reduction against the energy cost plan established each year, it introduces energy-saving equipment that has undergone specification review when adopting new equipment, and it actively considers the adoption of high-efficiency materials and renewable energy technologies during the new construction and expansion of buildings and plants, thereby striving to reduce energy across the entire company.

Monitoring Energy Usage and Operating the Energy Savings TF

To identify the types and volumes of energy used, as well as areas of energy loss, Samsung Electro-Mechanics annually reviews the causes of fluctuations in energy consumption and analyzes potential reduction factors. Based on this analysis, the Company establishes reduction targets and implements various improvement initiatives. To drive these efforts, the Company established an Energy Savings Task Force (TF) comprising 312 members (as of the end of 2025), ranging from the CFO, who leads the initiative, to manufacturing site personnel. The TF spearheads energy reduction efforts across manufacturing sites by optimizing equipment operation in alignment with production volumes, managing the application of sleep modes, and identifying and implementing new energy-saving projects. Successful initiatives are shared and rolled out across all sites, driving company-wide improvements in energy efficiency. Furthermore, the Company regularly reviews energy consumption and the implementation status of site-specific initiatives through meetings led by the CFO and CSO.

Renewable Energy Transition (RE100)

As part of its efforts to achieve carbon neutrality, Samsung Electro-Mechanics joined RE100 in 2022, establishing a goal to transition to 100% renewable energy by 2050. As part of these efforts, Samsung Electro-Mechanics transitioned a total of 291,553 MWh of electricity to renewable energy in 2025 and launched a new direct Power Purchase Agreement (PPA) project at its Busan site, introducing solar power generation facilities. In addition, the Company is gradually increasing the share of renewable energy used at its subsidiaries in Tianjin, China, the Philippines, and Vietnam through initiatives such as the purchase of Renewable Energy Certificates (RECs) and the adoption of off-site PPAs.

Energy Savings Management System

Samsung Electro-Mechanics pursues energy reduction activities across all of its business sites in Korea and overseas based on its energy management system (ISO 50001). Each year, after analyzing the factors behind increases and decreases in energy use, it sets reduction targets and manages the activities and verification processes for achieving them in a standardized manner. Reduction targets have been assigned so that all departments can participate, and to carry these out, the Company operates a company-wide energy reduction organization involving all departments, including manufacturing, development, facilities, and quality, thereby strengthening execution capability. In addition, it incorporates energy use management indicators into management evaluation items and, through an executive consultative body, drives the responsibility and participation of management so that reduction tasks can be planned and implemented.

Energy Expertise Enhancement Training

Samsung Electro-Mechanics enhances operators' energy efficiency capabilities by conducting specialized training that covers carbon neutrality and infrastructure equipment technologies, such as the principles of inverters and solar power facilities. In 2025, the Company conducted a total of 15 training sessions through departmental leader lectures and job study groups.

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Response to Climate Change TCFD Report

Strategy

Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities _ ③ Energy Use Reduction Activities

Energy Savings Activities Through Data Analysis GRI 302-5

To improve energy efficiency in the manufacturing process, Samsung Electro-Mechanics categorizes energy consumption by point of use and correlates it with production volume to precisely manage energy usage during product manufacturing. Based on this approach, the Company analyzes data on production volume, climate conditions, and energy consumption, comparing metrics across sites to drive an upward standardization of energy efficiency. In its Cleanroom[1] operations, the Company achieves energy savings by utilizing outdoor air and heat exchangers during winter to minimize chiller operation. Furthermore, by analyzing equipment and production conditions using internal data, the Company has improved energy efficiency without compromising equipment performance or product quality.

For major utility facilities, the Company optimizes energy supply by time of day and improves operational efficiency by implementing a load management system and analyzing data. Additionally, the Company applies a Sleep Mode to equipment that requires continuous operation but does not directly contribute to production, thereby reducing unnecessary energy waste. When procuring new equipment, the Company conducts preliminary reviews focused on energy efficiency to actively introduce high-efficiency equipment featuring a Sleep Mode function.

1) A space with restricted airborne particle concentration that requires specific temperature, humidity, and pressure conditions to ensure the smooth operation of processes and equipment as well as product quality.

Activities and Expected Outcomes

Category	Integrated Supply Improvement	Improved Waste Heat Utilization From Heating Equipment	Establishing a Production-linked Work Environment
Activity details	Optimizing supply efficiency through integrated supply based on utility equipment load analysis	Heating pure water using waste heat from utility equipment operations	Optimizing energy efficiency by daily monitoring the shutdown of idle equipment and additional operations according to daily production changes
Expected outcomes	Reduced power and fuel consumption, and improved equipment maintenance efficiency	Reduction in LNG consumption	Reduction in electricity consumption

Supplier Energy Savings System / Energy Savings Consulting GRI 203-2

Samsung Electro-Mechanics operates various programs to improve supplier energy efficiency. In partnership with the Korea Energy Agency, the Company provides free energy reduction consulting to help suppliers implement environmental and energy management practices. To date, 15 suppliers have participated. This initiative contributes to improving supplier energy efficiency, reducing greenhouse gas emissions, and establishing energy management systems. Since 2022, the Company has dispatched energy experts to 12 suppliers to conduct energy audits and identify reduction measures, and it continues these activities in 2025.

CASE | Employee Participation in the Global Climate Crisis Response Campaign

In March 2025, Samsung Electro-Mechanics conducted an at-home lights-out campaign for its employees in Korea to mark Earth Hour, a global climate action campaign organized by the World Wide Fund for Nature (WWF). This campaign aims to raise awareness of climate change and the importance of energy conservation, and has been held annually for five years since 2022.

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Response to Climate Change TCFD Report

Strategy

Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities _ ④ Climate-related Transition Plan

The Company is establishing and implementing various strategies to achieve carbon neutrality by 2050. To transition to 100% renewable energy, the Company is installing on-site solar power generation systems and introducing on-site Power Purchase Agreements (PPAs). Concurrently, it is purchasing Renewable Energy Certificates (RECs) and adopting off-site PPAs. To enhance energy efficiency, the Company continuously introduces high-efficiency equipment and technologies while improving energy utilization by increasing productivity and strengthening cost competitiveness. Furthermore, the Company has established a phased plan to transition all corporate vehicles to electric vehicles by 2030 and is building charging infrastructure across its sites. To reduce energy costs, the Company is strengthening the activities of its Energy Savings Task Force and encouraging company-wide participation. It is also upgrading its energy consumption monitoring and analysis systems. In addition, the Company continuously provides training on energy efficiency and carbon neutrality for its employees. To reduce greenhouse gas emissions across the value chain, the Company is strengthening cooperation with suppliers and continuously improving energy efficiency through manufacturing process innovations. Achieving this transition plan requires the continuous advancement of renewable energy, high-efficiency equipment, electric vehicles, and energy efficiency technologies and infrastructure. Furthermore, government policies and support for renewable energy, investments in developing energy-efficient technologies, and the awareness and participation of employees in energy conservation are essential. The implementation progress of the transition plan is regularly monitored by the Energy Savings Task Force led by the CSO, as well as through committees overseen by the CFO and CSO. The plan may be adjusted as necessary.

Climate-related targets and achievement plans

Target	Action Plan
Achieve carbon neutrality by 2050	• Install on-site solar power generation systems and implement on-site PPAs • Purchase Renewable Energy Certificates (RECs) and implement off-site PPAs • Adopt high-efficiency energy equipment and technologies • Improve productivity and enhance cost competitiveness
Transition to 100% renewable energy by 2050	• Join and implement the RE100 initiative • Establish renewable energy transition roadmaps for domestic and overseas sites • Utilize various renewable energy procurement options
Transition 100% of the corporate fleet to electric vehicles by 2030	• Establish a phased electric vehicle adoption plan • Build electric vehicle charging infrastructure at business sites
Continuously reduce energy and power consumption	• Strengthen Energy Savings Task Force activities and encourage company-wide participation • Enhance energy consumption monitoring and analysis systems • Conduct employee training on energy efficiency and carbon neutrality

Resource Procurement for Strategy Execution

Samsung Electro-Mechanics expects to fund various activities, such as energy efficiency improvements, to achieve its transition plan using internal reserves.
For more details, please refer to Part III. Financial Matters in the Business Report.

Progress on Previously Disclosed Plans

The progress on Samsung Electro-Mechanics' climate-related transition plan for the previous period is as follows.

Progress on Climate-related Targets

Previously Established Target	Category	2025 Target	2025 Performance	Achievement Status
Reduce power consumption	Pursue continuous reduction	5% annual reduction	7.6% reduction	Achieved
Obtain carbon footprint certification	Increase the cumulative number of certified products	23	23	Achieved
Transition to zero-emission corporate vehicles	100% transition by 2030	5%	5%	Achieved

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Response to Climate Change TCFD Report

Strategy

| Financial Impact GRI 201-2

Financial Impact by Risk and Opportunity Factor ① Current Financial Impact

The current financial impact of the identified risks and opportunities on Samsung Electro-Mechanics' business model is as follows.

Current Financial Impact

Risks and Opportunities			Financial Impact Pathways
Physical Risk	Acute	Typhoons and floods	• Product and facility damage from natural disasters • Revenue loss due to production and business interruptions
	Chronic	Drought	• Increased water usage costs
Transition Risk	Policy and Legal	Rising carbon prices	• Recognition of GHG emission liabilities and emission allowance trading
		Strengthened GHG reporting obligations	• Fines for non-compliance with emission reporting obligations
	Technology	Low-carbon product development	• R&D expenses for carbon emission reduction • Investment and operating costs for new line expansions
		Transition to low-carbon production processes	• Production process transition costs
Opportunities	Resource efficiency	Use of low-carbon production processes and logistics systems	• Cost savings on fuel and carbon credit purchases through the transition to low-carbon production processes
	Energy sources	Use of low-carbon/ renewable energy	• Reduction in external renewable energy purchase costs
	Products	Increase in sales of low-carbon and existing products	• Increase in sales of electric vehicle components

Financial Impact by Risk and Opportunity Factor ② Anticipated Financial Impact

To address the identified physical risks, Samsung Electro-Mechanics is establishing a climate disaster emergency response system and plans to minimize damage to its business sites through periodic facility aging assessments.

As a key strategy to address transition risks, the Company aims to transition to 100% renewable energy by 2050. To achieve this, the Company plans to install on-site renewable energy generation facilities and purchase renewable energy, which is expected to increase tangible assets and operating expenses.

In addition, Samsung Electro-Mechanics is advancing energy reduction initiatives to reduce emissions. While implementing these strategies may lead to short-term cost increases, the Company expects to achieve cost savings in the mid- to long-term by enhancing its climate change response capabilities and improving energy efficiency.

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Response to Climate Change TCFD Report

Strategy

| Climate Resilience

Climate Resilience Assessment_① Physical Risks

Based on the location of each business site, Samsung Electro-Mechanics utilizes highly reliable models such as the IPCC's three scenarios and CMIP6, and conducted scientific and reliable physical risk analysis using Jupiter Intelligence™, a risk analysis tool capable of predicting the future through AI deep learning analysis. As a result of the analysis, it identified flooding, typhoons, and droughts as major physical risks and is continuously pursuing activities to respond to them. However, long-term forecasting inherently involves uncertainty, and because the analysis results are estimates predicted on the basis of current climate models and data, they may change in the future depending on new modeling techniques or data.

Physical Risk Analysis

Target of Analysis	Analysis Method
Analyzed risk exposure levels to eight types of disasters across 12 sites[1] of major domestic and overseas production and sales subsidiaries, and measured the financial impact of five disasters (typhoons, heatwaves, droughts, heavy rain, and wildfires) 1) Domestic (3): Suwon, Sejong, and Busan sites / Overseas (9): Tianjin, Shenzhen, and Gaoxin (China), Vietnam, Philippines, San Jose, Frankfurt, Singapore, and Tokyo subsidiaries	Conducted scenario analysis on physical risks corresponding to the disaster types analyzed by Jupiter Intelligence™, including floods, typhoons, droughts, heatwaves, wildfires, heavy rain, hail and thunderstorms, and cold waves

Analysis Results and Risk Response Measures

- Identified floods, typhoons, and droughts as the risk factors with the highest potential for major losses under SSP1-2.6, SSP2-4.5 and SSP5-8.5 climate change scenario
- Financial impact analysis identified droughts, floods, and typhoons as the primary physical risks with the highest financial impact under the 2050 SSP5-8.5 (4.4°C) Scenario

Physical Risks	Analysis Results	Response Measures
Floods	After evaluating physical risk exposure based on the maximum flood depth and area criteria at the business site, some corporations were identified as showing relatively high flood risk exposure.	• Maintain flood protection and drainage facilities, and secure emergency response equipment • Establish emergency response scenarios for various situations
Typhoons	After evaluating physical risk exposure based on maximum wind speed criteria, some corporations were identified as showing relatively high typhoon risk exposure.	• Implement typhoon damage prevention activities and operate an emergency duty system • Organize an emergency response team and conduct scenario-based training
Droughts	After evaluating physical risk exposure based on the ratio of water supply and demand in the region where the business site is located, some corporations were identified as showing relatively high drought risk exposure.	• Establish mid- to long-term plans and implementation tasks to improve water reuse rates

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Response to Climate Change TCFD Report

Strategy

| Climate Resilience

Climate Resilience Assessment_② Transition Risk Analysis

Samsung Electro-Mechanics analyzed transition risks across its domestic and overseas sites and sales subsidiaries, utilizing the Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS), and Net Zero Emissions by 2050 Scenario (NZE) presented by the International Energy Agency (IEA), as well as seven scenarios provided by the Network for Greening the Financial System (NGFS).

Rising carbon prices and the transition to low-carbon production processes were identified as the highest risk factors. The Company derived the quantitative financial impacts of these transition risk factors and assessed its resilience to them.

However, these scenarios are based on various assumptions and variables, and the calculated financial impacts may entail significant uncertainties.

Transition Risk Analysis

Target of Analysis		Conducted transition risk analysis on domestic and overseas sites and sales subsidiaries.
Analysis Method		Calculated financial losses from transition risk factors using the Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS), and Net Zero Emissions by 2050 Scenario (NZE) presented by the International Energy Agency (IEA), as well as seven scenarios provided by the Network for Greening the Financial System (NGFS).
Analysis Results and Risk Response Measures	Rising carbon prices	• Calculated financial losses caused by rising carbon prices and evaluated the Company's resilience using the seven scenarios from the IEA and NGFS. • Determined that Samsung Electro-Mechanics has sufficient resilience against rising carbon prices based on its 2050 carbon neutrality strategy and 100% renewable energy procurement plan.
	Transition to low-carbon production process	• Calculated financial losses resulting from increased capital expenditures and operating costs for production process improvements, and evaluated the Company's resilience, as the need to transition existing processes to low-carbon technologies increases. • The Company has the resilience to mitigate these risks in the long term in accordance with its net-zero strategy.

Climate Resilience Assessment_③ Opportunity Analysis

Scenario analysis identified expanding renewable energy use as a key strategy to reduce Samsung Electro-Mechanics' carbon emissions. At Samsung Electro-Mechanics, carbon emissions from electricity use during the manufacturing process account for more than 90% of its total emissions, and by converting its existing fossil fuel-based electricity to renewable energy, it can effectively reduce its Scope 2 emissions. The Company is securing renewable energy to reduce greenhouse gas emissions generated during its manufacturing processes.

Areas of Significant Uncertainty

Analyzing the financial impacts of and resilience to climate change involves various uncertainties. The areas of uncertainty analyzed by the Company are as follows:

Uncertainty Factors

Category	Description of Uncertainty	Risks and Opportunities
Scenarios Uncertainty	Inherent uncertainty in climate change pathways and impacts under IPCC scenarios due to climate system complexity and forecasting limitations	Physical risks
	Inherent uncertainty regarding future carbon and energy price projections published in IEA and NGFS scenarios	Transition risks, Opportunities
Model Uncertainty	Potential discrepancies between actual financial impacts and modeling results due to simplifications and assumptions in the financial modeling process	Physical risks, Transition risks, Opportunities
Model Coverage	Remaining physical risks that are difficult to quantify financially due to limitations in the types of physical risks that can be calculated through financial modeling	Physical risks
Carbon Credit Price Volatility	Risk of significant future volatility in national carbon credit prices due to domestic and international political factors and changes in supply and demand, despite using IEA scenario analysis results	Transition risks, Opportunities

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Response to Climate Change TCFD Report

Strategy

| Climate Resilience

Capacity to Adjust or Adapt Strategy and Business Model in Response to Climate Change

Availability and Flexibility of Existing Financial Resources

Backed by its stable financial structure, Samsung Electro-Mechanics possesses the financial flexibility to respond to climate-related risks and capitalize on opportunities. To achieve company-wide RE100 by 2050, the Company is investing in expanding solar power generation facilities.

Ability to Relocate, Repurpose, Upgrade, or Decommission Existing Assets

To respond to climate change, the Company focuses on efficiently utilizing and improving existing assets. It improves the energy efficiency of existing production lines by introducing high-efficiency equipment and recycles waste heat by establishing recovery systems. Additionally, it optimizes energy use in production processes by implementing smart factory systems. These capabilities will serve as a foundation to respond swiftly to stricter regulations and market shifts driven by climate change.

Impact of Current and Planned Investments

Samsung Electro-Mechanics is making continuous investments to strengthen its climate resilience. Each year, the company invests in R&D for product development, and in particular, it is concentrating its investments on developing related components such as MLCCs (Multilayer Ceramic Capacitors) for electric and autonomous vehicles. As a result, the company expects to be well positioned to respond proactively to market changes arising from the transition to a low-carbon economy. In addition, to reduce greenhouse gas emissions, the company plans to invest in energy efficiency improvements and the transition to renewable energy. These investments are expected to strengthen Samsung Electro-Mechanics' ability to respond to climate risks, enhance its competitiveness in the eco-friendly market, and thereby contribute to improving long-term corporate value.

| Methodology for Climate-related Scenario Analysis

Input Variables Used in Climate-related Scenario Analysis

Physical Risk	
Climate-related scenarios	· SSP1-2.6 (<2°C): A scenario that limits global warming to below 2°C by achieving net zero by 2050 · SSP2-4.5 (2~3°C): A scenario where current socio-economic trends largely continue, resulting in a global temperature rise of 2 to 3°C · SSP5-8.5 (>4°C): A scenario where high greenhouse gas emissions lead to a global temperature rise exceeding 4°C
Scenario Sources	· IPCC Sixth Assessment Report (2021)
Physical Risk Assessment Methodology	· Evaluates the impact of each climate-related physical risk using Jupiter Intelligence's climate forecasting program based on the above scenarios
Alignment with Latest International Agreements	· Aligns with major recent agreements (UNFCCC and the Paris Agreement)
Relevance to Resilience Assessment	· The IPCC presents predictable future scenarios based on scientific evidence, and resilience assessment is considered the most appropriate basis for analyzing the physical impacts of climate change
Analysis Timeframe	· The timeframe is set from the current period to 2100 to identify climate change trends
Scope of Analysis	· A total of 12 sites, including the headquarters and subsidiaries

Transition Risks and Opportunities	
Climate-related scenarios	· NZE (Net Zero Emission by 2050): A stringent scenario assuming the global energy sector achieves net zero emissions by 2050 · APS (Announced Pledges Scenarios): Assumes all climate commitments, including national NDCs and long-term carbon neutrality targets, are implemented as planned · STEPS (Stated Policies Scenarios): Assumes the implementation of currently enacted and announced policies based on an assessment of each country's policy landscape · Additionally utilizes the NGFS Net Zero 2050, Fragmented World, Current Policies, and NDCs scenarios as supplementary references
Scenario Sources	· IPCC Sixth Assessment Report (2021)
Alignment with Latest International Agreements	· IEA and NGFS scenarios are deemed relevant for assessing risks arising from policy, technological, and market changes during the transition to a low-carbon economy.
Relevance to Resilience Assessment	· IEA and NGFS scenarios are deemed relevant as they enable financial institutions to systematically understand and respond to climate-related transition risks.
Analysis Timeframe	· 2025–2050
Scope of Analysis	· The analysis includes the parent company.

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Response to Climate Change TCFD Report

Strategy

| Methodology for Climate-Related Scenario Analysis

We conducted a climate-related scenario analysis during the current reporting period.

Key Assumptions Used in Climate-related Scenario Analysis

Assumption Factors	Details of Assumptions
Climate-related Policies by Jurisdiction	· Domestic Emissions Trading Scheme
Macroeconomic Trends	· IEA global population and GDP growth projections · NGFS global inflation rate projections
National and Regional-Level Variables	· Carbon price projections – Carbon price projections for South Korea under the IEA Net Zero scenario / Carbon price projections for South Korea under the NGFS Net Zero 2050 scenario · Electricity price projections – Electricity price projections under the NGFS Net Zero 2050 scenario · Renewable energy options – Price projections for the domestic Green Premium system / Assumptions for REC price projections by country · Natural gas price projections – Natural gas price projections under the IEA Net Zero / NGFS GCAM 6.0 Net Zero 2050 scenarios
Energy Consumption and Mix	· Consideration of Samsung Electro-Mechanics' internal renewable energy procurement targets and plans
Technology Development	· Assumptions for technology development under the IPCC SSP scenarios · Assumptions for technology development under the IEA scenarios · Assumptions for technology development under the NGFS scenarios

Risk Management

| Climate Change Risk Management

Climate Change Risk Identification and Assessment

Upon identifying and assessing climate risks, Samsung Electro-Mechanics determined that increased production costs from rising raw material prices and the financial impacts of expanding low-carbon and renewable energy use will gradually grow. In response, the Company is actively advancing energy reduction initiatives and reducing Scope 2 emissions by expanding the use of renewable electricity, such as solar and wind power. Furthermore, the Company plans to continuously invest in improving product energy efficiency.

Climate Change Risk Management Process

In accordance with the Energy Management System (ISO 50001), Samsung Electro-Mechanics comprehensively reviews its progress and performance against climate change response targets, stakeholder communication, improvement opportunities, and follow-up actions from previous management reviews. Based on these reviews, the Company advances effective energy management by assessing impacts on its strategic direction and identifying needs for system improvements. Furthermore, the Company maintains its international certification through external audits conducted by specialized third-party certification bodies.

| Company-wide Integrated Risk and Opportunity Management Process

To effectively respond to climate change risks, Samsung Electro-Mechanics has established and operates a four-step response process encompassing identification, evaluation, management, and follow-up measures.

STEP 1	STEP 2	STEP 3	STEP 4
Risk Identification	**Risk Assessment**	**Risk Management**	**Follow-up Measures**
· Identify physical and policy/regulatory risk factors · Identify risk levels and financial impacts	· Conducting surveys on the financial impacts of physical risks · Conducting risk assessments based on policy trends and peer analysis	· Planning and implementing GHG reduction activities · Monitoring natural disasters at major logistics hubs (ports, airports, and production/sales subsidiaries) · Forecasting emission intensity factoring in line expansions and future production volumes	· Integrated management of company-wide climate change risks based on the energy management system · Operation of a company-wide environmental management council to manage climate-related targets and performance (quarterly) · Review of changes in GHG emission facilities and emissions through biannual internal audits

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Response to Climate Change TCFD Report

Metrics & Targets

| Management Metrics for Response to Climate Change

Key Metrics

To actively respond to climate change, Samsung Electro-Mechanics manages environmental metrics such as Scope 1, 2, and 3 GHG emissions, location- and market-based Scope 2 emissions, GHG emissions intensity, and energy and water consumption.

In particular, to strengthen GHG emissions management across the value chain, the Company discloses Scope 3 GHG emissions data generated throughout its operations and obtains third-party verification to ensure reliability and accuracy.

To internalize climate change risk management, the Company incorporates climate change response criteria into the regular performance evaluations of executives, including the Chief Safety Officer (CSO). For the environmental management team, which is responsible for execution, organizational KPIs include renewable energy usage, power consumption reduction, water reuse rates, and the transition to eco-friendly vehicles. Additionally, the Company operates the safety communication platform (SEM-S) to enable employees to freely submit improvement ideas related to climate change and energy, providing incentives for outstanding proposals every quarter. Through these initiatives, the Company ensures that all personnel, including executives, prioritize safety and the environment across all business operations. Moving forward, Samsung Electro-Mechanics plans to continuously enhance its environmental performance metrics as well as its evaluation and compensation systems.

Greenhouse Gas Emissions GRI 305-1, 305-2, 305-3, 305-4, 305-5

Category		Unit	2021	2022	2023	2024	2025
Scope 1 and 2 Emissions	Total GHG Emissions (Scope 1, 2) · Location-based	tCO_2e	1,466,843	1,345,879	1,408,035	1,493,658	1,607,570
	Total GHG Emissions (Scope 1, 2) · Market-based	tCO_2e	1,461,538	1,342,568	1,321,390	1,342,533	1,396,472
	Scope 1	tCO_2e	113,118	117,758	106,477	94,477	99,109
	Scope 2 (Location-based)	tCO_2e	1,353,725	1,228,121	1,301,558	1,399,181	1,508,461
	Scope 2 (Market-based)	tCO_2e	1,348,420	1,224,810	1,214,913	1,248,056	1,297,363
	Carbon Intensity[1]	tCO_2e/KRW 100 million	15.1	14.2	14.8	13	12.3
Scope 3 Emissions	Total Scope 3 Emissions	tCO_2e	188,987	279,100	479,713	503,705	560,012
	C1. Purchased goods and services	tCO_2e	39,826	144,311	318,807	302,191	255,305
	C2. Capital goods	tCO_2e	2,740	3,853	1,869	2,133	3,492
	C3. Fuel- and energy-related activities (not included in Scope 1 or 2)	tCO_2e	9,434	9,054	7,964	39,707	58,674
	C4. Upstream transportation and distribution	tCO_2e	60,442	49,800	30,710	33,119	79,339
	C5. Waste generated in operations	tCO_2e	20,686	20,648	14,125	20,642	23,570
	C6. Business travel	tCO_2e	1,547	3,865	4,565	5,247	7,656
	C7. Employee commuting	tCO_2e	13,730	11,005	14,411	14,453	14,340
	C8. Upstream leased assets	tCO_2e	895	1,170	1,129	1,772	1,936
	C9. Downstream transportation and distribution	tCO_2e	–	–	–	–	16,511
	C10. Processing of sold products[2]	tCO_2e	436	467	63	53	64
	C11. Use of sold products[2]	tCO_2e	14,349	15,390	62,809	56,056	67,092
	C12. End-of-life treatment of sold products[2]	tCO_2e	243	261	3,151	2,562	8,745
	C13. Downstream leased assets	tCO_2e	0	0	0	0	0
	C15. Investments[3]	tCO_2e	24,659	19,276	20,110	25,770	23,288

1) Carbon intensity is calculated based on Scope 1 and Scope 2 (market-based) emissions.
2) 2023–2024 figures restated due to a change in the calculation methodology
3) GHG emissions generated by investee companies through investment activities

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Response to Climate Change TCFD Report

Metrics & Targets

Management Metrics for Response to Climate Change

Approach to Calculating Greenhouse Gas Emissions

Samsung Electro-Mechanics applies the following approach to measure its greenhouse gas emissions.

Category	Standards and Guidelines
Direct and Indirect Greenhouse Gas Emissions	· Guidelines on Reporting and Certification of Emissions under the Greenhouse Gas Emissions Trading Scheme (Ministry of Environment Notification No. 2025-64) · 2006 IPCC Guidelines for National Greenhouse Gas Inventories · ISO 14064-1: 2018 · ISO 14064-3: 2019 · BSI Greenhouse Gas Emissions Verification Manual
Other indirect GHG emissions	· ISO 14064-1: 2018 · The GHG Protocol of the WBCSD/WRI – WBCSD/WRI Technical Guidance for Calculating Scope 3 Emissions (version 1.0)

Response to Climate Change Targets

Greenhouse Gas and Energy Reduction Targets

Samsung Electro-Mechanics pursues its 2050 carbon neutrality goal by reducing Scope 1 and 2 greenhouse gas emissions. The Company flexibly responds to internal changes, such as establishing new business divisions or expanding overseas manufacturing facilities, and external market variables, including the growing demand for automotive and electronic components, while continuously implementing annual energy-saving initiatives.

The Company is committed to achieving its greenhouse gas reduction targets by gradually expanding renewable energy adoption, optimizing production and utility facility operations, and transitioning to high-efficiency equipment. In line with the global transition to renewable energy, the Company joined RE100 in 2022 and plans to transition to 100% renewable energy for all electricity used across its business sites by 2050. Furthermore, Samsung Electro-Mechanics aims to maintain energy costs within 5% of revenue by 2050. To reduce Scope 1 emissions, the Company has installed and operates treatment facilities to mitigate greenhouse gas emissions from process gases. It is also exploring offset measures to remove residual emissions. To reduce Scope 3 emissions, the Company continues to minimize business travel and promote video conferencing.

Target Review Process

Samsung Electro-Mechanics has established and is implementing initiatives to achieve carbon neutrality. These include transitioning to 100% renewable energy by 2050, reducing energy consumption, and operating process gas abatement facilities. The Company reported its primary targets to the ESG Committee under the Board of Directors in 2022. The Environmental Management Council, chaired by the responsible executive, reviews performance against targets every quarter, and the Company reports its response status to the ESG Committee annually.

Performance Analysis Against Targets

Samsung Electro-Mechanics is committed to transitioning to 100% renewable energy by 2050. In 2025, the Company transitioned 291,553 MWh to renewable energy through on-site PPAs and renewable energy certificate purchases. It is also pursuing a 5% reduction against projected power consumption, and achieved a 7.6% reduction in 2025 by optimizing manufacturing equipment operations and adjusting HVAC temperatures. Furthermore, the Company has established a target to transition 100% of its corporate fleet to electric vehicles by 2030, and is advancing annual initiatives to adopt electric vehicles and expand charging infrastructure.

Information on Targets

To respond to climate change, Samsung Electro-Mechanics established targets including transitioning to renewable energy, reducing energy consumption[1], operating process gas abatement facilities, and converting corporate vehicles to zero-emission vehicles. Specific goals include transitioning to 100% renewable energy by 2050, reducing projected company-wide power consumption by 5%, converting 100% of corporate vehicles to electric vehicles by 2030, and obtaining carbon footprint certifications for 23 products.

1) Energy consumption reduction represents the reduction in energy use relative to the projected consumption.

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Resource Circulation Management

Governance

| Decision-Making Body for Resource Circulation Management

Decision-Making System and Roles

Samsung Electro-Mechanics operates a working-level decision-making structure to systematically implement resource circulation management. Led by the Safety and Environment Team, the Company regularly compiles and analyzes waste generation data across all sites, monitors performance against reduction targets, and develops improvement measures. Environmental managers at each site periodically review key metrics, including waste treatment methods, recycling rates, and hazardous waste management. They also proactively assess regulatory compliance and potential risks. Furthermore, through the Environmental Management Council, the Company reviews waste management performance and future plans on a quarterly basis, tracking implementation progress to ensure targets are met. Management oversees the Zero Waste to Landfill certification status of domestic and international business sites, as well as the certification status of circular resources at domestic operations, while monitoring company-wide resource circulation performance. To ensure alignment with the Company's environmental objectives, best practices in waste management are shared across business sites, and improvement measures are developed and implemented in collaboration with relevant departments. Through this operational governance framework, Samsung Electro-Mechanics manages waste-related environmental risks and advances its waste reduction performance.

Organizational Chart

Management	• Supervise Zero Waste to Landfill (ZWTL) certification status at domestic and overseas sites • Supervise circular resource recognition status at domestic sites • Supervise company-wide resource circulation performance
Environmental Management Council	• Review progress and strategic direction of resource circulation initiatives • Review waste management performance and future plans • Manage implementation levels to achieve targets
Safety and Environment Team (HQ)	• Compile and analyze waste generation by site • Monitor performance against reduction targets • Establish improvement measures and manage company-wide implementation
Site Environmental Managers	• Manage waste disposal methods and recycling rates • Review hazardous waste management status • Proactively review regulatory compliance and environmental risks
Site Execution Organizations	• Execute waste discharge, sorting, and disposal • Implement recycling and resource recovery • Advance reduction activities and on-site improvements

Strategy

| Risks and Opportunities in Resource Circulation Management

Identifying Risks and Opportunities in Resource Circulation Management

Samsung Electro-Mechanics identifies risks and opportunities in waste management and resource circulation. Due to the nature of its business, waste is generated during the component manufacturing process. The Company legally discharges and treats this waste to prevent environmental pollution and the social treatment costs associated with leaks.

The Company establishes and implements various waste management strategies, including the lawful treatment of hazardous waste, in order to mitigate potential waste-related risk factors and convert opportunity factors into tangible business performance. Furthermore, the Company manages its recycling rates through Zero Waste to Landfill (ZWTL) certifications and the circular resource recognition system, while pursuing initiatives to utilize waste as a resource. In addition, when waste-related issues arise, the Company manages environmental risks by sharing the details through its reporting system and establishing and implementing appropriate response measures.

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Resource Circulation Management

Strategy

| Strategy and Decision-Making

Establishing Risk and Opportunity Response Strategies_① Improving Waste Recycling Rates GRI 306-1, 306-3

Samsung Electro-Mechanics is working to improve its waste recycling rate, having established a goal to maintain a rate of over 99% (in accordance with the Korean government's recycling calculation method). For hard-to-recycle waste, the Company explores viable recycling methods through a bimonthly company-wide council and expands its recycling initiatives by identifying new processing partners. Additionally, the Company proactively manages waste-related issues by conducting quarterly on-site inspections and regularly monitoring changes in environmental regulations. To further enhance resource circulation, the Company conducts internal waste discharge inspections and strictly adheres to separation standards for incinerable waste. The Company also provides annual training and awareness campaigns for employees. As a result of these efforts, the waste recycling rate stands at 99% in 2025.

Establishing Risk and Opportunity Response Strategies_② Zero Waste to Landfill Certification

Samsung Electro-Mechanics has pursued Zero Waste to Landfill (ZWTL) certification across its sites based on a strategy to reduce environmental impact by improving waste recycling rates and minimizing incineration and landfill. Awarded by the global safety science company UL Solutions, the ZWTL certification serves as a key indicator of a company's resource circulation performance. It grants Platinum (100%), Gold (99–95%), and Silver (94–90%) ratings based on the percentage of workplace waste diverted for reuse. To achieve this certification, the Company operated a quarterly company-wide council to verify performance and reduce non-recyclable waste. The Company has obtained and maintains Platinum-grade ZWTL certification across all seven of its business sites in Korea and overseas, and it has incorporated this certification into its management objectives so that implementation performance is reflected in the evaluation of management's performance. In addition, the Company collaborated with external partners to establish a resource circulation process that reuses cleaning fluids generated during manufacturing. Building on these efforts, the Tianjin subsidiary in China applied for the Chinese government's 'Zero Waste Enterprise Certification' in 2024 and was recognized as an outstanding 'Zero Waste' enterprise for its success in minimizing resource waste and maximizing waste reuse.

Establishing Risk and Opportunity Response Strategies_③ Waste Reduction Activities

Samsung Electro-Mechanics implements multifaceted initiatives to systematically reduce waste generated during the manufacturing process, including source reduction, expanded recycling, and social contribution programs. Major domestic sites, including Suwon, Busan, and Sejong, continuously reduce waste generation by converting waste into circular resources. They also lower incineration rates and increase resource circulation by reusing and selling waste designated for incineration. Additionally, the Company actively participates in environmental resource donation programs for vulnerable groups, contributing to the creation of social value through waste reduction. Based on Samsung Electro-Mechanics' proprietary calculation tool, the positive social value generated through the recognition of waste as circular resources is estimated to be approximately KRW 130 million.[1)]

1) The measurement period is from January 1 to December 31, 2025. The measurement was conducted based on data managed by the Company, using national statistics, research findings, and other relevant sources. The monetary values used in the measurement may be subject to change as new research findings become available. As the completeness of the measurement results cannot be independently verified, the results should not be considered part of the Company's financial disclosures.

Details of Waste Reduction Activities

Reducing Waste Generation	Reducing Incineration Heat Recovery Recycling Rate
· Contributing to the reduction of waste generation through the acquisition of 7 types of 'Circular Resource[1)] Recognition'	· Transitioned designated waste from incineration to reuse and sale
· Circular resources in 2024: 6,141 tons · Circular resources in 2025: 6,501 tons	· Transitioned electrolytic copper waste solution from partial to full recycling (260 tons/year, 0.6% increase in recycling volume) · Transitioned empty containers from incineration to recycling

1) Circular resources refer to materials or objects among waste that are recognized by the Minister of Environment as non-waste in accordance with Article 21 of the Act on the Promotion of Transition to a Circular Economy and Society.

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Resource Circulation Management

Strategy

| Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_④ Improving Waste Treatment Methods
Samsung Electro-Mechanics systematically implements granular waste management by expanding the recycling of waste destined for incineration and landfill and advancing its waste treatment processes. Key improvement activities include enhancing the recycling of raw material transport containers at domestic sites and diverting landfilled waste to recycling at overseas sites. In particular, the Suwon site strives to reduce the use of new products by utilizing pH adjusters and coagulants produced from recycled process waste.

Status of Waste Treatment Method Improvements

Region	Improvements	Previous Treatment Method	Improved Treatment Method
Busan	Transitioned to recycling empty waste paste containers	Incineration	Recycling
Tianjin	Transitioned to recycling plating abrasive balls	Landfill	Recycling
Vietnam	Transitioned to recycling glass waste into bricks	Incineration with heat recovery	Recycling

Establishing Response Strategies for Risks and Opportunities_⑤ Enhancing Resource Efficiency
Samsung Electro-Mechanics reduces transport volumes and waste generation by standardizing packaging dimensions to optimize box space. The Company is also strengthening a resource circulation system centered on reuse and recycling by minimizing the use of single-use packaging. These initiatives apply not only to products delivered to customers but also to all materials and products exchanged among raw material suppliers and overseas subsidiaries. In particular, because relying on non-localized packaging at overseas production subsidiaries can incur continuous maritime and air logistics costs for transporting packaging materials, Samsung Electro-Mechanics operates under a strict policy of localizing packaging materials.

Risk Management

| Management of Risks and Opportunities Related to Waste Management

Risk and Opportunity Management Framework_① Waste Monitoring and Management Process GRI 306-2
For general office waste, the Company uses five-tier recycling bins to facilitate material separation. For designated waste, it utilizes dedicated sealed collection bins to strengthen discharge management. To prevent spills during transport, the Company restricts waste discharge to designated times and conducts on-site visits to waste disposal contractors at least once a year to verify lawful processing.

Waste Monitoring and Management Process

STEP 1 — Annual Management Plan Development
- Establish waste management plans for regulatory compliance, on-site improvements, and operational management
- Establish annual management plans for areas requiring regular inspections, such as quarterly and semi-annual reviews

STEP 2 — Waste Segregation and Storage
- Manage storage areas to prevent the mixing of designated and general waste
- Comply with legal storage standards and periods by waste type

STEP 3 — Selection of Waste Treatment Contractors
- Proactively prevent illegal activities by reviewing the waste treatment processes of selected contractors, including site conditions, licensing legality, and storage status

STEP 4 — Management of Waste Treatment Contractors
- Establish waste management plans for regulatory compliance, on-site improvements, and operational management
- Establish annual management plans for areas requiring regular (semi-annual) inspections

STEP 5 — Waste Treatment Management
- Reviewing worksite waste treatment performance and reporting to the government, and establishing improvement plans for priority management of generated and non-recycled waste
- Verifying waste recycling rates through third-party Zero Waste to Landfill (ZWTL) certification

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Resource Circulation Management

Metrics & Target

Resource Circulation Management Metrics and Targets

Resource Circulation Management Metrics

Investments for Waste Minimization

Samsung Electro-Mechanics has obtained recognition from government agencies for designating its waste as circular resources, and is continuously expanding the scope of its waste reduction efforts. By consistently verifying the economic value of waste and its potential for recycling as raw material, the company ensures that resources are not left unused but rather reintroduced into production as raw materials—thereby contributing to the prevention of the depletion of the Earth's resources.

Resource Circulation Management Targets

Disposable Item Reduction Activities

Samsung Electro-Mechanics is implementing various activities to achieve its ‘’Complete Replacement of Single-Use Items Across Company Cafeterias and Cafés' goal. The Company replaced plastic packaging and PET bottles in its cafeterias with paper and can alternatives, and substituted plastic takeout bags with reusable eco-bags. Additionally, employee welfare facilities, including the in-house cafe and 'Himnaeba,' transitioned to canned beverages and paper cups. The 'Miracle Routine: A Small Habit to Save Myself and the World' campaign encourages the separate collection of milk cartons generated within the workplace. Through this campaign, the Company has partnered with Suwon City Hall since 2020 to exchange discarded milk cartons for toilet paper rolls based on collection volumes, donating them annually to marginalized communities.

Resource Circulation Goal

After achieving Zero Waste to Landfill (ZWTL) Platinum certification early across all domestic and overseas sites in 2024, Samsung Electro-Mechanics has implemented systematic waste management to maintain it at all sites. Waste types and their causes are regularly monitored, with a target set to maintain a recycling rate of 99% or higher. Additionally, the Company has already achieved its 2025 goal of obtaining 'Circular Resource Recognition' for seven types of non-ferrous metals.

Waste Targets and Initiatives	Waste Recycling Rate	Zero Waste to Landfill (ZWTL) Certification	Circular Resource Recognition
2025 Target	Achieve a company-wide recycling rate of over 99%	Maintain company-wide Platinum certification[1]	Obtain 'Circular Resource[2] Recognition' for seven non-ferrous metals
2025 Achievement Status	Achieved a company-wide recycling rate of 99%	Successfully maintained company-wide Platinum certification[1]	Obtained 'Circular Resource[2] Recognition' for seven non-ferrous metals

1) Domestic: Suwon, Sejong, Busan / Overseas: China (Tianjin, Gaoxin), Philippines, Vietnam
2) Circular resources refer to substances or objects among waste that are recognized as non-waste by the Minister of Environment in accordance with Article 21 of the Act on the Promotion of Transition to a Circular Economy and Society.

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Human Resources Management

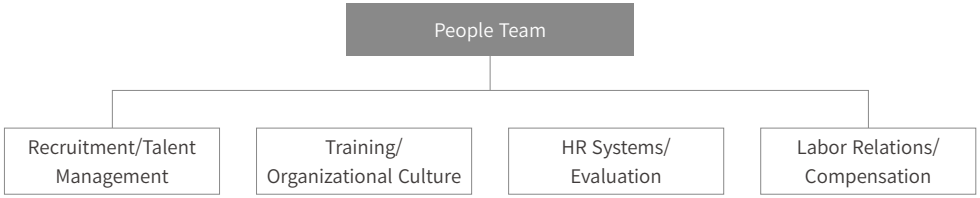
Governance

| Decision-Making Body For Human Resources Management

Decision-Making System and Roles

The corporate HR organization at Samsung Electro-Mechanics contributes to the Company's growth by systematically managing human resources, one of its core assets. It leads various initiatives, including talent recruitment, training and development, performance evaluation, and organizational culture innovation. Through the following organizational structure, each HR unit establishes strategic directions for human resources management, and implements and reports on related activities.

Organizational Chart



Strategy

| Risks and Opportunities in Human Resources Management

Identifying Risks and Opportunities in Human Resources Management

Samsung Electro-Mechanics identifies key risk factors related to human resources management that could impact the Company. As domestic and international demands for diversity and gender equality grow, and related laws and regulations become stricter, considering diversity across all HR processes—including recruitment, training, performance evaluation, and compensation—has become increasingly important. Consequently, the Company recognizes the legal and regulatory risks of failing to systematically manage these elements, along with the potential loss of top talent due to discrimination in HR processes, as key risk factors.

Furthermore, attracting and retaining top talent requires a systematic approach to developing employee competencies. A failure to provide diverse training opportunities and support may hinder internal talent development and the acquisition of future talent. Additionally, a healthy organizational culture directly impacts employees' quality of life. An inadequate organizational culture can increase job stress, potentially leading to employee turnover. Accordingly, the Company operates various human resources management programs to systematically manage these identified risks and mitigate their likelihood of occurrence.

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Human Resources Management

Strategy

| Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_① Talent Recruitment and Management

Ideal Candidate Profile and Fair Recruitment Process Samsung Electro-Mechanics maintains a fair recruitment process that offers equal opportunities to all candidates, free from discrimination based on gender, educational background, or other factors. On this basis, we practice open, competency-based hiring that respects the diversity of our talent and establishes a foundation for them to grow into key talent.

Recruiting Top Talent Samsung Electro-Mechanics is committed to attracting top talent capable of leading the future across a wide range of fields.
For entry-level recruitment, the Company provides employment opportunities to diverse groups by hiring high school and two-year college graduates alongside university graduates. High school and university internship programs also offer students opportunities to gain practical corporate experience and knowledge. For Ph.D. candidates and experienced professionals, the Company fosters a merit-based recruitment culture through on-demand hiring tailored to specific job and business unit requirements.

Strengthening Recruitment Branding The Company is conducting various branding activities to build a more approachable image for Samsung Electro-Mechanics, a B2B company. The Company operates coffee trucks and career counseling booths to support students during university exam periods. It is also designing various character merchandise inspired by its three flagship products to naturally promote them in everyday life. Additionally, the Company invited university students interested in Samsung Electro-Mechanics to Hangang Park for a 'plogging' (a combination of 'plocka upp' [to pick up] and 'jogging') event, promoting both health and environmental protection while introducing the Company. Furthermore, the Company continuously strives to provide top talent with direct and indirect opportunities to engage with Samsung Electro-Mechanics.

Contributing to STEM Talent Development Samsung Electro-Mechanics operates an ongoing internship program in which university students majoring in science and engineering carry out R&D support tasks over a six-month period. The program strengthens our technological competitiveness internally while offering students meaningful, real-world corporate experience. As of 2025, 20 students took part in the program over the course of the year.

CASE | Student Corporate Experience Program for New Hire Recruitment

Samsung Electro-Mechanics operates a range of programs designed to develop and recruit talented future engineers. A flagship example is the "Engineering Practice Course," held for science and engineering students during the winter break. Through this program, students gain firsthand exposure to corporate life and engineering roles via field training, product education, and mentoring, helping the Company secure top future talent early and strengthen its business.

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Human Resources Management

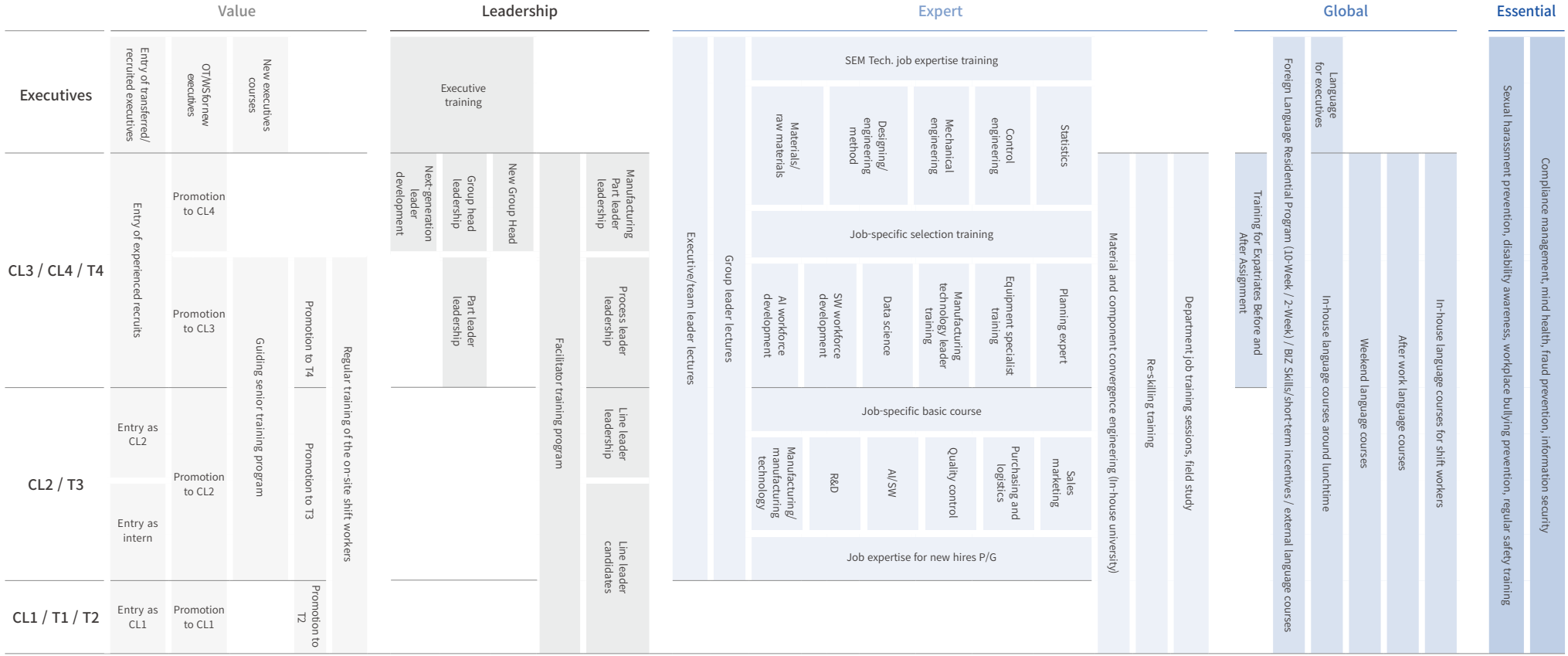
Strategy

| Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_② Talent Development

Samsung Electro-Mechanics cultivates global talent through customized development strategies tailored to employee competencies, roles, and career stages. The Company provides all domestic and overseas employees, including contract and part-time employees, with training in leadership, job expertise, foreign languages, core corporate values, and organizational culture aligned with their rank and experience, continuously striving for the shared growth of the Company and its employees. To strengthen job expertise, the Company operates a 'Leader Lecture' program where executives and group leaders directly share their operational know-how with employees, driving practical competency improvements that can be immediately applied to daily tasks. Furthermore, the Company systematically cultivates leaders by introducing customized leadership models tailored to office, field, and leadership levels. To enhance language proficiency befitting a global organization, the Company also supports various language courses and programs in partnership with external language institutes.

Samsung Electro-Mechanics Talent Development Framework



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Human Resources Management

Strategy

Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_③ Customized Competency Enhancement GRI 404-2

Introductory Training Samsung Electro-Mechanics operates various training programs for new hires who will grow into future leaders, and through training, the Company helps employees acquire the fundamental mindset, understand the organizational culture, and gain essential knowledge to build the foundational competencies required of Samsung Electro-Mechanics employees. The Company also operates a mentoring program to help employees understand their roles and adapt to their departments. Additionally, activities such as site visits and improvement identification projects foster the professionalism and expertise unique to Samsung Electro-Mechanics. Furthermore, the Company provides intensive DX training to strengthen the digital literacy and problem-solving skills required in the AI era.

Job Training Samsung Electro-Mechanics provides systematic job training to enhance employee expertise. The Company establishes roadmaps based on level-specific competency requirements and fosters a voluntary learning culture to encourage self-directed employee growth. To this end, the Company launched the 'SEM Academy' learning platform to provide diverse educational content and supports department-initiated study groups offering advanced job-specific training, while enhancing job expertise through MBA program support and academic training. To strengthen global competencies, the Company operates regional and field expert programs, alongside domestic training programs for employees from overseas subsidiaries. Furthermore, in line with global trends, the Company introduced an AI expert certification system, effective March 2026, as part of its new support and training initiatives to foster AI specialists.

Performance of Competency Enhancement Programs

MBA[1]	Master's degree programs at leading domestic and international universities to foster business leaders
Academic training	Master's and doctoral degree programs at leading domestic and international universities to secure strategic technologies
Regional Specialist	A one-year global talent development program for learning languages and cultures in various regions around the world

Operational Performance	• Enhancing employee expertise and motivation through degree program support for outstanding employees • Enhancing employee global competency through overseas assignments

1) MBA, EMBA

Competency Enhancement Program Completion Status

Category	2023	2024	2025
MBA	3 persons	2 persons	3 persons
Academic training	4 persons	2 persons	2 persons
Regional Specialist	-	12 persons	5 persons

Global Talent Development Training Samsung Electro-Mechanics provides various language training programs to improve employees' foreign language communication skills and intensive programs, such as the 'Foreign Language Dormitory' and 'Short-term Intensive Course,' support employees' development into global experts by providing a dedicated educational environment, separate from regular duties, to learn diverse expressions and situational language skills. Additionally, the Company supports employees who wish to study alongside their regular duties by providing in-house language courses (including for shift workers) and e-learning, telephone, and video language programs. Employees can also regularly evaluate their proficiency through in-house language assessments.

Employees with Foreign Language Qualifications (Domestic)

Category	2023	2024	2025
All levels[1]	3,564 persons	3,696 persons	4,201 persons
Expatriate levels[2]	1,348 persons	1,432 persons	1,577 persons

1) Employees holding group-recognized grades (Grades 4-S) in English, Chinese, Japanese, and Vietnamese
2) Employees holding group-recognized advanced grades (Grade 2 or higher for English and Japanese, Grade 3 or higher for Chinese and Vietnamese)

Employees Completing Language Courses (Domestic)

Category	2023	2024	2025	Remarks
Foreign Language Dormitory	82 persons	61 persons	119 persons	An intensive residential program to develop global experts and enhance language proficiency to expatriate levels
In-house language courses	1,472 persons	2,011 persons	2,475 persons	In-house language courses offered during lunch and evening hours for self-development in foreign languages (concurrent with work)
E-learning	2,642 persons	3,153 persons	3,096 persons	Online Foreign Language Courses

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Human Resources Management

Strategy

Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_③ Customized Competency Enhancement

Promoting Company-wide Coaching Samsung Electro-Mechanics fosters mutual understanding between leaders and team members to drive the development of employee competencies. To enable this, the Company encourages a culture of regular 1-on-1 dialogues. In particular, to ensure systematic 1-on-1 dialogues during the early stages of leadership, the Company has created and distributed the 'One-on-One Guide for New Leaders' and provides coaching and feedback training on performance management and competency development for group leaders. Going forward, the Company plans to continue providing practical support that can be utilized in a timely manner during 1-on-1 dialogues. To enable leaders to conduct these dialogues effectively, the Company will regularly review questions regarding performance management and coaching and link them with online coaching sessions.

ESG Training for New and Experienced Employees Since 2022, Samsung Electro-Mechanics has included ESG lectures as a mandatory course in the introductory training for new employees. This training helps employees understand the Company's purpose and direction. It is also designed to encourage them to learn about and participate in cases where Samsung Electro-Mechanics makes practical contributions to customers and society, in alignment with 'H (Harmony with)' of the Company's core value, RiGHT©.

Training Hours per Employee GRI 404-1

Samsung Electro-Mechanics' training hours per employee in 2025 are as follows.

	2025
Training hours per employee	51 hours

Category	2025
Male	50 hours
Female	53 hours

By position	2025
Executives	25 hours
Managers	55 hours
Staff	49 hours
Non-regular	27 hours

By age	2025
Under 30	51 hours
30-50	51 hours
Over 50	48 hours

Leadership Competency Enhancement Programs Samsung Electro-Mechanics provides leadership programs to help all employees grow through their work and achieve peak performance. The Company operates capacity-building programs. It conducts training for group and part leaders twice a year. In 2025, in line with the introduction of an absolute evaluation system, the Company provided performance management-focused training designed to help leaders set challenging goals and empower employees to achieve higher performance. Newly appointed leaders receive specialized training to understand their roles and responsibilities, supporting them in effectively exercising leadership and influence across work, organizational, and interpersonal dimensions. In addition to regular programs, the Company publishes a monthly leadership newsletter to continuously share leadership insights and provide practical guides that can be immediately applied in the field. For leadership training in the manufacturing sector, the Company focused on cross-functional conflict management and collaboration for manufacturing part leaders to strengthen their capabilities across all site operations, including production, quality, and delivery. Manufacturing process leaders receive coaching leadership training to equip them with the skills necessary to manage organizations and mentor junior employees. For line leaders who directly manage site operations, the Company offers conflict management-focused training to drive collaboration and performance. Furthermore, the Company operates a preparatory training course for line leader candidates to familiarize them with the roles and responsibilities of future supervisors, ensuring they can perform their duties immediately upon appointment.

Status of Leadership Competency Enhancement Programs

Category	Current Status	Participants (Completers/ Eligible Employees) [1]
Group Leader Leadership Training	· Provided leadership training for leaders on department workforce and performance management (twice a year) · (H1) Understanding the absolute evaluation system, performance management, and leadership drive and execution · (H2) Generative AI & data leadership for leaders, performance management	· (H1) 86.2% · (H2) 84.6%
Part Leader Leadership Training		· (H1) 89.3% · (H2) 96.9%
On-site Leader Training	· Redefined roles and required competencies for each position to provide training aligned with R&R · Common for all levels: Special lecture on AI · Manufacturing Part Leaders: Decision-making/organizational leadership · Manufacturing Process Leaders: Communication/collaboration, communication skills · Manufacturing Line Leaders: (H1) Identifying strengths, mutual understanding, team member coaching / (H2) Organizational management, team member coaching, conflict management]	· Manufacturing Part Leaders: 79.1% · Manufacturing Process Leaders: 84% · Manufacturing Line Leaders (H1): 88% · Manufacturing Line Leaders (H2): 86%
On-site Leader Candidate Training	· Awareness of on-site leaders' roles and responsibilities, organizational management A to Z, and HR guidelines	· Line leader candidates: 80%

1) All employees completed leadership training, excluding those absent due to overseas business trips or urgent business matters.

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Human Resources Management

Strategy

Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_④ Employee Benefits

Advanced Benefits System Tailored to Employee Life Cycles GRI 401-2 Samsung Electro-Mechanics provides all employees, including regular and contract workers, with a diverse range of equitable benefits. In addition to statutory benefits such as the four major national insurances, the Company offers comprehensive programs that support employees' overall well-being, encompassing lifestyle, culture, and healthcare. Lifestyle and cultural benefits include welfare points, access to corporate resorts, and the operation of on-site daycares and dormitories. Healthcare benefits include support for medical expenses and comprehensive health screenings, alongside the operation of in-house clinics and mental health centers. Furthermore, the Company operates a medical hardship support program to provide additional financial assistance to employees diagnosed with severe illnesses such as heart disease and cancer. However, certain benefits contingent on long-term service may not apply depending on an employee's length of employment or the terms of fixed-term employment contracts.

To foster employee growth and enhance job satisfaction, Samsung Electro-Mechanics operates customized, life-cycle-specific benefit programs. During their tenure, the Company ensures the stability and well-being of employees and their families by supporting club activities, regular health screenings, and children's tuition assistance. To support a stable post-retirement life, the Company also offers retirement planning programs for employees aged 50 and older.

Employee Benefits by Life Cycle

On Joining	Self-Development	Resort/recreation facilities, club activities, wellness programs (in-house fitness), long -service awards, life-transition meditation program
	Childcare Support	Childbirth support, on-site childcare facilities, children's medical expenses
	Health Management	Health checkups, treatment support for three major critical illnesses (stroke, cancer, heart disease), group accident insurance, family care leave
	Financial Planning	Children's tuition, investment/wealth management, tax · debt · comprehensive financial consulting
Retirement	Personal Pension · Retirement Support	Personal pension support, retirement pension, retirement planning, tax · debt · comprehensive financial consulting

Health Management GRI 403-6 In addition to operating an in-house fitness center for employee health management, Samsung Electro-Mechanics helps employees and their spouses prevent diseases and occupational illnesses through health screenings every four years for those in their 20s, biennially for those in their 30s, and annually for those aged 40 and over. The Company provides all employees with group accident insurance and covers inpatient and outpatient medical expenses within the group insurance limits. In particular, the Company provides unlimited coverage for all medical expenses, along with a medical hardship grant of up to KRW 10 million, for employees suffering from three major critical illnesses: stroke, cancer, and heart disease. Unlimited medical expense coverage is also provided if an employee's spouse or child is diagnosed with a critical illness. Additionally, the Company offers a family care leave program for employees who need to care for family members requiring major surgery or nursing care.

Childcare and Family Care Support Samsung Electro-Mechanics provides various family care programs to help employees focus on childbirth and childcare, and flexible working hours, allowing employees to efficiently manage childcare and family responsibilities. For female employees, the Company provides maternity leave, infertility leave and leaves of absence, as well as maternity protection rooms for rest and nursing. Male employees also receive infertility leave and up to 20 days of paid paternity leave. The Company supports employees with children by covering tuition and educational expenses, and by providing gifts for milestones such as entering elementary school and taking the college entrance exam. Notably, the Company fully covers tuition for employees with disabled children. Furthermore, the Company continuously promotes work-life balance by hosting various events for employees' families, including Children's Day celebrations and family camps.

Childcare and Family Care Support by Life Cycle

Life Cycle	Support Programs
Preparation	Health leave, medical expense support for fertility treatments, fertility treatment leave, fertility treatment leave of absence
Pregnancy	Mommy leave, parental leave, reduced working hours during pregnancy, fetal examination leave, maternity leave, maternity lounge
Childbirth	Maternity leave, paternity leave, miscarriage and stillbirth leave, congratulatory money for childbirth/adoption, childbirth congratulatory gifts, family allowance for non-salaried employees, children's medical expenses, maternity lounge
Childcare	Parental leave, reduced working hours for childcare, family care leave, daycare centers, kindergarten tuition support, middle and high school tuition support, university tuition support, tuition support for children with disabilities, support for family medical emergencies

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Human Resources Management

Strategy

| Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_④ Employee Benefits

Post-Retirement Life Support GRI 404-2 To help employees plan their second life after retirement and secure their post-retirement life, Samsung Electro-Mechanics offers a range of retirement support programs, including personal pensions (optional), retirement pension support, career counseling, and assistance with re-employment and entrepreneurship. To help employees plan a financially stable future, the Company provides ongoing financial consulting services. It also runs a life transition meditation program for employees aged 45 and older, and a life planning program for those aged 50 and older. For retirees, the Company assists with job matching, resume writing, and interview preparation to facilitate re-employment. Furthermore, the Company operates diverse initiatives, including a startup preparation course covering business item selection, business planning, and registration procedures, as well as executive programs and industry-academia collaboration professorships.

Pension

Category	Description
Retirement Pension	Provided to all employees with at least one year of service
Personal Pension	The Company subsidizes a portion of the contributions for employees who choose to enroll in a company-linked personal pension plan upon joining.

Reemployment and Second Life Planning

Life Design (Life Planning) →

1. **Career Change** | Job Search Preparation and Strategy (Reemployment)
2. **Career Design** | New Occupations and Certifications (Career Development)
3. **Startup Basics** | Business Planning and Industry Exploration
4. **Industry-Academia Collaboration Professor** | Job Performance Competencies and Coaching Skills

Selective Benefits Program To allow employees to choose benefit options tailored to their individual lifestyles, Samsung Electro-Mechanics offers a flexible benefits program. Employees can spend their annual benefit points on a variety of options, including clothing, groceries, fitness center memberships, health checkups, travel, and cultural performances.

Self-directed Work System Samsung Electro-Mechanics supports individual lifestyles to enhance employee work efficiency and work-life balance. The Company operates a self-directed work system allowing employees to choose their working hours based on their work styles and job characteristics. To enable flexible working, the Company has introduced autonomous commuting and selective working hour systems tailored to employees' work environments. To strengthen maternity protection and caregiving support, the Company offers a reduced working hour system for pregnant employees, those requiring childcare, and employees needing time for family caregiving or personal health management. Additionally, the Company operates a monthly "Refresh Day," allowing employees who have fulfilled their required monthly hours to take the Friday of payday week off for self-development and recharging. The Company also promotes "Work Smart" practices by implementing an hourly annual leave system and providing a platform for employees to manage their working hours and vacation plans. In accordance with the Korean Labor Standards Act, Samsung Electro-Mechanics grants 15 days of paid annual leave to employees who have worked at least 80% of the year.

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Human Resources Management

Strategy

| Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_④ Employee Benefits

Work Environment Support Samsung Electro-Mechanics continuously strives to provide a work environment optimized for enhancing employee efficiency and engagement.

Work Environment Support Status

Category	Description
Dormitories	• Provided to eligible employees in accordance with internal standards • Unrestricted access and use of facilities at any time • Fire and earthquake evacuation drills conducted semi-annually
Employee Cafeteria	• Staffed with dedicated food service professionals (dietitians and chefs) • Provides four free meals a day (breakfast, lunch, dinner, and late-night meal) with diverse menus (Korean, Chinese, Western, healthy options, etc.) • Offers special meals and events twice a month to enhance employees' dining experience • Conducts monthly regular inspections of food and safety to ensure the hygiene and safety of cafeteria facilities

Mental Health Center Samsung Electro-Mechanics operates a professional psychological counseling center staffed by certified experts to support the psychological well-being of its employees. The Company operates the Mind Health Center, an in-house counseling facility providing counseling and educational programs for individuals, couples, and children. The center also offers leadership coaching for managers, psychological assessments, on-site counseling at manufacturing facilities, and department-level group sessions. To help employees effectively manage stress, the Company operates an in-house meditation room and partners with specialized external meditation institutions. Furthermore, to enhance global accessibility to these services, the Company has established online channels, including a dedicated psychological counseling messenger, a mobile application, and video counseling, alongside a 24-hour telephone hotline for immediate emergency response.

CASE | Gatekeeper

The Company conducts annual employee mental health management training for 'Gatekeepers,' who serve as peer counselors within departments at domestic and overseas sites. By regularly sharing mental health information through this initiative, we elevate the standard of our employee mental health management.

Establishing Response Strategies for Risks and Opportunities_⑤ Horizontal Organizational Culture

Fostering an Employee-centered Bottom-up Culture and Promoting Horizontal Communication and Participation

Samsung Electro-Mechanics fosters an employee-centered bottom-up culture and horizontal communication-based organizational culture, by promoting employee-driven cultural activities. Following the introduction of Town Hall Meetings in 2023 to enable direct, casual communication between employees and the CEO, the Company continues to facilitate various engagement initiatives. Notably, in 2025, the Company hosted 37 "Lun-Talk" sessions, where small groups of about eight employees had lunch with the CEO for in-depth discussions on specific themes and shared interests.

Employee Communication Activities

Category	Description
Operating Monthly Council	• Holding monthly GWP Board Councils to deliberate on labor and management agendas • Board Council Composition and Deliberation Items - Trust Board: HR, training, and related systems, as well as compensation and benefits standards - Fun Board: Employee contribution activities, support for personal emergencies, and team-building activities - Pride Board: Improvement of overall company welfare facilities and work environments, and enhancement of productivity and competitiveness - Women Board: Improvement of overall welfare facilities and HR systems related to female employees
Hanulim Suggestions	• The Hanulim Council, representing employees, continuously receives employee grievances regarding infrastructure and work-related issues. • Received issues are addressed in real time through consultation with relevant departments.
SEM Talk	• Anonymous internal bulletin board • All employees can freely create posts

CASE | Town Hall Meeting

Samsung Electro-Mechanics actively holds CEO Town Hall meetings to strengthen transparent internal communication. Beginning with the Electronic Components Business Team in February 2023, the Company held 42 town hall meetings across its Suwon, Sejong, and Busan sites, with an average attendance of 200 employees per session. During these meetings, the CEO shared insights on the Company's business and future, actively engaging with employees in an open environment. This approach to communication has received positive feedback from employees.

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Human Resources Management

Strategy

Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_ ⑤ Horizontal Organizational Culture

RiGHT© Expansion Activities To foster an environment that encourages Challenge, Samsung Electro-Mechanics has been holding the RiGHT© Challenge Competition since 2024. In 2024, employees shared what they learned from their failure experiences, and in 2025, the Company held a challenge case competition highlighting the process and achievements of taking on challenges. Through this, we are building an organizational culture that enhances execution capabilities and grows together.

Culture Fair Activities Emphasizing the leading role of leaders in transforming organizational culture, Samsung Electro-Mechanics has held the leader-driven "Culture Fair" every year since 2020. With leaders taking the lead, the organization identifies its strengths, sets goals together with team members, and carries out annual organizational culture activities. Through this, teams learn from one another's outstanding organizational culture practices, pursuing a culture that advances together.

Valued Leader / Colleague Award On the Company's founding anniversary, Samsung Electro-Mechanics presents the "Valued Leader / Colleague Award" to encourage employee growth and a culture of collaboration. The Valued Leader Award is given to exemplary leaders who encourage their team members to take on challenges and provide direction so they can grow into experts. The Valued Colleague Award is given to exemplary colleagues who improve work efficiency through collaboration with those around them and achieve results together through swift execution. Along with the award, which includes prize money, a plaque and framed certificate, and a bouquet, recipients are also granted additional HR evaluation points.

Establishing a Culture of Peer Recognition and Praise Samsung Electro-Mechanics operates the praise board "SEMQ[1)]" to foster a healthy organizational culture where praise, recognition, gratitude, and encouragement are part of everyday life. Through SEMQ, employees can express their appreciation to colleagues and senior coworkers with messages of praise and recognition, or through points. Such participation spreads positive energy within the organization and serves as a foundation for continuously building a healthy culture of praise. In 2025, a total of 7,150 domestic employees participated, and approximately 36,000 praise messages were posted.

1) A praise bulletin board where employees express recognition and gratitude to their colleagues based on the Company's core value of 'Respect All'

Risk Management

Human Resources Risk and Opportunity Management

Risk and Opportunity Management Framework_① Fair Employee Evaluation and Compensation GRI 404-3

Operation of a Goal-Based Evaluation System Samsung Electro-Mechanics empowers employees to set clear work directions and work proactively through its MBO(Management By Objectives) system. All employees, including contract workers[1)], are evaluated based on this MBO system, which is fairly reflected in compensation, including annual salaries and performance bonuses.

To enhance the fairness and acceptability of evaluations, the Company conducts mid-term reviews and regular one-on-one meetings. Through quarterly One-on-One Weeks, it systematically manages the entire process, from goal setting to performance reviews and feedback. Specifically, annual goals are established in the first quarter, while mid-term performance is reviewed and necessary support is identified in the second and third quarters. In the fourth quarter, evaluations are conducted based on the final results and achievement levels of the goals set at the beginning of the year. Employees who disagree with their evaluation results may request a formal review. To strengthen evaluator capabilities, the Company conducts regular leadership training and provides evaluation manuals. Key leaders undergo an annual 360-degree leadership assessment, receiving personalized feedback and coaching based on evaluations from their supervisors, peers, and subordinates. These results are factored into leadership selection and promotions, further enhancing the fairness of the system. For employee competency evaluations, individuals first assess their own competency levels based on the requirements of their specific job groups, after which leaders conduct formal evaluations based on these self-assessments. During this process, leaders provide feedback to support employee growth, and the evaluation results are utilized for promotions and talent development. Executive and managerial evaluations incorporate ESG-related goals, while safety and quality incident management is factored into the evaluations and incentives of all employees. Furthermore, the Company regularly recognizes outstanding performance, rewarding winning teams with plaques, prize money, and additional points in their performance reviews.

1) Excluding manufacturing contract workers

360-Degree Leadership Assessment

Frequency	Annually
Assessment Targets	Key leaders
Evaluators	Self, supervisors, peers, subordinates
Assessment Criteria	Leadership competencies, leadership-hindering behaviors, strengths/areas for improvement
Evaluation Process	Conduct multi-dimensional leadership assessments → Analyze assessment data → Provide individual feedback and coaching to enhance strengths and address weaknesses
Application	Applied to the selection of candidates for training programs, leadership positions, and promotions

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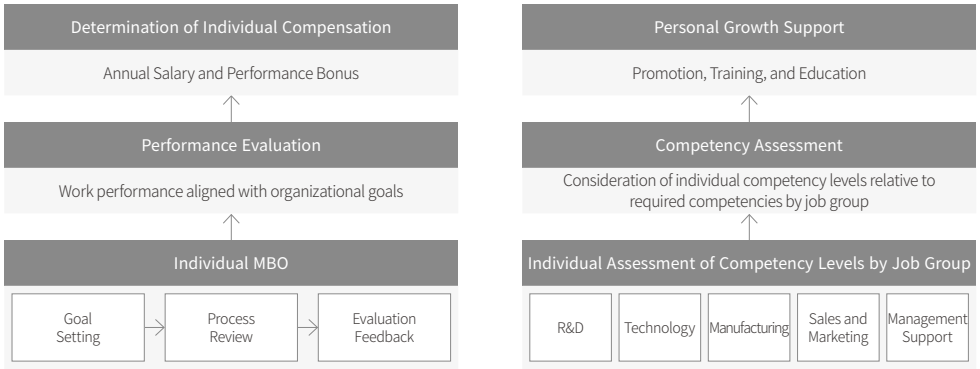
Human Resources Management

Risk Management

| Human Resources Risk and Opportunity Management

Risk and Opportunity Management Framework_① Fair Employee Evaluation and Compensation

Evaluation and Compensation Principles



Evaluation Process

STEP 1	STEP 2	STEP 3	STEP 4
Establish individual annual goals through consultation between leaders and team members	Monitor interim progress toward goals	Enter annual performance against goals	Conduct performance evaluations based on annual results

Consultation Process for KPI Setting

STEP 1	STEP 2	STEP 3
Establish and submit individual annual goals (MBO)	Evaluators assess the appropriateness of the established goals	Submit revised goals if changes occur in tasks or assignments
• Each item is reflected as a quantitative KPI	• Approve annual goals and provide feedback if appropriate • Leaders request revisions and provide feedback if necessary	• Can be conducted at any time based on One-on-One feedback

Risk and Opportunity Management Framework_② Employee Job Satisfaction

As part of its efforts to create a great place to work, Samsung Electro-Mechanics conducts the Samsung Culture Index (SCI), an annual employee satisfaction survey, and analyzes the results from multiple angles to actively inform improvement initiatives. In 2022, the Company revamped its comprehensive satisfaction survey into an Organizational Health Assessment, measuring overall employee satisfaction across three core areas: enjoyable work, supportive colleagues, and a company to be proud of. Based on the assessment results, the Company comprehensively monitors and manages factors related to trust[1], motivation[2], stress[3], and job satisfaction[4]. The survey results are transparently shared with all employees, and group-specific analysis reports are provided to leaders as feedback to help identify and implement improvement measures within each department. In addition, Samsung Electro-Mechanics strives to enhance its organizational culture through upward evaluations, peer reviews, honorific language surveys, and assessments on the internalization of core values. These survey results are not only used to analyze the current status and proactively diagnose issues, but are also incorporated into internal policies aimed at addressing employee VOCs and identifying areas for improvement, ultimately fostering a healthy organizational culture and a work environment that satisfies all employees.

1) Trust 72.3 points
2) Engagement 78.3 points, Growth 71.5 points, Performance 76.3 points
3) Cooperation 76.5 points, Respect 77.4 points
4) Job Satisfaction 75.7 points

Organizational Health Index Survey (Domestic)

Conduct the Organizational Health Index assessment based on a total of 12 items

Enjoyable Work		Supportive Colleagues		A Company to Be Proud Of	
Engagement	Growth	Collaboration	Performance	Trust	Fairness
Efficiency	Job Satisfaction	Respect	Department Satisfaction	Communication	Company Satisfaction
74.7 points		75.5 points		72.2 points	

Risk and Opportunity Management Framework_③ Data-Driven Workforce Management

Samsung Electro-Mechanics analyzes its workforce management status using statistics and data interpretation techniques, and utilizes these insights to recruit top talent, establish strategic workforce plans, enhance employee satisfaction, and measure performance. Furthermore, by monitoring key indicators such as total headcount, leaves of absence, and turnover rates through this system, the Company effectively executes talent recruitment and operational strategies aligned with its business direction.

Material Topics 1 2 3 4 5 6

Human Resources Management

Metrics & Target

| Human Resources Targets

Introduction of the AI Expert Certification System Samsung Electro-Mechanics plans to introduce the 'AI Expert Certification System' in 2026 to secure core AI capabilities and enhance competitiveness. Newly introduced in March, this four-level (Level 1-4) certification program systematically fosters AI talent by linking online training with ProDS (Professional Data Scientist) certification. The program aims to cultivate Level 4 AI developers capable of improving and modifying algorithms.

Requirements for AI Expert Certification

Category	Level 1	Level 2	Level 3	Level 4
Expected Role	· Understand data and machine learning; perform basic data analysis	· Understand AI concepts including statistics; collect, analyze, and utilize data	· Apply data analysis skills to own work	· Lead projects, provide consulting, and improve analysis model performance
Certification Requirements	[Training] Completed 30 hours of e-learning	[Training] Completed 26 hours of e-learning [ProDS] Associate certification obtained	[Training] Completed 27 hours of e-learning [ProDS] Advanced certification obtained	[Training] Scheduled for rollout in H2 2026 [ProDS] Professional certification obtained

Proportion of Key Female Personnel As part of its efforts to promote diversity and inclusion, Samsung Electro-Mechanics is continuously striving to increase the proportion of key female personnel. As of 2025, this proportion stands at 11.0%, and the Company plans to gradually increase it to 11.5% in 2026, 12.2% in 2027, and 12.8% in 2028. Through these targets, Samsung Electro-Mechanics will enhance gender diversity among its key personnel and establish a more balanced leadership structure.

	2025 (Actual)	2026 (Target)	2027 (Target)	2028 (Target)
Target for Increasing Key Female Personnel	11.0%	11.5%	12.2%	12.8%

Material Topics 1 2 3 4 5 6

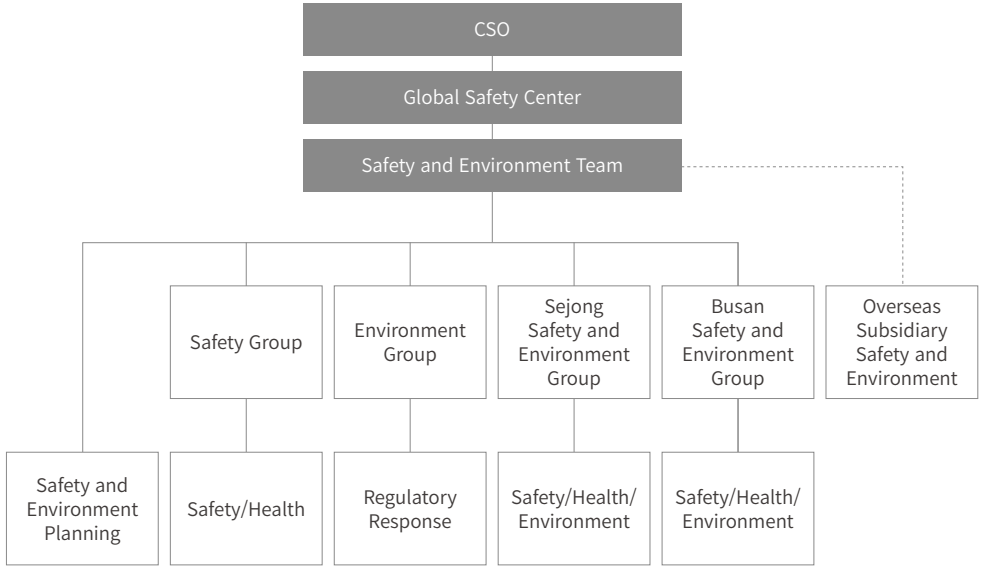
Safety and Health

Governance GRI 403-1

| Decision-making Body for Safety and Health

Working-level organizations manage and execute detailed safety and health goals, while field-level staff lead the development and monitoring of specific implementation plans to achieve these targets. Through this structure, Samsung Electro-Mechanics has established a Safety and Health Governance system that seamlessly integrates strategic oversight by the Board of Directors with operational execution by working-level staff.

Organizational Chart



Key Agenda Items Related to Safety and Health

Date	Agenda Item	Reported/Approved
2025.10.29	Approval of the Safety and Health Plan	Approved

| Consideration of Safety and Health-related Risks and Opportunities in Key Decision-making

We consider safety and health risks and opportunities when reviewing major management issues. During business planning and budget allocation, we assess the impact of safety and health risks on business operations and ensures that adequate resources are allocated for necessary improvements. We also identify key issues and improvement measures, incorporating these insights into its management decisions. Furthermore, the Board of Directors continuously monitors safety and health risks and opportunities, including domestic and international regulatory trends, industry accident cases, and changes in the work environment. By reflecting these factors in mid- to long-term business strategies, the Company proactively manages the potential impact of safety and health risks on future performance. Through these processes, the Company ensures that safety and health considerations are fully integrated into major business decision-making.

Material Topics 1 2 3 4 5 6

Safety and Health

Governance

| Role of Management

Samsung Electro-Mechanics has appointed a Chief Safety Officer to manage and supervise safety and health. The CSO is responsible for employee safety and health, which includes establishing industrial accident prevention plans, recording and maintaining industrial accident statistics, drafting and revising safety and health management regulations, providing safety and health training for workers, overseeing health management, and directing safety and health managers.

| Management Performance and Compensation for Safety and Health

To establish an autonomous safety culture and build a safe workplace, Samsung Electro-Mechanics assigns Management by Objectives (MBO) targets to executives and managers (10% for Division Heads, 15% for Complex/Corporate Heads and Manufacturing Executives, and 5% for Development/Technology Executives), and allocates a 5% weighting to supervisors based on evaluation metrics. We conduct an annual assessment of our safety culture to evaluate and analyze the level of safety management across our workforce. We also implement a range of initiatives, including internal safety and environmental campaigns and employee engagement programs, to strengthen employees' safety awareness and competencies.

| Safety and Health Council GRI 403-4

Industrial Safety and Health Committee

Samsung Electro-Mechanics holds quarterly Occupational Safety and Health Committee meetings, comprising an equal number of employee and management representatives. As of the first half of 2026, the Committee deliberated and resolved a total of 152 key safety and health matters.

Operational Performance of the Occupational Safety and Health Committee

Regular Working-level Council of the Occupational Safety and Health Committee	Industrial Safety and Health Committee	Key Agenda Items
Held quarterly	Held quarterly	· Revision of safety and health management regulations · Accident (fire, pedestrian safety, etc.) prevention activities · Work environment assessment results and improvement activities · Plans and status of employee health checkups · Plans and results of personal protective equipment evaluations · Status of regular safety and health training

Autonomous Safety and Health System

To build a safe workplace, Samsung Electro-Mechanics operates the Safety and Environment Conference and the safety and environment council, with direct participation from managers of each business division, including the Safety and Health Management Officer. Through these bodies, the Company shares and discusses safety and health issues and activities, and strengthens safety and health management responsibilities through the goal management of department heads and the direct participation of management.

Supplier Safety and Health Management

Samsung Electro-Mechanics is committed to making practical improvements to the work environments of its suppliers and preventing accidents. The Company holds the Supplier Safety and Health Council monthly to discuss key issues and provides support activities to improve safety and health levels based on the identified improvement tasks.

Material Topics 1 2 3 4 5 6

Safety and Health

Strategy

| Safety and Health Risks and Opportunities

Identifying Safety and Health Risks and Opportunities

Samsung Electro-Mechanics systematically identifies safety and health risks across its entire value chain. Given the potential for worker exposure to hazards such as fire, asbestos, and electricity during component manufacturing at domestic and overseas sites, the Company identifies occupational fatalities, severe injuries, and occupational diseases as critical risks that can severely degrade the quality of life for employees and their families. Furthermore, the Company identifies regulatory risks arising from stricter domestic and international safety and health regulations, such as the Serious Accidents Punishment Act, as well as the potential legal sanctions and reputational damage resulting from non-compliance, as major risk factors. Additionally, the Company recognizes the potential for accidents caused by inadequate safety management among supplier workers as a supply chain risk. Samsung Electro-Mechanics continuously monitors these identified risks by integrating them into its corporate safety and health management system and implements various response measures to ensure a safe working environment for both its employees and supplier workers.

| Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_① Building a Safety-centric Workplace

Operation of a Goal-Based Evaluation System GRI 403-2 Samsung Electro-Mechanics conducts work environment assessments to establish a safety-centric workplace and implements corrective measures where necessary.

Work Environment Improvement Process

STEP 1	STEP 2	STEP 3
Preliminary Assessment	Current Status Assessment	Improvement Measures
• Identify legal compliance requirements • Receive departmental grievances • Benchmark best practice sites • Identify online VOCs	• Conduct measurements and investigations • Conduct worker interviews • Identify key factors	• Consult on improvement directions • Execute improvement works • Analyze the effects of improvement measures

Accident Prevention Activities Samsung Electro-Mechanics sends CSO safety messages, implements employee safety pledges, and enforces the 'Not To Do List' as a basic safety rule, alongside various other accident prevention activities. It actively promotes hazard identification initiatives with voluntary employee participation and strives to establish an autonomous safety culture by introducing a new safety communication platform (SEM-S) for real-time, two-way communication. Furthermore, the Company sets quantitative targets to drive continual improvement in occupational health and safety performance and build safe workplaces, and conducts safety culture activities. It also operates a grid inspection team to identify unsafe conditions across all sites, implement improvements and monitor progress. When operational changes occur, it systematically manages risks by conducting safety reviews and risk assessments to establish mitigation measures and implement safety and health protocols.

Workplace Safety Rules[1)]

Not To Do List	Tasks
Employee Compliance Rules	1. Do not perform maintenance or repairs on operating equipment. 2. Do not disable safety devices. 3. Do not work without the designated protective equipment for specific hazards. 4. Do not operate equipment without prior training.
Supplier Compliance Rules	1. Do not perform work at heights without a safety harness, or simultaneous work without controlling the work area. 2. Do not work in hazardous situations (Right to Stop Work). 3. Do not perform work at heights, hot work, or heavy equipment operations without a work permit.

1) Safety rules for employees and suppliers have been established and enforced since 2021.

Priority Management for Preventing Major Industrial Accidents

Samsung Electro-Mechanics has developed and operates an in-house prevention and management system covering 12 Process Safety Management (PMS[1)]) elements, including fire and explosion prevention, to achieve the highest level of PSM and zero major industrial accidents. For processes handling large quantities of hazardous materials, the Company prepares, evaluates, and manages process safety reports that incorporate process safety data, risk assessments, safe operating procedures, and emergency response plans. To continuously improve PSM operations, the Company utilizes the PSM system to conduct annual drawing synchronization and qualitative and quantitative assessments, and undergoes third-party verification of its PSM implementation by external agencies.

1) A system designed to prevent major industrial accidents, such as hazardous substance leaks, fires, and explosions, at sites operating facilities that manufacture, handle, or store hazardous materials designated by the Occupational Safety and Health Act.

Material Topics 1 2 3 4 5 6

Safety and Health

Strategy

| Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_② Safety and Health Training GRI 403-5

Promoting a Safety Culture Through Systematic Training Samsung Electro-Mechanics provides employees at all levels, from executives to shop-floor workers, with systematic safety and health training. Moving beyond theory-based instruction, the Company is expanding experiential programs, such as Virtual Reality (VR) and Mixed Reality (MR) training and first aid practice, to internalize employees' crisis management capabilities. Furthermore, it focuses on building safety capabilities to create a safe workplace by actively adopting job-specific training from external institutions to foster risk assessment specialists.

Employee Safety and Health Training Status

Category	Training Program	Training hours per employee
Domestic	Safety and health training, new employee training, executive training, special safety training, hands-on safety training, etc.	30 hours
Overseas	Internal safety and health training at overseas subsidiaries, work standard training, fire safety training, etc.	21 hours

Disaster Response Training Samsung Electro-Mechanics conducts regular monthly drills to ensure rapid response and minimize damage in emergency situations, based on 15 crisis-response scenarios designed to address various emergencies such as fires, earthquakes, chemical leaks, and food poisoning. In addition, the Company is strengthening its real-world response capabilities and building an organic cooperation system through joint public-private drills.

Training Status

Course name	Target audience	Frequency	Description
Joint drills	Employees	Annually	Joint disaster response and evacuation drills with external organizations
Response drills	Responsible departments by type	Monthly	Training based on 15 major crisis response scenarios
Basic training	Manufacturing process	Quarterly by theme	Internal training based on scenarios such as fires and chemical leaks
Other training	Dormitories	Twice a year (once per half-year)	Unannounced nighttime fire and evacuation drills
	Other training	Daycare center	Monthly

Establishing Response Strategies for Risks and Opportunities_③ Supplier Safety and Health Management

Supplier Safety and Health Support Activities Samsung Electro-Mechanics is implementing various activities to improve supplier safety and health standards. The Company provides systematic support to suppliers through diagnostics and consulting for risk assessment.

Supplier Safety and Health Management Status

Category	Description
Supplier Safety and Health Mutual Cooperation Program	· Support for risk assessment diagnostics and consulting (10 companies) · Support for safety and health management system diagnostics and consulting (1 company) · Support for specialized safety and health training (4 sessions) · Execution of safety and health campaigns (heatwave preparation and safety awareness improvement, twice a year) · Provision of safety and health supplies (for heatwaves/cold waves and health management) · Operation of the mutual cooperation council (5 times a year)
Safety activities for on-site suppliers	· Safety and health management best practice (risk assessment) contest (annually) · Pre-entry safety training for construction workers, direct construction system management, and DRI for hazardous work · Application of the supplier suggestion system and mobile training for on-site visitors[1)]
Safety activities for off-site suppliers	· Support for specialized safety consulting for toll manufacturing suppliers (18 companies, 24 sites) · Evaluation of safety and health status through compliance management (RBA) assessments for raw/subsidiary material and toll manufacturing companies (31 companies)
Safety and Health Council	· Communication of issues and suggestions through the operation of the related contractor council (construction, service, indirect, and non-resident construction companies, etc.) · Improvement of risk factors through quarterly joint inspections

1) Providing mobile safety and health training for new on-site suppliers unable to attend offline sessions

Material Topics 1 2 3 4 5 6

Safety and Health

Strategy

Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_③ Supplier Safety and Health Management

Win-Win Cooperation in Safety & Health and Disaster Prevention Support GRI 203-2, 403-7

Since 2013, Samsung Electro-Mechanics has operated a "Win-Win Cooperation Program" to strengthen the disaster prevention and safety & health management capabilities of its partner companies. The Company actively provided personnel and resources to help a total of 153 suppliers acquire safety and health management system certifications by 2025. For suppliers handling significant amounts of hazardous chemicals, the Company dispatched environmental and chemical experts to inspect storage, handling, and usage facilities, supporting regulatory compliance and accident prevention. Particularly for suppliers handling hazardous materials, the Company partnered with non-life insurance providers, such as Samsung Fire & Marine Insurance, to offer free safety assessments for fire and explosion risks at 99 supplier sites. Additionally, the Company dispatched internal fire safety experts to conduct workplace fire safety assessments, encouraging suppliers to make voluntary improvements. Since 2023, we have actively supported the prevention of industrial accidents among our SME business partners by participating in the government-led Large and Small Enterprise Shared Growth and Cooperation Program. Through on-site support from in-house experts across various fields, including safety, health, fire protection, electrical safety, and chemical management, we contribute to strengthening our partners' occupational health and safety capabilities. In 2025, we further expanded these efforts by collaborating with external professional institutions to conduct risk assessments for 10 partner companies and providing the service free of charge to help prevent workplace safety and health incidents.

Establishing Response Strategies for Risks and Opportunities ④ Employee Health GRI 403-3, 403-6

Promoting Employee Health Centered on the Industrial Safety and Health Committee, Samsung Electro-Mechanics establishes systematic activity plans to promote employee health and operates a variety of health management programs. Key initiatives include a mobile health promotion program, 1:1 personalized exercise prescriptions and dietary management, personal training (PT) support, telemedicine for overseas expatriates, and mental health and emotional well-being programs. The mobile health promotion program was conducted virtually over 12 weeks to address obesity and three major chronic diseases: diabetes, hypertension, and dyslipidemia. In 2025, approximately 110 employees participated, tracking health metrics such as blood pressure and blood glucose levels. Through personalized exercise prescriptions and dietary counseling, 70% of participants achieved improvements in their Body Mass Index (BMI). Furthermore, the Company supported employees struggling with body fat management by providing 1:1 personalized exercise prescriptions, dietary management, and personal trainers. As a result of these efforts and initiatives like walking challenges to promote health awareness, the rate of abnormal health findings among employees improved by 1.5% year-over-year.

To support the health of overseas expatriates, the Company partners with general hospitals to provide remote medical services. This includes specialist consultations across 17 medical departments for symptoms and chronic diseases that arise locally, along with the issuance of English medical certificates and prescriptions. In addition, the Company operates a Mental Health Center to help employees manage stress and maintain their mental well-being. It also supports mental health programs, external couples counseling, psychiatric care, and meditation training.

Material Topics 1 2 3 4 5 6

Safety and Health

Risk Management

| Safety and Health Risk Management

Safety and Health System

Safety, Environment, and Energy Policy GRI 403-1 In accordance with its management principle that "safety and the environment are the top priority of management," Samsung Electro-Mechanics conducts safety and environmental compliance assessments that meet global standards to prevent safety accidents. The Company also strives to foster a safety culture in which all employees voluntarily participate, in order to create a safe and pleasant working environment. To realize this, its safety and health policy is applied equally not only to Samsung Electro-Mechanics employees but also to all stakeholders under the Company's management and supervision, pursuing a comprehensive safety and health system.

Safety, Environment, and Energy Policy Link

Safety and Health Management System GRI 403-1 All Samsung Electro-Mechanics sites completed the ISO 45001 renewal audit as of 2025 and continues to verify system effectiveness through annual internal audits and third-party surveillance audits. Furthermore, to advance its safety culture from an 'independent' to an 'interdependent' stage, the Company implements systematic improvements by integrating eight core safety culture elements—such as risk management, cause analysis, and corrective actions—into its safety management system.

Safety and Health Management System Link

Workplace Risk Assessment GRI 403-2 Samsung Electro-Mechanics conducts regular risk assessments annually, and when changes occur, it carries out ad-hoc assessments. Through its risk assessment system, the Company systematically identifies and assesses hazards and risks, determines priorities based on risk levels, and establishes mitigation measures to continuously reduce workplace risks. Furthermore, to foster risk assessment experts, the Company actively supports employee capacity building by inviting internal and external instructors every year.

Workplace Risk Assessment Process

STEP 1	STEP 2	STEP 3
Identify targets for regular and ad-hoc assessments	Identification of hazards and risk factors	Improvement activities
• Regular risk assessments (annually) • Ad hoc risk assessments upon changes such as new processes or equipment (as needed)	• Identifying safety hazards and improvement points with the participation of all employees (calculating risk by determining frequency and severity)	• Mitigating identified risks and monitoring the continuation of safe work practices • Conducting training for workers on risk assessment results and obtaining individual signatures

Strengthening the Safety and Health Management System GRI 403-1 To establish a safe workplace, Samsung Electro-Mechanics applies the international occupational health and safety management system (ISO 45001) and safety and health standards across all sites. Through this, the Company strives to provide a safe and healthy work environment for all stakeholders, including employees, suppliers, and visitors. In particular, the Company is establishing an interdependent safety culture by systematically identifying and mitigating hazards and risks.

Serious Accident Response System To prevent serious accidents, Samsung Electro-Mechanics established 13 compliance guidelines and systematically developed an implementation management system to manage them. Based on this system, the Company periodically inspects and records the implementation status of the safety and health management system to promote continuous improvement.

13 Compliance Guidelines for Preventing Serious Accidents

1	Establishing and reviewing the safety and health management policy	8	Establishing standard procedures for supplier safety assessments
2	Positioning the safety and health organization to oversee all operations	9	Establishing procedures for identifying accident causes and preventing recurrence
3	Establishing and implementing risk mitigation procedures	10	Reporting on government agency requirements/directives and their implementation results
4	Establishing procedures for allocating safety and health personnel and executing budgets	11	Conducting regular safety and health inspections, training, and meetings
5	Deploying safety and health professionals and supporting their duties	12	Fulfilling statutory safety and health obligations, and managing and inspecting training
6	Establishing procedures for gathering feedback from employees and suppliers	13	Other safety management activities (e.g., executive participation in safety activities)
7	Establishing and reviewing response procedures for serious accidents		

Material Topics 1 2 3 4 5 6

Safety and Health

Risk Management

Safety and Health Risk Management

Safety and Health System

Pre-review and Approval Management for Hazardous Work Samsung Electro-Mechanics manages tasks with risks of exposure to hazardous substances, as well as hot work, asbestos, and electricity. The Company operates a strict preliminary management system for tasks involving nine types of hazardous work. Before commencing work, departments performing these tasks must submit work plans, including safe work plans, to the hazardous work permit system and obtain approval. The system monitors the entire process from start to finish, preventing accidents through preliminary documentation and on-site DRIs while ensuring strict implementation of on-site safety management.

Safety Accident Prevention Process for Hazardous Work

STEP 1	STEP 2	STEP 3	STEP 4
Advance application	Prior to commencing work	During work	After completing work
• Prepare high-risk work plans and register them in the system • Obtain approval from the relevant department management and agreement from safety and environment personnel	• Conduct preliminary document reviews and on-site Daily Risk Inspections (DRI) prior to high-risk work • Verify safety management plans • Provide safety training for workers • Implement preventive measures, including the deployment of safety supervisors	• Conduct routine inspections by safety and infrastructure personnel and safety monitoring teams	• Identify and address residual risks

Management of Work Environments and Worker Exposure to Hazardous Factors

Work Environment Assessments and Management of Hazardous Substances	• Conducted work environment assessments for 115 substances used by Samsung Electro-Mechanics out of the 192 listed in Annex 21 of the Enforcement Rule of the Occupational Safety and Health Act • Maintained in-process exposure levels below 30% of the legal standard
Work Environment Improvement	• Conducted general health examinations and special health examinations related to hazardous substance exposure for on-site workers • Installed and operated automatic supply systems to fundamentally eliminate the manual handling of highly toxic substances • Provided and mandated the use of KOSHA-certified personal protective equipment (PPE) in accordance with standard PPE guidelines • Ensured safe operations by mitigating exposure risks through the remediation of occupational hazards • Investigated musculoskeletal risk factors, identified physically demanding tasks, and implemented improvements
Safety and Environment Councils and Training	• Shared safety and health issues through Safety and Environment Conferences for each business unit • Operated a PPE council to collect real-time VOCs and resolve complaints

Autonomous Safety and Health System To establish a voluntary safety culture, Samsung Electro-Mechanics defines the roles and responsibilities of each level such as executives, managers, and supervisors, and carries out a variety of safety culture activities in which all employees participate. Executives and managers/supervisors conduct monthly safety inspections, identify areas for improvement, and take prompt action, while employees voluntarily identify potential hazards and actively take part in creating a safe workplace by offering safety-communication suggestions. In addition, to raise the safety awareness of all employees, the Company designates the 4th of every month as "Safety Inspection Day" and has introduced a "Safety & Environment Award" recognition system, continuously increasing employee participation.

10 Commandments of Safety and Environment

Safety and Environment are Our Top Management Priorities			
1	All accidents can be prevented. [Safety Philosophy]	6	Do not work unless safety is secured. [Work Standards]
2	Comply with laws and standards, and strive to exceed them. [Code of Conduct]	7	Identify the root causes of risks and resolve them completely. [Thorough Resolution]
3	Find solutions on-site. [On-site Focus]	8	Treat suppliers and colleagues like family. [People-centric]
4	The enemy of safety is indifference, not danger. [Safety Awareness]	9	Continuously research and apply best practices. [Competency Enhancement]
5	Transparently disclose and share all irregularities and changes. [Open Mindset]	10	Create a workplace safer than your own home. [Safety Standards]

Material Topics 1 2 3 4 5 6

Safety and Health

Metrics & Target

| Safety and Health Metrics and Targets

Safety and Health-related Metrics

Major Work-Related Injury Types GRI 403-9, 403-10 As part of its safety and health follow-up and preventive activities, Samsung Electro-Mechanics monitors major injury types occurring at its sites. In 2025, a total of 12 safety and health incidents occurred at its sites, of which six were recorded as work-related accidents.

Types of Accidents

Accident Types	Tasks	Non-work-related
Total	6 cases	6 cases
Caught in/between	1 incident	2 incidents
Trips and falls	0 incidents	3 cases
Struck by	2 incidents	0 incidents
Struck against	1 incident	0 incidents
Other	2 incidents	1 incidents

Safety and Health Assessment Performance Samsung Electro-Mechanics operates sites subject to Process Safety Management (PSM), and in 2022, the Busan site achieved the highest 'P' rating in the implementation evaluation conducted by the Ministry of Employment and Labor, which it currently maintains. Furthermore, the Suwon site was re-designated in 2024, and the Busan site was newly selected in 2025 as Excellent Workplaces for Health Promotion. The Sejong site was also recognized as an Excellent Workplace for Fire Safety Management on Fire Prevention Day. The Gaoxin subsidiary received the Advanced Enterprise in Safe Production Award in recognition of its outstanding safety initiatives. In addition, Samsung Electro-Mechanics achieved zero serious industrial accidents and reduced its package insurance premium rate by 2.7% compared to 2024. Through safety and environmental improvement suggestions and potential hazard identification activities, the Company identified and addressed a total of 79,578 risk factors. The Company also continues to enhance workplace safety by strengthening hazardous substance monitoring through initiatives such as material substitution and elimination, facility automation, and the installation of automated hazardous substance supply systems.
Furthermore, Samsung Electro-Mechanics fairly evaluates the safety management capabilities of its business partners by comprehensively assessing factors such as supplier qualification evaluations, joint occupational health and safety inspections, and participation rates in safety councils. Business partners demonstrating outstanding performance are provided with meaningful incentives. Through these efforts, the Company is fostering a proactive safety culture that extends across its entire supply chain.

Safety and Health Targets

Performance and Goals of Safety Incident Prevention Activities In 2025, the Company identified and resolved a total of 78,497 potential risks, and through the safety communication platform (SEM-S), 1,081 safety suggestions were registered and implemented. The Company ensures the participation of employees and workers' representatives by actively seeking their views on occupational health and safety policies and in key decision-making processes.

Category	2023	2024	2025	Target
Potential hazard identification activities	144,879 cases	124,489 cases	78,497 cases	Over 3.5 cases per person[1]
SEM-S suggestions registered/ implemented	2,912 cases	3,298 cases	1,081 cases	10% increase year-over-year[1]
Executive participation in safety activities	100%	100%	100%	Participation once a week
Work environment improvements	38 cases	52 cases	3 cases	Over 30 improvements annually[2]
Safety experience and first aid training	6,282 persons	5,656 persons	6,770 persons	Completed by all domestic employees
Company-wide crisis response training	100%	100%	100%	Conducted monthly
Health checkups	100%	100%	100%	100% completion rate

1) The number of cases decreased due to ongoing risk improvement activities addressing continuous suggestions from potential risk identification and SEM-S.
2) Reflects the number of completed remaining tasks eligible for automation improvement, as hazardous substance improvement projects reach their final stages.

Material Topics 1 2 3 4 5 6

Supply Chain Management

Governance

| Decision-Making Body for Supply Chain Management

Recognizing the importance of value chain-based supply process improvements, efficient supplier engagement, and strategic procurement, Samsung Electro-Mechanics operates a working-level organization overseen by the Head of the Business Operation Center to make key decisions regarding sustainable supply chain risks and opportunities. Under the Purchasing Team, this structure includes the Purchasing Operations, Equipment Purchasing, and Logistics Groups, alongside dedicated purchasing groups for each business unit. Through advanced purchasing, development purchasing, and procurement within these units, the Company strives to streamline and optimize its supply chain management.

Organizational Chart

| Role of Management

The Head of the Business Operation Center oversees the establishment and execution of the company-wide supply chain management strategy and holds final decision-making authority over the supplier selection and evaluation system. The Head of the Purchasing Team receives regular reports on key supply chain issues and countermeasures, including supply chain risk sensing, utilization rates, raw material inventory levels, and procurement lead times. Based on these reports, the Company establishes its supply chain management direction and action plans.

Strategy

| Supply Chain Management Risks and Opportunities

Identifying Supply Chain Management Risks and Opportunities

Samsung Electro-Mechanics comprehensively identifies and manages potential risk factors across its supply chain. The Company operates a monthly monitoring process to detect risks that could impact the entire supply chain, such as semiconductor supply instability and physical risks from natural disasters. During the reporting period, the Company identified China's rare earth export controls as a risk factor. The Company proactively assesses the risk factors identified through this sensing process and activates a rapid response system.

| Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_① Raw Material and Supply Chain Management

Raw Material Priority Assessment To assess potential risks related to the sustainability of raw materials, Samsung Electro-Mechanics evaluates the priority of key raw materials based on their use and price. In the Components division, paste and powder, the main materials for passive components, account for 49.3% of total purchases, while in the Package Solutions division, Copper Clad Laminate (CCL) and Prepreg (PPG), the main materials for substrates, account for 21.4%. These materials are prioritized during procurement as they account for over 10% of the product by volume.

Global Procurement Status and Supply Chain GRI 2-6, 204-1 Samsung Electro-Mechanics purchases a variety of raw materials including semiconductors, semi-finished products, raw materials, and chemicals worth approximately KRW 4.5 trillion annually through 251 partner companies in 23 countries. For imported raw materials, the Company ensures traceability by requiring 100% of origin information to be entered when inputting vendor I/V data into the purchasing portal system. Furthermore, the Company is advancing a localized purchasing policy to support the development of and social contribution to overseas production sites, with the local procurement rate reaching 28.5% as of 2025. In 2026, the Company plans to purchase approximately KRW 4.6 trillion in raw materials from 277 suppliers across 23 countries. Meanwhile, in 2025, Samsung Electro-Mechanics consumed 1,839 tons of thermoplastics, utilizing no recycled plastic materials.

Material Topics 1 2 3 4 5 6

Supply Chain Management

Strategy

| Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_② Supplier Management System

Significant Suppliers When selecting key partner companies, Samsung Electro-Mechanics conducts a multifaceted review that considers environmental aspects (greenhouse gases, energy, waste, etc.), social aspects (child labor, forced labor, safety and health, etc.), and governance aspects (corruption, bribery, etc.), as well as business relevance such as expected transaction value and volume. In addition, the Company comprehensively considers political, social, and economic risks in the countries where partner companies are located, risks arising from industry characteristics, and risks that may occur during the manufacturing, distribution, and use of products. In particular, partner companies that pose significant risks that could negatively affect the Company's sustainable management such as those related to transaction scale, production of critical components, irreplaceability, new businesses, evaluation results, and high-risk groups or that are critical to the business are separately selected, evaluated, and managed.

Employee Training For internal employees who handle work related to partner companies, Samsung Electro-Mechanics separately provides training on business etiquette as well as fair trade, protection of partner companies' technical data, the Subcontracting Act, and the Win-Win Cooperation Act. In addition, the Company operates an annual online training program for all employees on the Subcontracting Act and the protection of partner companies' technical data.

Establishing Response Strategies for Risks and Opportunities_③Shared Growth System GRI 203-2

Shared Growth Strategy Samsung Electro-Mechanics is committed to continuous Shared Growth with its suppliers. Each year, the Company holds meetings to strengthen communication with suppliers and provides training and consulting to enhance productivity. Furthermore, it operates a Shared Growth fund to offer low-interest loans to suppliers, helping alleviate their financial burdens. Moving forward, Samsung Electro-Mechanics will continue to build a mutually beneficial ecosystem for shared growth based on continuous communication and cooperation with its suppliers.

Shared Growth Strategy

Goals and Objectives	Pursue mutual sustainable growth by sharing Samsung Electro-Mechanics' innovation DNA with suppliers		
Strategic Pillars	Productivity Improvement	Safety and Environment Support	Strengthening Communication
Support Activities	• Establish a KRW 110 billion Shared Growth Fund and provide low-interest loans of up to KRW 4 billion for tier 1 and 2 suppliers • Provide training support for suppliers	• Support for safety and environment consulting and free fire safety assessments by the Samsung Fire & Marine Insurance Corporate Safety Research Institute	• Handling complaints and support requests through channels such as the website and procurement portal system • Held supplier communication meetings (twice a year)

Established the Shared Growth Fund GRI 203-2 To support the financial liquidity and investment funding of its partner companies, Samsung Electro-Mechanics established a KRW 78 billion Win-Win Cooperation Fund together with Woori Bank in 2010. With the addition of Industrial Bank of Korea (IBK) in 2021, the fund now offers low-interest loans of up to KRW 4 billion to first- and second-tier suppliers. In 2025, the Company added KRW 32 billion at year-end to expand support for suppliers' working and investment capital, increasing the total fund size to KRW 110 billion. Of this amount, KRW 45.3 billion was issued as new loans, and as of year-end, the fund provides a total of KRW 103.8 billion in financial support to 57 suppliers.

Material Topics 1 2 3 4 5 6

Supply Chain Management

Strategy

| Strategy and Decision-Making

Support for Tier 2 Suppliers To promote first-tier partner companies' shared-growth support for their Tier 2 partner companies, Samsung Electro-Mechanics provides support in areas such as payment terms, cash payments, and the formation of partner company councils. Furthermore, to improve the business environment for Tier 2 suppliers, the Company is continuously expanding direct support, such as financial assistance through the Shared Growth Fund and free training programs.

Supplier Training Support GRI 205-2 To support the systematic talent development of its Tier 1 and 2 partner companies, Samsung Electro-Mechanics has operated the "Win-Win Cooperation Academy" since 2020. In collaboration with internal and external experts, the Academy provides job-specific technical training—covering manufacturing (equipment), quality, and safety and environment—tailored to supplier characteristics. It also offers leadership training for all levels, from executives to working-level staff, and courses on improving work efficiency using generative AI. To maximize training effectiveness, instructors conduct on-site training directly at supplier facilities. Additionally, the Company offers group sessions and virtual and online courses for multiple suppliers.
Building on these efforts, Samsung Electro-Mechanics has expanded hands-on and practical training programs that can be immediately applied in manufacturing operations, including enhanced PLC (Programmable Logic Controller) training conducted in collaboration with external institutions. In 2025, the Company offered 155 training courses to 172 business partners, reaching 4,812 participants. Training needs are identified through executive meetings with partner companies and workshops for training managers, enabling the Company to develop and provide customized programs requested by its business partners. In addition, courses covering safety, environmental laws, and regulatory requirements applicable to manufacturing sites are offered to strengthen ESG-related capabilities. Through these efforts, Samsung Electro-Mechanics continues to reinforce its shared growth framework and foster sustainable partnerships across its supply chain.

Risk Management

| Strategy and Decision-Making

Supply Chain Risk Management_① Responsible Raw Materials Management

Purchasing Policy Through transactions and cooperation with competitive global suppliers, Samsung Electro-Mechanics seeks to produce top-quality products and advance its technological competitiveness. To this end, the Company continuously strives to achieve Shared Growth based on strategic cooperation and Ethical management. To build a sustainable supply chain, it requires suppliers to implement Ethical management, compliance management, and Corporate Social Responsibility (CSR), and evaluates their performance accordingly. Furthermore, through regular supplier evaluations, the Company verifies compliance with global standards—including human rights protection, non-discrimination, and Responsible Minerals management—and enforces a policy to suspend transactions with suppliers that violate these regulations.

Responsible Raw Materials Policy Samsung Electro-Mechanics strives to minimize water use, energy consumption, and waste discharge that may arise during the production and sourcing of raw materials, and to prevent human rights violations and negative impacts on local communities. To ensure responsible raw material sourcing, it continuously manages the entire procurement process and strengthens cooperation with external stakeholders. The Company conducts Sustainability Management (compliance) assessments on raw material suppliers to monitor for adverse environmental and social impacts during production. If issues are identified, it mitigates these impacts through corrective measures.

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Supply Chain Management

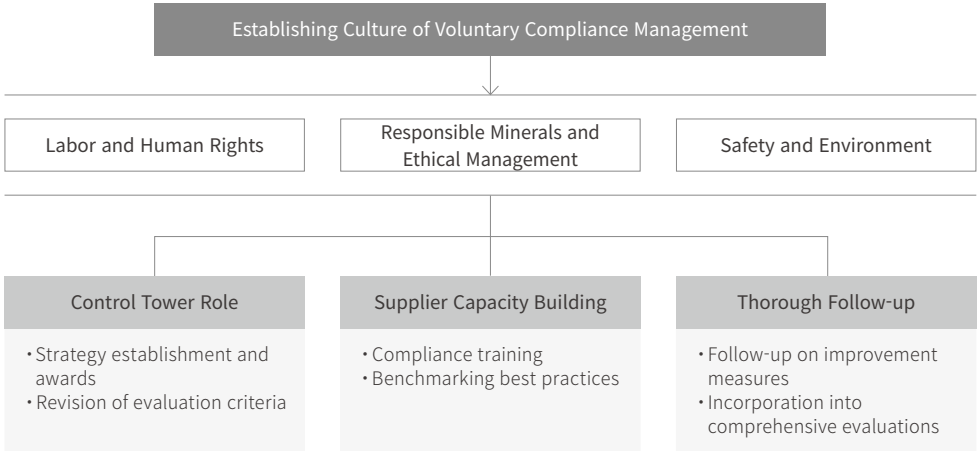
Risk Management

Strategy and Decision-Making

Supply Chain Risk Management_② Supply Chain Management System

Supply Chain Risk Management Areas GRI 2-24 Samsung Electro-Mechanics strives to establish a culture of compliance management throughout its supply chain in order to prevent and effectively manage risks that may arise within it. To this end, the company manages risks across the areas of labor and human rights, responsible minerals, ethical management, and safety and environment, based on systematic management measures such as strategy development, improvement activities, supplier training, and comprehensive assessments.

Supply Chain Risk Management Areas



Supply Chain Risk Management_③ Supply Chain Management System

Supplier Code of Conduct 5.0 GRI 2-23 To improve the working conditions of its partner companies, Samsung Electro-Mechanics has established a Partner Company Code of Conduct and discloses it on its website. Based on the Responsible Business Alliance (RBA) standards, the Code consists of five areas: labor and human rights, health and safety, environment, business ethics, and management systems. It applies to all suppliers and is included as a mandatory compliance requirement in supplier contracts. The Company strengthens the effectiveness of its supply chain management by requiring new suppliers to sign an agreement to comply with the Code of Conduct.

Five Areas of the Supplier Code of Conduct 5.0

Labor and Human Rights	• Prohibition of forced labor • Protection of underage workers • Compliance with working hours	• Wages and benefits • Humane treatment	• Non-discrimination • Freedom of association
Safety and Health	• Occupational safety • Emergency preparedness • Prevention of occupational accidents and diseases	• Reduction of exposure to hazardous factors • Physically demanding work • Safety management of hazardous machinery, equipment, and facilities	• Provision of dormitories and sanitary facilities • Safety and health training
Environmental protection	• Obtaining environmental permits • Pollution prevention and resource reduction • Hazardous substance management	• Solid waste • Air pollutants • Compliance with product substance regulations	• Water resource management • Energy consumption and greenhouse gas emissions • Biodiversity • No deforestation
Ethical management	• Business integrity • No improper advantage • Disclosure of information	• Protection of intellectual property • Fair trade, advertising, and competition • Protection of whistleblower identity and prevention of retaliation	• Responsible sourcing of minerals • Privacy
Management system	• Commitment to compliance • Management duties and responsibilities • Compliance with legal and customer requirements • Risk Management	• Setting Improvement Goals • Training • Communication • Employee Feedback and Participation	• Audits and Assessments • Corrective Action Process • Documents and Records • Supply chain engagement and fulfillment of responsibilities

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Supply Chain Management

Risk Management

Strategy and Decision-Making

Supply Chain Risk Management Process Through comprehensive partner company evaluations, Samsung Electro-Mechanics diagnoses the competitiveness of its partner companies and systematically manages risks across the entire supply chain. It assesses the financial risks of major suppliers through regular credit evaluations by professional agencies, and effectively responds to various risks—including natural disasters, regulatory violations, and credit downgrades—by establishing a network between headquarters and regional subsidiaries via the procurement portal system. To secure a stable supply chain, the Company signs long-term agreements for core components and holds regular technical reviews and exchange meetings with key suppliers. For components with a high risk of supply disruption, the Company strengthens its resilience against sudden risks, such as natural disasters, by dual-sourcing suppliers and diversifying supply bases.

Supply Chain Risk Management Process

1) General registration evaluation (management, purchasing, technology, quality), compliance evaluation (safety and environment evaluation, labor and human rights evaluation), quality process evaluation, credit evaluation

Supply Chain Risk Management_④Responsible Supply Chain Management GRI 2-24, 2-26

Supplier Selection and Registration GRI 308-2 For responsible supply chain management, when selecting new suppliers, Samsung Electro-Mechanics conducts not only general management evaluations across the supply chain but also fair-trade and compliance evaluations as well as environment-related evaluations. Through this, the Company thoroughly reviews credit ratings and financial conditions, selecting only suppliers that meet a certain standard as transaction partners. Selected suppliers are required to comply with the RBA, prohibit the use of conflict minerals, agree to CSR, respond to environmental and hazardous-substance regulations, and meet environmental management certifications such as RoHS and REACH; they are also asked to implement the Company's seven ethical charters and codes of conduct, with practical commitments to compliance-based management required.

On-site Evaluation for New Business Registration For suppliers with which new transactions are needed, Samsung Electro-Mechanics conducts on-site compliance management evaluations using the same checklist applied in self-assessments. Depending on the evaluation results, the Company restricts new transaction registration for suppliers that violate mandatory compliance items or fall short of certain standards.

CASE | Supplier Improvement Measures GRI 414-2

On-site inspections of domestic suppliers in 2025 identified no high-risk sustainability suppliers that failed to meet absolute compliance standards under the Responsible Business Alliance (RBA) Code of Conduct and national laws, or that scored below 80 points. However, to address specific non-conformities identified at individual suppliers during the inspections, the Company operates a monthly Check-In Day to drive continuous improvement.

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Supply Chain Management

Risk Management

Strategy and Decision-Making

Comprehensive Supplier Evaluation Samsung Electro-Mechanics conducts annual comprehensive evaluations of suppliers it has done business with for over a year. The comprehensive evaluation assesses supplier capabilities—such as quality, technology, delivery, transaction volume, and financial performance—alongside non-financial risks, including compliance, environmental impact, and responsiveness. The results serve as a key indicator for determining whether to continue business relationships. The Company provides outstanding suppliers with strategic collaboration programs, such as the early acquisition of new technologies and joint technology development. Conversely, it supports underperforming suppliers with business enhancement and risk management strategies, including training and technical assistance.

Comprehensive Supplier Evaluation System

Evaluation Targets	• Raw material suppliers (with a business relationship of over one year)
Evaluation Method	• Scored out of 100 points across eight categories (T, Q, R, D, C, E, F, L)
Evaluation Grades	• Five grades (Outstanding A, Excellent B, Good C, Fair D, Poor E)

Supplier Management Strategy

Top-rated Suppliers	• Preemptively securing new technologies from suppliers and building strategic partnerships • Providing top-rated suppliers with opportunities to participate in new products
Low-rated Suppliers	• Providing technical support to enhance supplier product competitiveness • Providing training and consulting on safety, environment, and green purchasing, and reviewing the viability of continued business relationships

Comprehensive Evaluation Process

STEP 1	STEP 2	STEP 3	STEP 4
Continuous Monitoring	Evaluation Review	Comprehensive Evaluation	Follow-up Management
Conduct inspections on supplier performance levels and implementation of key items	Finalize evaluation criteria and target suppliers for comprehensive evaluation	Conduct comprehensive evaluations early in the year and announce results	Establish supplier improvement plans and follow up on improvements

Sustainability Management (compliance) assessment GRI 308-2, 414-2 Samsung Electro-Mechanics selects an average of around 100 domestic and overseas suppliers for Sustainability Management (compliance) assessment each year, taking into comprehensive consideration factors such as the previous year's transaction volume, geopolitical location, and the history of past issues, in order to ensure responsible supply chain management. The assessment consists of self-assessments and on-site audits. For the self-assessment, the Company provides suppliers with a sustainability evaluation checklist based on the Responsible Business Alliance (RBA) Code of Conduct and local regulations. Suppliers use this checklist to determine whether their policies and operations comply with the RBA Code of Conduct and legal standards. Once the self-assessment results receive final approval from the supplier's CEO and are registered in the purchasing portal system, the Company reviews the data and conducts an on-site audit. During the on-site audit, the Company verifies the reliability of operational policies and supporting documents, and comprehensively evaluates the supplier's sustainability performance by inspecting the working environment and conducting worker interviews. Based on the assessment results, the Company identifies issues and areas for improvement, providing guidelines and consulting to help suppliers effectively implement corrective actions. For suppliers facing challenges with their improvement activities, the Company offers ongoing support through regular progress monitoring and follow-up visits.

Assessment Criteria

Labor	• Inspection of compliance with laws regarding the prohibition of forced and child labor, execution of employment contracts, and wages • Inspection of anti-discrimination measures and protection of minor and pregnant workers • Inspection of working hours
Safety and Health	• Identification and mitigation of workplace hazards • Inspection of the adequacy of personal protective equipment • Verification of the proper operation of emergency response and evacuation facilities
Environment	• Compliance with environmental permits and management of water and air pollutants • Compliance with Material Safety Data Sheet (MSDS) legal standards and response to product environmental regulations • Adequacy of waste and treatment contractors
Business Ethics	• Operation of anonymous reporting channels • Privacy • Responsible Minerals
Management System	• Review of corrective actions for legal violations • Participation in Responsible Business Alliance (RBA) Code of Conduct and related legal training programs • Assessment of labor and human rights compliance for Tier 2 suppliers

Material Topics 1 2 3 4 5 6

Supply Chain Management

Risk Management

Strategy and Decision-Making

Third-party ESG assessment Since the CEO report in 2022, Samsung Electro-Mechanics has, every year, commissioned an external specialized agency to conduct third-party ESG level assessments for suppliers that wish to be evaluated. A total of 16 suppliers participated in 2022, 21 in 2023, and 20 in 2024. In 2025, 16 major suppliers participated, comprising six from Components, six from Package Solutions, and four from Optics Solutions. The assessment process consisted of an online ESG self-assessment and an on-site audit, followed by improvement consulting to help suppliers implement their own improvements. Based on the final reassessment results, the Company provided a comprehensive assessment report and offered additional internal improvement support upon request. Moving forward, Samsung Electro-Mechanics will systematically assess and manage the Sustainability Management levels of its suppliers and actively support their autonomous improvement efforts. Additionally, the Company awards bonus points during comprehensive evaluations to suppliers that participate in these third-party assessments.

Third-Party ESG Assessment Criteria

	Total	Environment	Social	Governance	Safety competency assessment
Number of items	96	30	32	10	24

Assessment Process

STEP 1	STEP 2	STEP 3	STEP 4
Selection of Target Suppliers	Initial Internal Assessment	Commissioning an External Agency (The Company → External Agency)	Online ESG Due Diligence Self-Assessment for Suppliers

STEP 5	STEP 6	STEP 7
On-Site Audit (Checklist and Document Review)	Issuance of Assessment Report	Completed

Supply Chain Risk Management_⑤ Supplier Communication GRI 203-2

Samsung Electro-Mechanics conducts regular supplier surveys and systematically addresses complaints and support requests by collecting Voice of the Customer (VOC) feedback through various communication channels. Through continuous communication platforms, such as the Company website and procurement portal, designated personnel gather diverse supplier opinions and suggestions to actively incorporate them into the decision-making process. The Company received 2 cases in 2023, 2 in 2024, and 8 in 2025 through these channels, successfully resolving and responding to all inquiries. In addition to these platforms, the Company fosters ongoing engagement by hosting biannual Supplier Communication Meetings for first- and second-tier suppliers. Furthermore, the Company publishes and distributes a mutual cooperation program guidebook to share its Shared Growth policies and support initiatives. To secure supplier competitiveness through open and horizontal communication, the Company plans to provide KRW 110 billion in financial support, assist with the recruitment of approximately 20 personnel, and offer training programs for 2,000 supplier employees in 2026.

Direct Line	031-8093-8282	Website	www.samsungsem.com
Email	semco.vos@samsung.com	Procurement Portal	www.semcobuy.com

CASE | Supplier Communication Forum Held

Samsung Electro-Mechanics actively engages in regular communication with its suppliers to foster mutual cooperation and Shared Growth. In April 2025, the Company hosted "Mutual Cooperation Day," inviting approximately 120 supplier representatives and working-level staff. During the event, the Company shared business unit updates and market outlooks, facilitated two-way communication to strengthen partnerships, and recognized outstanding suppliers for their contributions to Shared Growth. In September of the same year, the CEO of Samsung Electro-Mechanics visited suppliers to engage in on-site communication and discuss mutual cooperation. In October, the Company held an online Mutual Cooperation Forum to discuss product trends and market conditions across business units. Furthermore, in collaboration with the Mutual Cooperation Foundation, the Company provided training on the "Delivery Price Indexation System" to help supplier representatives and staff better understand the policy. The forum also featured an introduction to the Mutual Cooperation Support Program managed by the Company's Mutual Cooperation Team. Through these efforts, Samsung Electro-Mechanics continues to strengthen its support programs, empowering suppliers to proactively adapt to changing business environments and build robust competitiveness.

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Supply Chain Management

Metrics & Target

| Supply Chain Management Metrics and Targets

Supply Chain Management Metrics

Sustainability Management (Compliance) Evaluation Results To enable decision-making for implementing its supplier Sustainability Management programs, Samsung Electro-Mechanics establishes detailed strategies in consultation with management and relevant departments, and reviews implementation performance together with a working-level council. Samsung Electro-Mechanics conducts annual Sustainability Management (compliance) assessments of its suppliers to monitor compliance with domestic labor laws and global standards. A council led by the Heads of the Safety and Environment Team and the Shared Growth Team reviews the assessment results and makes decisions to ensure stable supply chain management, including addressing any identified deficiencies. Over the past four years from 2022 to 2025, the Company conducted self-assessments on a total of 262 suppliers (138 domestic and 124 overseas) and performed on-site audits on 171 of these suppliers (101 domestic and 70 overseas). The audits were conducted in accordance with the Responsible Business Alliance (RBA) Code of Conduct and national legal standards. As a result, 21 high-risk suppliers (21 overseas) were identified for failing to meet the standards or scoring below 80 points. In the single-year assessment for 2025, three overseas suppliers were classified as high-risk. During the on-site audits, Samsung Electro-Mechanics required these suppliers to immediately rectify any correctable issues. For other matters, the Company mandated them to establish and execute improvement plans based on capacity building through provided guidelines, ensuring implementation by the next audit. In particular, for suppliers failing to meet mandatory compliance requirements, the Company separately verifies whether follow-up measures are completed within one month.

Comprehensive Supplier Evaluation Results In 2025, Samsung Electro-Mechanics conducted comprehensive evaluations of 95% of all suppliers, excluding those that had been doing business with the Company for less than one year, and 74% of them earned an excellent rating.The results will be incorporated into next year's supplier purchasing policy, and the Company is requesting improvements in any underperforming areas.

Comprehensive Evaluation Results

Items	2023	2024	2025
Percentage of evaluated suppliers[1]	95%	96%	95%
Percentage of excellent ratings[2]	75%	74%	74%

1) Excluding suppliers with less than one year of business
2) Rating of B or higher

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Ethical and Compliance Management

Governance

Decision-making Body for Ethical and Compliance Management

Samsung Electro-Mechanics establishes ethical and compliance management as a core value of corporate sustainability and operates the Board of Directors as the highest decision-making body. The Board of Directors establishes the ethical and compliance management system, mandates ethical conduct and regulatory compliance, and oversees the proper operation of the Compliance Program Management System (CPMS). Additionally, the Board receives regular reports on key issues, makes necessary decisions, and fulfills its responsibility to promote the company-wide expansion and internalization of an ethical and compliance culture. Through a robust governance system centered on the Board of Directors, Samsung Electro-Mechanics enhances management transparency and continuously strengthens stakeholder trust.

Key Agenda Items Related to Ethical and Compliance Management

Date	Agenda Item	Reported/ Approved
2025.01.24	Report on Compliance Inspection Results	Reported
2025.03.19	Appointment of Members to the Samsung Compliance Committee	Approved
2025.08.21	Sponsorship for Samsung Foundations and Sungkyunkwan University	Approved
2025.11.26	Report on Compliance Effectiveness Evaluation Results	Reported

Competency of the Decision-making Body

The Board of Directors of Samsung Electro-Mechanics consists of members with diverse professional backgrounds to effectively oversee ethical and compliance management matters. Board members possess expertise in areas directly related to ethical and compliance management, including policy, finance, law, regulation, Fair Trade, and anti-corruption. This enables them to thoroughly review the adequacy and operational status of the compliance management system. Furthermore, the Company continuously enhances the expertise of Board members by providing training on major changes in laws and regulations.

Consideration of Ethical and Compliance Management Risks and Opportunities in Key Decision-making

The Board of Directors at Samsung Electro-Mechanics operates a sector-specific internal review system to systematically evaluate ethical and compliance risks during major management decisions. To prevent corruption and ensure transparency, the Company conducts prior reviews of external sponsorships and reports the results to the Audit Committee. Furthermore, to prevent controlling shareholders from pursuing direct or indirect private interests, the Company verifies the appropriateness of internal transactions among affiliates in advance. It also manages compliance risks through prior reviews of matters impacting corporate activities, such as major capital expenditures. Through this sector-specific internal review system, Samsung Electro-Mechanics ensures that ethical and compliance risks are not overlooked in major decision-making processes.

Role of Management

Dedicated compliance management organization

Samsung Electro-Mechanics operates the Compliance Team, a dedicated company-wide compliance management organization reporting directly to the CEO. Approved by the Board of Directors, the Head of the Compliance Team concurrently serves as the Compliance Officer, attending all Board meetings to support key decision-making and report on major compliance management issues. Furthermore, the Company appoints compliance management leaders and Compliance Managers within each business department to promote an autonomous, field-centric compliance culture.

Compliance Management Committee

Samsung Electro-Mechanics has established a systematic compliance management organization to raise compliance awareness across the Company. As the highest body within this structure, the Compliance Management Committee receives reports on major compliance activity plans and results, provides strategic direction, and makes decisions on key compliance issues.

Management Performance and Compensation for Ethical and Compliance Management

Samsung Electro-Mechanics evaluates executives' compliance activities, establishing a structure that links ethical and compliance management goals to management performance.

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Ethical and Compliance Management

Strategy

| Risks and Opportunities Related to Ethical and Compliance Management

Identifying Risks and Opportunities Related to Ethical and Compliance Management

Samsung Electro-Mechanics systematically identifies potential risk factors across its business operations by conducting annual risk assessments on unfair trade and unfair competition through the Compliance Team as part of its ethical and compliance management. The Company recognizes the violation of anti-corruption laws and regulations as a key risk factor, as it can cause direct financial losses, such as fines, penalties, and litigation costs. Furthermore, materialized corruption risks can diminish stakeholder trust and damage corporate reputation. The Company continuously monitors these identified risk factors through its compliance control system and implements various initiatives to proactively prevent corruption risks from negatively impacting its business operations.

| Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_
① Major Compliance Activities

Compliance Education

Samsung Electro-Mechanics provides compliance training that covers areas such as fair trade, anti-corruption, and the prohibition of trade secret infringement at least once a year for all employees, including contract and part-time workers. In particular, it provides special training for high-risk groups and departments interfacing with suppliers and customers, and trains local employees at overseas sales subsidiaries on the prohibition of collusion and abuse of market dominance.

Voluntary Compliance Activities

Once a year, all Samsung Electro-Mechanics employees access the Company intranet to participate in the "Compliance Practice Pledge," in which they commit to upholding compliance of their own accord, and complete an employee compliance self-assessment.To encourage voluntary compliance and embed it into the corporate culture, the Company incorporates quantified compliance metrics—including incident management, employee training, self-assessments, and compliance messaging—into executive performance evaluations. Furthermore, the Company raises compliance awareness by sharing its initiatives with management and employees through diverse communication channels, such as meetings, engagement activities, guideline notices, and internal broadcasts. As a result of these systematic efforts, Samsung Electro-Mechanics recorded zero incidents of corruption or bribery in 2025.

Fair Trade

In its relationships with external stakeholders, including suppliers and customers, Samsung Electro-Mechanics makes various efforts to fulfill its ethical responsibilities.

Fair Operating Practices

Anti-Corruption	Samsung Electro-Mechanics fosters a transparent organizational culture by establishing a Code of Ethics and a Code of Conduct to prevent corruption. The Company conducts anti-corruption training for all employees and requires an annual pledge to practice compliance and ethical management. It establishes and implements anti-corruption inspection plans to immediately improve vulnerable processes while promoting ethical management awareness and commitment among suppliers. Additionally, the Company operates a reporting channel for ethical violations. Based on confidentiality principles, it protects the identities of informants and whistleblowers and strictly punishes any form of retaliation to prevent disadvantages in employment.
Responsible Political Participation	Samsung Electro-Mechanics maintains political neutrality and does not intervene in politics. The Company respects the political views and rights to political participation of its employees, and includes related guidelines in the Samsung Electro-Mechanics Code of Conduct. Accordingly, all employees act responsibly and comply with the principles set forth in the Code of Conduct.
Fair Competition	Samsung Electro-Mechanics conducts inspections and training for all employees at least once a year on prohibiting unfair collaborative acts (collusion), abuse of market dominance, and unfair support practices, as well as preventing the non-payment or reduction of subcontracting fees and demands for technical data. Employees at overseas sales subsidiaries receive additional specialized training. The Company also conducts annual sector-specific audits to verify compliance with these fair competition obligations. When issues are identified during these audits, the Company analyzes the processes and outcomes to implement improvements, and trains relevant departments on preventive measures to avoid recurrence. To proactively mitigate risks, the Company continuously monitors legislative updates and regulatory policy trends related to Fair Trade, communicating these changes to relevant departments. Furthermore, employees perform compliance self-assessments through the Compliance Program Management System (CPMS). The Company provides legal requirements and guidelines to help employees strictly adhere to all regulations.
Promoting Social Responsibility in the Value Chain	Samsung Electro-Mechanics strives to strengthen supply chain competitiveness based on mutual trust to create a sustainable corporate ecosystem. The Company requires its suppliers to fulfill their obligations regarding ethical management, compliance, and CSR. To this end, the Company regularly evaluates suppliers and operates a system to suspend transactions with those that violate global regulations concerning human rights protection, discrimination, and Responsible Minerals. The Company established its Supplier Code of Conduct based on the Responsible Business Alliance (RBA) Code of Conduct and discloses it on its website. This Code applies to all suppliers and is incorporated into supplier contracts as a mandatory compliance requirement. To ensure responsible supply chain management, the Company regularly assesses supplier compliance with labor and human rights standards, requiring corrective action plans for any non-conformities identified during these assessments. Furthermore, the Company has established a Shared Growth system to support suppliers through joint technology development, Shared Growth funds, and the Win-Win Cooperation Academy.
Respect for Property Rights	Samsung Electro-Mechanics strengthens its intellectual property competitiveness by identifying technology trends through core technologies and leading R&D. The Company thoroughly monitors intellectual property-related risks, establishes cooperative systems with relevant departments to prevent such risks, and stably operates its intellectual property rights operating system.

Material Topics 1 2 3 4 5 6

Ethical and Compliance Management

Strategy

Strategy and Decision-Making

Establishing Response Strategies for Risks and Opportunities_② Ethical Management Activities

Employee Anti-Corruption To internalize ethical management, Samsung Electro-Mechanics utilizes its Ethical Management Guidelines to annually provide domestic and overseas employees with ethical management programs. The Company enhances employees' ethical awareness and compliance by conducting ethics training for all employees, operating a reporting channel for ethical violations in multiple languages (Korean, English, Chinese, and Vietnamese), and performing regular ethical management audits.

Ethics Training for Employees To foster an honest and transparent organizational culture, Samsung Electro-Mechanics prevents various anti-corruption risks through its anti-corruption code of conduct within the "Employee Guidelines," covering areas such as business partners, company funds and assets, work conduct, and the leakage of information and personnel. It conducts annual fraud prevention training for all employees, including non-regular workers across domestic and overseas subsidiaries, and provides separate ethics training for leadership, such as executives, managers, and expatriates. As of 2025, all targeted employees completed the ethics training. The Company continuously strives to increase participation rates by also offering online courses.

Efforts to Prevent the Recurrence of Corruption Samsung Electro-Mechanics provides customized training and guidelines to prevent the recurrence of corruption-related incidents, and requires all employees to sign the Pledge to Practice Compliance and Ethical Management annually. Furthermore, the Company is strengthening preemptive measures to prevent recurrence by posting quarterly incident reports on the Company intranet and establishing and implementing periodic inspection plans across production and sales subsidiaries to promptly improve vulnerable processes.

Corruption Prevention Program

Target	Content	
Employees	• Ethical management practice pledge • Ethical management training (online/offline)	• Identification and improvement of vulnerable processes
Suppliers	• Ethical management practice agreement • Sharing of business guidelines - Regular supplier meetings - Supplier contact site	• Sending of official ethical management cooperation requests (regular)

Establishing Response Strategies for Risks and Opportunities_③ Supplier Anti-Corruption

Supplier Anti-Corruption GRI 2-24 To spread suppliers' commitment to practicing ethical management, Samsung Electro-Mechanics established a "Supplier Ethics Charter" in January 2013 and signed ethics agreements with all suppliers. In January 2013, the Company established the 'Business Guidelines' for business partners and posted them on the business portal used by suppliers and customers to foster a transparent business culture. Furthermore, the Company strictly prohibits employees from accepting cash gifts or wreaths from suppliers for personal family events, contributing to a culture of integrity.

Establishing the Supplier Code of Conduct To strengthen the compliance-based management that forms the foundation of suppliers' shared growth, Samsung Electro-Mechanics established a "Supplier Code of Conduct" based on the RBA Code of Conduct. This code applies to all suppliers used in the manufacturing of Samsung Electro-Mechanics products, including those supplying parts and services, as well as design, sales, and manufacturing, and also extends to all lower-tier supply chains involved in assembly, components, raw materials, and packaging supplied to suppliers.

Supplier Code of Conduct Link

Compliance with Ethical Management by Supplier Members Samsung Electro-Mechanics sends out ethical management practice pledges twice a year, such as in the New Year, to all domestic and overseas suppliers, encouraging the practice of ethical management in its relationships with suppliers that wish to do business or transact with the Company.

Requiring Supplier Ethics and Compliance Management Practice Pledges Samsung Electro-Mechanics notifies all suppliers of its ethics charter and code of conduct and requires them to submit practice pledges. Through this, the Company encourages suppliers to share its integrity management and win-win management, and strives to achieve mutual development based on transparent, fair transactions and legal compliance.

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Ethical and Compliance Management

Risk Management

| Ethics and Compliance Risk Management

Ethics and Compliance Risk Management_① Compliance Risk Management Activities

Compliance Management Policy Based on its compliance management code of conduct, which embodies Samsung's core value principles, Samsung Electro-Mechanics continuously strives to comply with laws and ethics, maintain a clean organizational culture, and fulfill its essential corporate role and social responsibility.To this end, it has established governance and management systems to implement compliance management and operates a compliance program to ensure continuous regulatory adherence and proactively prevent risks. Additionally, the Company carries out various compliance initiatives, including monitoring and auditing for legal violations, conducting compliance training, providing on-site compliance consulting, and promoting voluntary compliance activities.

Compliance Management System To systematically support compliance management, Samsung Electro-Mechanics' Compliance Team operates an IT system called the Compliance Program Management System (CPMS), through which it systematically manages various legal violation risks such as collusion and other fair-trade issues, subcontracting, corruption, and trade secret infringement. The CPMS features functions for compliance inquiries and responses, compliance reporting, competitor contact declarations, prior consultations on compliance issues, and logging voluntary compliance activities. Furthermore, the Company fosters voluntary participation and raises compliance awareness among employees by continuously posting compliance regulations, codes of conduct, guidelines, and relevant issues on the system. The CPMS is permanently accessible on the main screen of the Knox Portal, the Company intranet, and is designed to provide employees with quick and easy access to relevant information and issues by placing the 'Compliance Management' and 'Compliance' menus at the top. In addition, the Company operates online and offline reporting systems. It strictly guarantees whistleblower anonymity and stipulates that employees will not face any personnel disadvantages, even when reporting under their real names. We also operate online and offline reporting channels, strictly safeguards whistleblower anonymity, and prohibits adverse personnel treatment of individuals who submit reports under their real names. It also prohibits public disclosure or unauthorized disclosure of report contents to third parties. Employees receive training on the available reporting channels, how to use them, and the measures in place to protect whistleblowers.

Regulatory Monitoring and Guidelines Samsung Electro-Mechanics regularly monitors the status of revisions to laws and regulations relevant to the Company, such as fair trade, anti-corruption, human rights and labor, intellectual property, and safety and environment, and immediately notifies the relevant departments and employees. Based on the identified regulations, the Company establishes guidelines to prevent employees from violating laws while performing their duties, providing detailed work processes and codes of conduct. These guidelines are permanently posted on the Compliance Program Management System (CPMS), ensuring employees can access them at any time.

Compliance Management Program To prevent legal risks and foster an ethical corporate culture, Samsung Electro-Mechanics implements compliance management. We operate compliance programs to promptly identify legislative changes, provide preventive processes and guidelines, and conduct compliance monitoring and consulting. For any identified issues, we establish corrective actions and monitor their implementation. Furthermore, we evaluate the effectiveness of our compliance programs, establishing measures to prevent recurrence and enforcing sanctions to embed compliance management into daily business practices.

Program	Description
Sensing/Prevention	· Monitoring legislative enactments and amendments · Providing processes and guidelines for risk prevention
Monitoring	· Compliance monitoring and consulting · Proposing improvement measures and follow-up management based on monitoring results
Evaluation and Follow-up Management	· Evaluating compliance operation levels · Establishing measures to prevent recurrence and imposing sanctions

Compliance Inspections Through ongoing compliance monitoring activities, Samsung Electro-Mechanics identifies legal violation risks and drives improvement activities to address them. The Company conducts inspections across various areas, including abuse of market dominance, subcontracting, and anti-corruption, and strives to protect supplier technology and prevent infringement by specifically reviewing the process for requesting technical data from suppliers. For issues identified during inspections, the Company collaborates with relevant departments to devise improvement measures and reports the improvement plans and implementation results to management. To prevent the recurrence of similar cases, the Company shares the causes and preventive measures with relevant departments and incorporates them into employee compliance guidelines and training materials.

Preliminary Review System Samsung Electro-Mechanics operates a preliminary review committee for internal transactions among affiliates and external sponsorships and donations, and new business partner registrations and contract signings also require prior consultation with the Compliance Team, thereby strengthening its compliance monitoring system.

Compliance Effectiveness Evaluation Samsung Electro-Mechanics annually assesses the effectiveness of its compliance control environment and activities, as well as adherence to its compliance control standards, and reports the results to the Board of Directors.

Material Topics 1 2 3 4 5 6

Ethical and Compliance Management

Risk Management

Ethics and Compliance Risk Management

Ethical and Compliance Risk Management_② Ethical Risk Management Activities

Anti-Corruption Policy GRI 2-24 As a global company, Samsung Electro-Mechanics strictly prohibits bribery aimed at acquiring improper business advantages across its global sites. The Company strictly prohibits bribery and is committed to fostering a culture of integrity and transparency. The anti-corruption policy outlines the Company's ethical responsibilities, and Samsung Electro-Mechanics makes this policy publicly available on its official website.

Anti-bribery	Prohibition of providing improper bribes to domestic and foreign public officials and business partners
Standards for Business Courtesies	Providing standards for 'business courtesies' (entertainment including gifts, meals, transportation, and lodging)
Third-party Agents	Stipulating the obligation of third-party agents and business partners to comply with the guidelines

Anti-Corruption Policy(KOR)

Regular Ethical Management Assessment Samsung Electro-Mechanics establishes an annual inspection plan and conducts systematic audits of its domestic and overseas production and sales subsidiaries. Through this, the Company diagnoses management vulnerabilities within the organization and takes action on areas requiring improvement, thereby supporting the practical implementation of ethical management. Furthermore, based on ethical management guidelines, the Company analyzes fraud risks across domestic and overseas sites and detects anomalies to prevent incidents from escalating or spreading. Additionally, the Company continuously improves vulnerable business processes to eliminate the root causes of fraud.

Ethical Management Items

Business Relationships	Bribery, receiving entertainment, financial transactions, and causing harm to business partners
Company Funds and Assets	Embezzlement of company funds and theft of assets
Workplace Conduct	Habitual negligence of duty and improper financial transactions between employees
Other	Information and personnel leaks

Ethical Management Reporting and Action Process GRI 2-25 To respond fairly and promptly to violations of ethical management rules, Samsung Electro-Mechanics has established and operates various reporting channels. The Company receives reports around the clock via the 'Ethical Management Cyber Audit Office' website, email, postal mail, and telephone. The Ethical management website is available in Korean, English, Chinese, Japanese, and Vietnamese, enabling internal and external stakeholders to access it at any time to report employee misconduct and unfair practices. To enhance accessibility for employees, a link to report Ethical management violations is prominently displayed on the main page of the Company intranet. Upon receiving a report, the Company conducts a thorough fact-finding investigation, implements corrective measures in the relevant departments, and promptly shares the outcomes with the informant. The informant's identity is strictly protected under the principle of guaranteed anonymity and the whistleblower protection system, and severe disciplinary actions are taken against employees involved in misconduct. Through this fact-finding and disciplinary process, Samsung Electro-Mechanics enforces relevant measures, including disciplinary actions and penalties for any retaliatory acts. In addition to disciplining the employees involved in corruption, these measures include suspending transactions with or demanding preventive actions from suppliers who provided them with cash or other valuables.

Whistleblowers Protection System Samsung Electro-Mechanics adheres to the principle of confidentiality protection and strictly protects the identity of reporters and whistleblowers, ensuring that whistleblowers do not suffer any disadvantage in personnel matters and imposing strict penalties on violators. When misconduct or unfair practices are reported, the Company takes corrective action on operations after verifying the facts, and notifies the reporter and whistleblower of the outcome. Employees and suppliers involved in irregularities and corruption are strictly penalized, and in the case of suppliers, the Company takes measures such as suspending transactions or preventing recurrence depending on the severity of the case.

Reporting Channel Process

STEP 1	STEP 2	STEP 3	STEP 4
Receipt of Reports	Acknowledgment of Receipt	Conduct Investigation	Notification of Investigation Results
• Samsung Electro-Mechanics website • Email, mail, phone	• Acknowledge receipt to the informant within 24 hours	• Verify facts	• Investigation results and actions taken

Material Topics 1 2 3 4 5 6

Ethical and Compliance Management

Metrics & Target

| Ethics and Compliance Management Metrics and Targets

Ethics and Compliance Metrics

Ethical Management Training and Activities To establish an organizational culture of integrity and transparency, Samsung Electro-Mechanics is strengthening ethical management training and practical initiatives. The Company realizes comprehensive ethical management by providing fraud prevention training for employees, operating an ethics reporting and response system, and advancing anti-corruption activities with suppliers.

Item	Key Activities	Frequency
Building a Culture of Integrity	Inspecting ethical management violations to prevent corruption among domestic and overseas employees	Ongoing
	Improving vulnerable processes	
	Preventing fraud through proactive risk inspections and anomaly detection	
Ethical Management Reporting and Actions	Receiving and addressing reports through internal and external reporting channels	Ongoing
	Providing feedback on action results to informants after verifying facts	
Fraud Prevention Training for Employees	Conducting online and offline fraud prevention training for domestic and overseas employees	Annually
Fraud Prevention Activities for Suppliers	Implementing the 'Ethical Management Practice Pledge' for suppliers	Upon supplier registration
	Sending official letters on ethical management practices to suppliers and encouraging compliance	Twice a year

Ethical Management Reporting Status To respond fairly and swiftly to violations of the Code of Ethics, Samsung Electro-Mechanics operates various reporting channels. In 2025, a total of 68 ethical management reports were received, and the Company maintained a 100% disciplinary and corrective action rate for all received cases.

Category	2023	2024	2025
Number of ethical management reports	69	68	68
Rate of disciplinary actions and measures	100%	100%	100%

Ethics and Compliance Targets

Compliance Management Advancement Roadmap Based on top management's firm commitment to compliance, Samsung Electro-Mechanics seeks to embed compliance values into its corporate culture by establishing a compliance operating system to advance compliance management.

Timeline	Description
~2023	· Systematize compliance control activities - Conduct differentiated employee compliance training and inspections by division - Continuously update compliance-related systems and processes
2024~2025	· Provide customized compliance services for employees - Conduct specialized compliance consulting for each organization
2026~	· Strengthen autonomous compliance activities by organization

Ethics, Anti-Corruption, and Zero Compliance Risks Based on its commitment to ethical management and a zero-tolerance policy for anti-corruption and compliance risks, Samsung Electro-Mechanics continuously strives to establish a corporate culture where all employees comply with laws and principles. In particular, the Company conducts company-wide training to raise employee compliance awareness. In 2025, the Company provided this training at its domestic sites and achieved a 100% completion rate among all targeted employees. Going forward, the Company plans to maintain a 100% training completion rate for domestic employees.

Key initiatives	2025 Performance	2025 Plan	2026 Target
Employee compliance training completion rate	100% of domestic employees	100% of domestic employees	100% of domestic employees

Environmental

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76 Pollutant Management
77 Hazardous Chemicals
79 Biodiversity Conservation
81 Product Stewardship

Social

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92 Social Contribution
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Sustainability Performance

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Environmental

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Environmental Management

Policy

| Environmental Management Policy

With growing social interest and international demands regarding the environment, corporate environmental management has emerged as a core strategic element in realizing Sustainability Management. Samsung Electro-Mechanics establishes its environmental policies based on an understanding of environmental laws, compliance obligations, stakeholder requirements, and environmental impacts, while avoiding the inefficient use of resources. The Company has established an environmental management system (ISO 14001) and an energy management system (ISO 50001) across the organization. It practices environmental management by formulating integrated environmental management and protection plans that cover the entire product life cycle—from production and use to disposal—as well as the distribution and logistics stages. Furthermore, the Company periodically monitors and evaluates all activities through systematic processes designed to achieve its environmental management system goals. To enhance the efficiency and reliability of these systems, the Company systematically manages its operations by supporting environmental improvement activities, strengthening communication with stakeholders such as supply chain and outsourcing partners, and regularly reporting to management. Samsung Electro-Mechanics regularly identifies major policies and regulations applicable to its business activities and operates a management system to ensure compliance. In accordance with its safety, environment, and energy policies, the Company is advancing various environmental conservation initiatives, including Response to Climate Change, ecosystem conservation, and biodiversity enhancement.

Environmental Management System

Based on its environmental management system (EMS), Samsung Electro-Mechanics is advancing initiatives to prevent negative environmental impacts, conserve community resources, and improve environmental performance. The Company maintains internal regulations to ensure compliance with the EMS and drives continuous improvement using the PDCA (Plan-Do-Check-Act) cycle. Furthermore, it considers environmental impacts during facility expansions and mergers and acquisitions (M&A). To verify the effectiveness of the EMS, the Company conducts regular internal audits annually, along with an annual management review to ensure the system's ongoing suitability, adequacy, and effectiveness. Through these reviews, the Company evaluates its progress toward environmental goals, stakeholder communication, and the status of previous actions. It then makes decisions regarding impacts on organizational strategic direction, the need for changes, and opportunities for improvement. To further enhance the reliability of the system, the Company has acquired EMS certification following an external audit by an independent third-party certification body.
To ensure the efficient operation of the environmental management system and raise employee awareness, the Company conducts annual environmental impact assessments for each department alongside regular group training for working-level staff. Based on these results, the Company identifies significant environmental risks and establishes and implements improvement plans to achieve its environmental policies and targets. Furthermore, the CEO demonstrates clear leadership and commitment to environmental management by overseeing system responsibilities, goal setting, strategic direction, and business processes.

1) PDCA: Plan, Do, Check, Act

Safety, Environment, and Energy Policy

As a global manufacturer providing advanced electronic components to customers, Samsung Electro-Mechanics operates under the management principle that safety and the environment are top priorities. The Company prevents accidents among all stakeholders, including employees and contractors, by complying with global standards and evaluating risk factors across all processes. Furthermore, recognizing environmental protection and energy efficiency as core elements of Sustainability Management, the Company is committed to establishing a safe and pleasant workplace and fulfilling its corporate social responsibility through the active participation of all employees.

Global Safety and Environment, Strengthening Energy Management Systems

1.

- The Company complies with domestic and international laws and conventions related to safety, health, the environment, and energy, and establishes and faithfully implements strengthened internal standards.
- The Company ensures leadership and the active participation of employees to achieve its goals, and secures transparency by disclosing its policies to stakeholders.

Practicing Environmental and Energy Management

2.

- The Company takes the lead in environmental protection by using eco-friendly methods throughout all processes, including product development and production.
- The Company strives to minimize wastewater and waste generated during the manufacturing process, and reduces pollutant and greenhouse gas emissions by using resources and energy efficiently.

Establishing a Safe and Healthy Workplace

3.

- Foster a safety culture with full employee participation to create a safe and pleasant work environment.
- Prevent safety and environmental accidents by practicing autonomous safety management and establishing a Risk Management system to proactively identify and mitigate risk factors.

Building Win-Win Partnerships Based on Safety and Environment

4.

- Build safety and environmental partnerships by sharing Samsung Electro-Mechanics' safety and environmental management systems and technologies with suppliers.
- Fulfill safety and environmental responsibilities as a member of the local community by consistently practicing environmental conservation and engaging with local residents.

Environmental 1 2 3 4 5

Pollutant Management

Water Resource Management GRI 303-1, 303-5

| Improving Water Efficiency

To achieve its goal of a 41.8% water reuse rate by 2030, Samsung Electro-Mechanics has established and systematically implements a water reuse improvement plan. By recycling concentrated water, washing water, and effluent that were previously discharged as wastewater, the Company reused 12.30 million tons of water in 2025, exceeding its annual target of 10.82 million tons. The Company also continuously invests in upgrading its water treatment facilities. Alongside efforts to analyze associated risks and maintain water quality standards, it monitors flow rates, pressure, and the operational status of water treatment processes throughout the entire cycle—from intake to manufacturing supply. By responding immediately to any abnormalities, the Company minimizes water waste and ensures efficient operations. To ensure an immediate response to water outages, the Company utilizes on-site reservoirs capable of supplying water for over 12 hours and has established measures such as dual supply sources. Furthermore, it monitors and analyzes water resource conditions at each site, promptly reporting to management and taking swift action when improvements are required.

| Water Consumption Reduction Activities

Recognizing water as an essential resource for product manufacturing and site operations, Samsung Electro-Mechanics is committed to efficient water management and improving water reuse rates. To increase water reuse rates in the manufacturing process, the Company established a mid- to long-term improvement plan through 2030 to expand reuse facilities across its domestic and overseas sites in phases. The Company conducts monthly internal verifications to analyze reused water volumes against targets. Newly identified reuse opportunities are shared company-wide, driving the expansion of reuse facilities across all sites. Through these efforts, the water reuse rate improved from 33.0% in 2024 to 33.9% in 2025.

Status of Major Water Reduction Activities

Facility Improvement Activity	2025 Water Reuse Performance
Reuse of wastewater pump sealing water at the Busan site wastewater treatment plant	More than 960,000 tons annually
Improved reuse of scrubber cleaning water at the Suwon site	More than 150,000 tons annually
Expansion of condensate reuse facilities at the Philippines subsidiary	More than 100,000 tons annually
Condensate reuse at the Suwon site	More than 500 tons annually

| Training to Enhance Water Resource Management Expertise

To strengthen operator expertise, Samsung Electro-Mechanics operates a leader lecture program and job study groups within departments. We also conducted training on water and pure water treatment processes to enhance water resource management expertise, alongside training on water reuse and carbon neutrality. These efforts have strengthened the process capabilities of water treatment operators and improved operational stability.

Environmental Pollutant Management

| Water Pollution Reduction Activities GRI 303-2, 303-4

Samsung Electro-Mechanics monitors the entire wastewater process, from generation to final treatment and discharge. To ensure stable treated water quality, the Company conducts regular internal analyses alongside external assessments of all pollutants, maintaining water pollutant concentrations at an average of 30% or less of the legal limits. Furthermore, the Company regularly monitors changes in relevant laws and regulations, proactively responding to regulatory shifts by applying new technologies and investing in facilities. Since 2023, the Suwon site has achieved resource circulation by utilizing recycled sodium hydroxide and aluminum sulfate—produced from waste generated on-site—for wastewater treatment. Similarly, the Philippine subsidiary is reducing environmental pollutant emissions by adopting new technologies to improve water quality. This includes replacing all pre-discharge filtration systems to reuse wastewater effluent and conducting pilot tests to secure water reuse technologies. Additionally, the Suwon site contributes to preventing the depletion of local ecological streams by discharging treated water into the Woncheonri Stream.
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| Air Pollution Reduction Activities

As a facility regulated under the Integrated Environmental Permit and the Air Pollutant Total Emission Control System, the Company continuously improves its air pollutant treatment efficiency. It installs and operates pollution control facilities to comply with strengthened emission standards and ensure emission quotas are not exceeded. Specifically, the Company operates Regenerative Thermal Oxidizers (RTO) to treat volatile organic compounds (VOCs), maintaining emissions at levels averaging within 30% of legal limits. Furthermore, the Company conducts pre-environmental reviews aligned with plant expansion plans, installing and operating pollution control facilities tailored to specific pollutant emission characteristics. A real-time monitoring system tracks the operational status of these air pollution control facilities, enabling immediate corrective action when issues arise. Additionally, the Company has signed a voluntary fine dust reduction agreement and established internal improvement plans. It actively supports government environmental conservation policies by reducing fine dust generation through regular inspections of air emissions and control facilities, as well as optimizing facility utilization rates.

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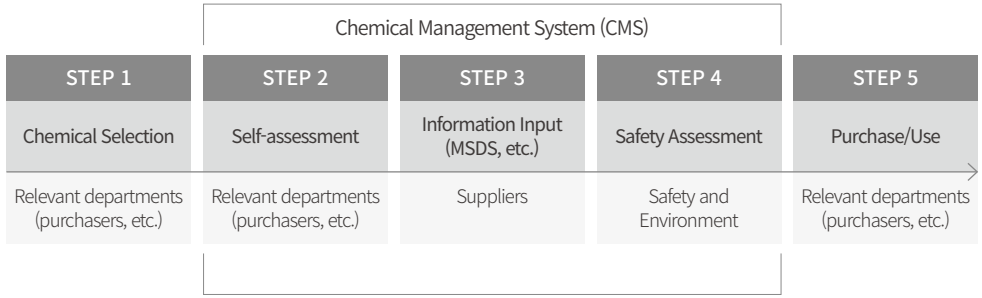
Hazardous Chemicals

Hazardous Chemicals Management System

Samsung Electro-Mechanics is committed to systematically managing chemicals and creating a safe work environment. The Company evaluates the hazards of all purchased chemicals in advance through its Chemical Management System (CMS) and operates a quarterly alternative substance committee to review and restrict the use of materials that pose human health risks. To eliminate the risk of worker exposure, the Company implements improvement initiatives, such as replacing hazardous substances handled at its sites with safer alternatives. In 2025, the Company reviewed a database of approximately 230,000 chemicals to ensure information remained current, updating the data for 8,189 substances. Furthermore, to raise awareness of chemical management procedures and associated hazards, the Company provided statutory training to 13,616 individuals annually, including domestic employees, chemical handlers, and supplier representatives.

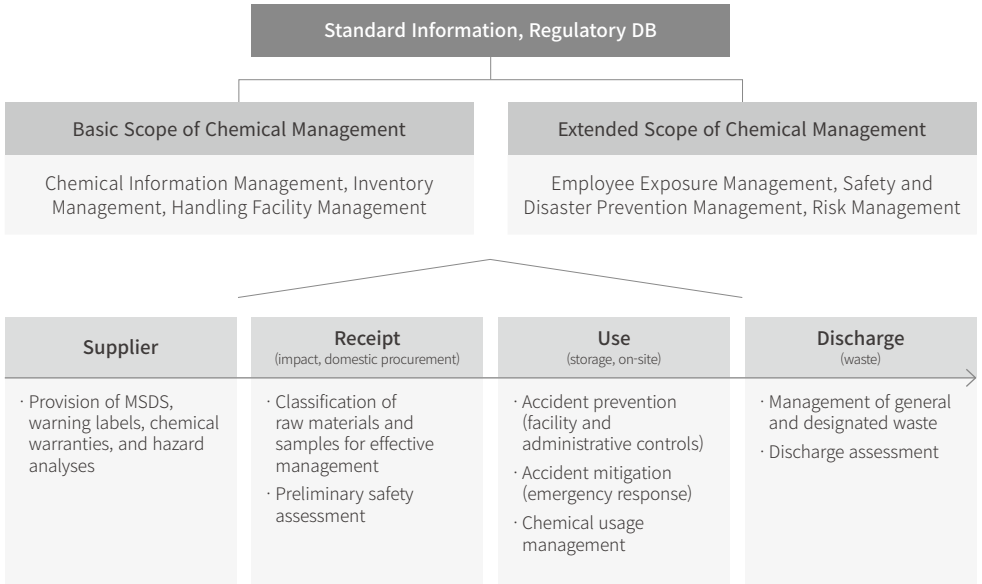
Hazardous Chemicals Management Process



Hazardous Chemicals Verification System

Samsung Electro-Mechanics operates a systematic verification system throughout the entire lifecycle to ensure the safe handling and management of hazardous chemicals. As part of the verification process, at the import or manufacturing stage, the Company identifies the characteristics and potential risks of substances by obtaining information from suppliers, including Material Safety Data Sheets (MSDS), warning labels, chemical warranties, and hazardous substance analysis reports. During the receiving stage, the Company separates raw materials from samples and preemptively mitigates risks through preliminary safety assessments. In the usage stage, the Company implements facility and administrative measures to prevent accidents during storage and on-site use, establishes an emergency response system to minimize damage in the event of an accident, and systematically manages chemical usage volumes. During the discharge stage, the Company manages general and designated waste and monitors discharge volumes. Through this entire process, the Company is building a standard information and regulatory database that encompasses fundamental areas, such as chemical information, inventory, and handling facility management, as well as extended areas, including employee exposure control, safety and disaster prevention, and Risk Management.

Hazardous Chemical Verification Process



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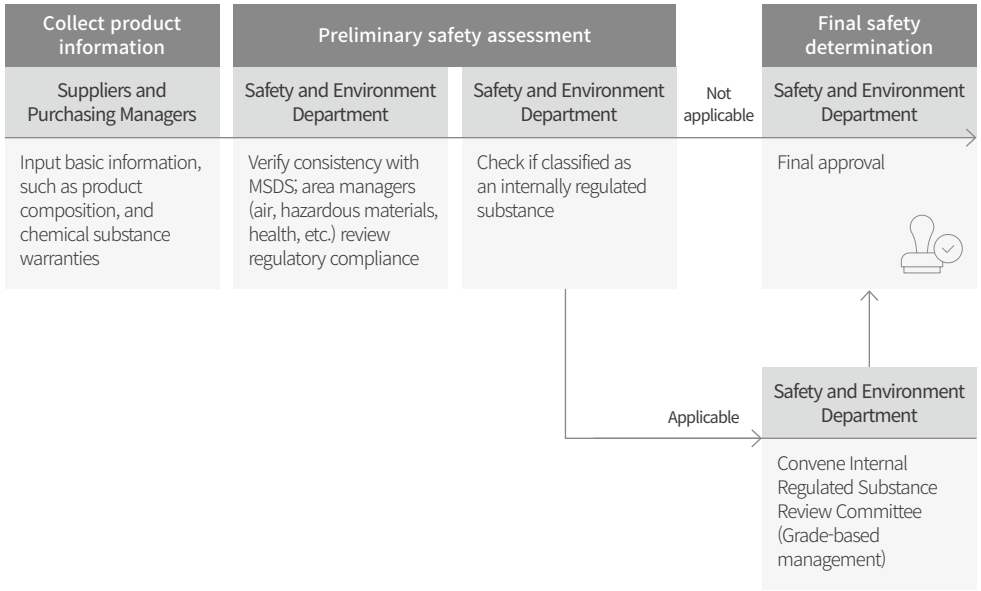
Hazardous Chemicals

Proactive Chemical Management System

Samsung Electro-Mechanics operates a safety assessment process to review the safety of chemical substances contained in its products. Suppliers and purchasing managers input basic information, such as product composition, along with chemical substance warranties. The Safety and Environment Department then verifies that the Material Safety Data Sheet (MSDS) matches the provided information, while specialists in areas such as hazardous materials and health review compliance with relevant regulations. Furthermore, the Company checks whether the substances are classified as internally regulated substances. If they are classified as internally regulated substances, the Internal Regulated Substance Review Committee convenes to classify and manage their risk levels; if not, the Company grants final approval for their use following a final safety determination.

Safety Assessment Process



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Biodiversity Conservation

Biodiversity Conservation Strategy

Biodiversity Conservation Policy GRI 101-1

Samsung Electro-Mechanics recognizes the impact of its business activities on the broader ecosystem, particularly in the regions where it operates, and is committed to contributing to ecosystem conservation by minimizing any negative impacts on biodiversity. To this end, the Company signed the 'Joint Declaration on the Conservation and Sustainable Use of Biodiversity' with government ministries, which served as the foundation for establishing and implementing its internal biodiversity conservation policy. Furthermore, the Company is continuously advancing global environmental protection initiatives, such as ecosystem preservation and response to the climate crisis, through its zero-deforestation policy. It has also established a code of conduct for its supply chain to extend the application of its biodiversity and zero-deforestation policies.
Samsung Electro-Mechanics is committed to conserving and restoring local ecosystems affected by its operations, while striving to create a positive impact on local biodiversity by prohibiting operational activities in state-designated biodiversity protection areas, such as national parks and greenbelts. In line with its commitment to zero deforestation, the Company minimizes deforestation at its business sites and in surrounding areas. When deforestation is unavoidable, the Company adheres to the principle of ecosystem conservation and restoration through reforestation.

Basic Philosophy and Action Guidelines of the Biodiversity Conservation Policy

Basic Philosophy	The Company recognizes its impact on biodiversity and actively pursues ecosystem conservation activities by minimizing negative effects.
Action Guidelines	All employees recognize biodiversity conservation as a core management value.
	The Company analyzes and evaluates its impact on biodiversity and strives to minimize negative effects.
	The Company implements biodiversity conservation activities tailored to regional characteristics.
	The Company continuously communicates with stakeholders and local communities, contributing to biodiversity conservation.
	The Company cooperates in the sustainable use of biological resources within the industry.
	The Company considers biodiversity conservation in its decision-making processes.

Six Principles of the Joint Declaration on Biodiversity

1	Recognize the value of biodiversity.	4	Collaborate to ensure the sustainable use of biological resources in the industry.
2	Governments expand biodiversity conservation policies, and businesses consider biodiversity conservation in decision-making.	5	Engage and collaborate with relevant domestic and international organizations to conserve biodiversity.
3	Work together to implement biodiversity conservation activities.	6	Strive to raise awareness of biodiversity throughout society.

Biodiversity Monitoring and Conservation Activities GRI 101-4, 101-5, 101-6

Although it does not fall under the ecological and nature map standards and management areas designated by the National Institute of Ecology under the Korean Ministry of Environment, Samsung Electro-Mechanics recognizes its location in a Grade 2 area and is committed to minimizing its impact on the surrounding ecosystem. The Company utilizes the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool to assess its natural capital dependencies and impacts based on industry classification standards. The assessment results indicate that the electronic components industry currently relies on resources such as groundwater and surface water, and has a moderate or higher potential impact on water pollution and waste generation. Accordingly, the Company manages water and air quality at levels averaging less than 30% of the legal standards for domestic sites, and is committed to minimizing the potential impacts of its industrial activities by increasing its waste recycling rate. The Company also collaborates with external specialized agencies annually to continuously monitor the environmental impact on rivers surrounding the Suwon and Sejong sites, proactively identifying potential impacts on the surrounding ecosystem. In addition, the Company implements various ecosystem conservation activities, such as creating ecological parks near its sites and eradicating invasive alien species that disrupt the ecosystem. Through these efforts, the Company aims to achieve Net Deforestation Zero by 2050. Going forward, the Company will continue to apply the biodiversity Mitigation Hierarchy to prevent the negative impacts of its business activities on nature, minimize any identified potential impacts, and consistently work to restore negatively impacted biodiversity.

Endangered Species Near Domestic Sites

Suwon	6 bird species, 2 amphibian species, 1 plant species
Sejong	3 mammal species, 14 bird species, 2 fish species, 2 amphibian and reptile species, and 2 insect species
Busan	3 mammal species, 30 bird species, 1 amphibian species, and 3 plant species

Environmental 1 2 3 4 5

Biodiversity Conservation

Biodiversity Conservation Strategy

Biodiversity Monitoring and Conservation Activities GRI 101-2

River Cleanups Near Business Sites

Samsung Electro-Mechanics conducts annual activities, such as river cleanups and vine planting, to preserve the ecosystem of Woncheonricheon, one of the four major rivers in Suwon, located near the Suwon site.

Improving the Ecological Environment of Woncheonricheon

Samsung Electro-Mechanics is committed to improving the local ecosystem by purifying the effluent discharged into Woncheonricheon. In March 2025, the Suwon site conducted underwater environmental conservation activities to mark World Water Day. To protect the nearby ecosystem, the site purifies wastewater through a three-stage process prior to discharge and manages pollutant concentrations using a real-time monitoring system. Building on its efforts to improve the Woncheonricheon ecosystem, Samsung Electro-Mechanics will continue to expand various environmental protection initiatives within the local community.

Preserving the Sohwang Sand Dune Ecosystem

The Sohwang Sand Dune in Chungcheongnam-do, where the Samsung Electro-Mechanics Sejong site is located, is an ecological landscape conservation area of high environmental value. Designated by the Ministry of Environment in 2005, it serves as a habitat for endangered species, wild flora and fauna, and natural monuments, and is the only completely intact sand dune on the west coast. To conserve the local ecosystem and its diverse flora and fauna—including endangered species such as the Chinese egret and Eurasian oystercatcher, as well as native plants like the Siberian sea rosemary and beach vitex—Samsung Electro-Mechanics signed a Memorandum of Understanding (MOU) with the Geum River Basin Environmental Office, the Boryeong Council for Sustainable Development, and Samsung affiliates in the Chungnam region. Under this agreement, the Company continuously advances conservation activities, including the removal of invasive plant species and the installation and maintenance of eco-trails.

Biodiversity Risk Assessment Process GRI 101-4

Identifying Species and Populations Near Site Boundaries

Samsung Electro-Mechanics conducted a biodiversity risk assessment for the Suwon site using the biogeographical information service provided by the Ministry of Environment. The assessment confirmed that approximately three biological communities inhabit the area within a 1km radius of the site, and these species are not classified as endangered.

Conducting Environmental Impact Assessments at Site Boundaries

In December 2025, the Samsung Electro-Mechanics Suwon site conducted an environmental impact assessment of its external boundaries. Water quality tests on the effluent and the river before and after discharge confirmed that the effluent not only met domestic environmental standards but also improved the river's water quality post-discharge. For example, the total organic carbon concentration improved by 29% after the effluent merged with the river. Samsung Electro-Mechanics is committed to continuously conducting environmental impact assessments, monitoring the surrounding ecology, and mitigating biodiversity risks.

Environmental 1 2 3 4 5

Product Stewardship

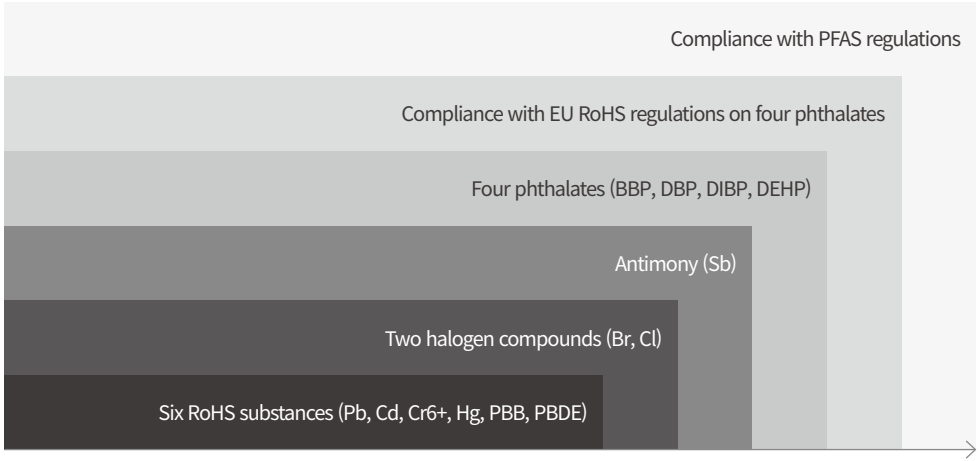
Product Environmental Compliance System

Samsung Electro-Mechanics operates a regular consultative body for personnel in departments related to product environmental regulations, such as development, quality, and purchasing, and continuously shares global environmental regulatory trends and customer requirements. Furthermore, the Company is committed to strengthening hazardous substance management standards and enhancing related capabilities by revising internal product environmental regulations and conducting training for the supply chain.

Hazardous Substance Management Process for Products GRI 416-1

To comply with global environmental regulations such as the EU Restriction of Hazardous Substances (RoHS) and the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), Samsung Electro-Mechanics has established internal management standards to restrict the use of environmentally hazardous substances starting from the product R&D stage. Since declaring RoHS compliance in 2006, the Company has operated the Green Purchase System (GPS) to systematically manage these materials by building a database of environmentally hazardous substances found in raw and subsidiary materials across the supply chain. Samsung Electro-Mechanics has proactively conducted a preliminary survey of substances potentially subject to PFAS regulations and will collaborate with industry associations to identify alternative substances where necessary. The Company also plans to continue voluntary initiatives to reduce SVHC candidate substances through 2030.

Strengthening Hazardous Substance Management in Products



Hazardous Substance Management Process

	Design	Approval	Mass Production	Shipment
	Product Design Considering Hazardous Substance Restrictions	Preliminary Environmental Review	Material Hazardous Substance Inspection	Product Hazardous Substance Inspection\
Development	Review of Hazardous Substance-Free Materials	Approval of Hazardous Substance Review Results During Component Approval		
Purchasing	Disseminating product environmental management standards to suppliers	Obtaining raw material composition data and analysis reports from suppliers	Encouraging suppliers to input raw material composition data and analysis reports	
Quality		Agreeing on hazardous substance review results during component approval	Conducting sampling inspections for hazardous substances in incoming materials	Conducting sampling inspections for hazardous substances in shipped products
Safety and Environment	Operating hazardous substance management standards and providing information to relevant departments		Operating the Green Purchase System	

Material Analysis System

To identify environmentally hazardous substances in raw and subsidiary materials provided by suppliers, Samsung Electro-Mechanics regularly analyzes the chemical substances in these materials alongside utilizing rapid screening equipment. If environmentally hazardous substances are detected during this process, the Company commissions an external certified testing laboratory to conduct a precise analysis for accurate verification. The results are then managed through the material analysis system.

Hazardous Substance Management in R&D Stage

To comply with global product environmental regulations, Samsung Electro-Mechanics reviews the use of hazardous substances starting from the product R&D stage. Based on internally established hazardous substance management standards, the Company applies these criteria across all stages—from initial development, design, and implementation to completeness verification, development review, and budget and investment reviews—to prevent human exposure to hazardous substances.

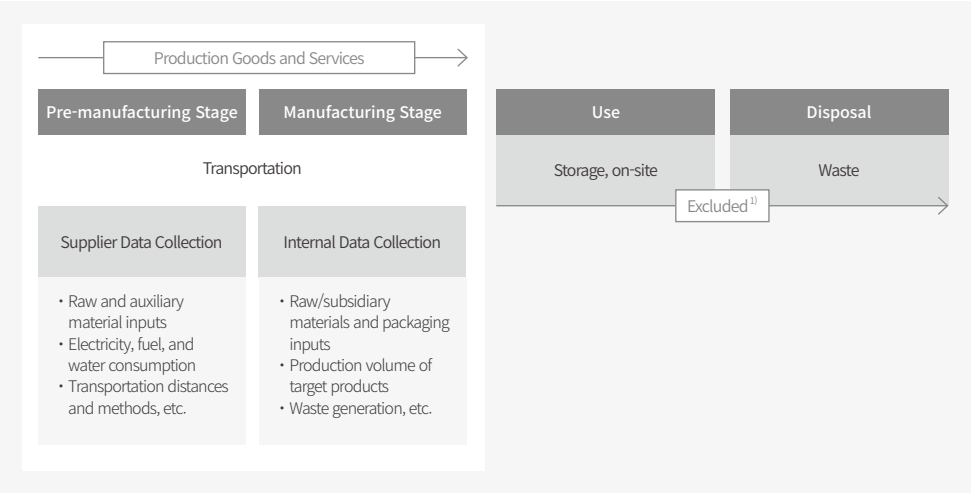
Environmental 1 2 3 4 5

Product Stewardship

Life Cycle Assessment (LCA) GRI 416-1

As a B2B component manufacturer and supplier, Samsung Electro-Mechanics manages environmental impacts across the entire product lifecycle. The Company calculates carbon data in accordance with the 'Guidelines for the Preparation of Environmental Product Declarations for Producer Goods' provided by the Korea Environmental Industry & Technology Institute under the Ministry of Environment. Specifically, during the pre-manufacturing stage, the Company collects data from suppliers regarding raw and auxiliary material inputs, electricity, fuel, and water consumption, as well as transportation distances and methods. During the manufacturing stage, it evaluates environmental impacts by collecting data on raw, auxiliary, and packaging material inputs, production volumes, and waste generation. With the recent growing demand for carbon neutrality, an increasing number of clients are requesting carbon data not only for business sites but also for individual products. In response, Samsung Electro-Mechanics is developing an internal carbon footprint calculation methodology to systematically manage product-level carbon emissions, while also reviewing plans to build a product-specific database.

Life Cycle Assessment (LCA) Process



1) As a B2B company, Samsung Electro-Mechanics calculates environmental impacts only up to the manufacturing stage.

Acquisition of Carbon Footprint Certification

To achieve carbon neutrality by 2050, Samsung Electro-Mechanics is implementing various reduction initiatives, including reducing energy consumption and process gases. The Company is also acquiring carbon footprint certifications to evaluate and transparently disclose the lifecycle environmental impacts of its products. After becoming the first in the MLCC industry to acquire carbon footprint (Environmental Product Declaration) certification in 2010, the Company obtained certifications for seven additional products (two MLCCs, three BGAs, one FCBGA, and one camera module) in 2025, bringing the total to 23 certifications to date.

Green Purchase System (GPS)

Samsung Electro-Mechanics operates the Green Purchase System (GPS) to systematically manage environmentally hazardous substances in its products and efficiently respond to global product environmental regulations and customer requirements. Suppliers of raw and subsidiary materials comply with the Company's environmentally hazardous substance management standards by submitting material composition data, Material Safety Data Sheets (MSDS), and precise analysis reports. These analysis reports are updated and verified annually to reflect the latest information.

Support for Suppliers' Compliance with Product Environmental Regulations

The Company conducts annual training for product environment managers to help the supply chain proactively respond to product environmental regulations. These sessions share the latest trends in global environmental regulations and hazardous substance management standards. By training suppliers on the in-house Chemical Management System (CMS), the Company raises awareness of regulatory compliance and helps them strengthen their own management standards. To build a foundation for proactive compliance, the Company holds these sessions twice a year, training 99 participants from 71 suppliers in 2025.

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Human Rights Management

Human Rights Protection Policy GRI 2-23, 402-1

Samsung Electro-Mechanics has established various institutional measures to protect employee's human rights in accordance with the Labor Standards Act. Samsung Electro-Mechanics 's Rules of Employment explicitly outline human rights protections, including the prohibition of discrimination based on nationality, gender, religion, educational background, or social status, as well as the prohibition of forced labor and the provision of equal pay for equal work. Furthermore, Samsung Electro-Mechanics identifies and complies with human rights protections stipulated in the Constitution and labor laws. Specifically, The Company implements in good faith the provisions detailed in its Rules of Employment, which mandate equal treatment (Chapter 1, Article 6), prohibit forced labor (Chapter 1, Article 7), and restrict hiring to individuals aged 18 and older (Chapter 2, Section 2). In addition, Samsung Electro-Mechanics complies with global labor and human rights standards and guidelines, including the International Labour Organization (ILO) core conventions, the UN Universal Declaration of Human Rights, the UNGC Ten Principles, and the Responsible Business Alliance (RBA) Code of Conduct. In accordance with the labor laws of the countries where its global sites operate, the Company strictly prohibits human trafficking, forced labor, and child labor. Samsung respects both employees' right to peaceful assembly and their freedom not to participate in such assembly. Freedom of association refers to workers' right to form and join organizations of their own choosing, and collective bargaining as a vital mechanism for employers and legitimate labor unions to establish fair working conditions, ensure equal opportunity, and build sound labor-management relations, the Company respects labor unions and all forms of employee representation. Accordingly, the Company ensures that employees face no adverse consequences—such as discrimination, retaliation, or harassment—for joining a labor union, requesting or participating in collective bargaining, or exercising their rights to organize and bargain collectively. This human rights policy outlines the Company's ongoing commitment to assessments, monitoring, collaboration, and support activities. These efforts are designed to protect human rights and prevent infringements not only for employees but also for various stakeholders, including suppliers, local communities, and entities involved in new business relationships such as mergers and acquisitions.

Human Rights Policy

1	Respect for the freedom of association, the right to collective bargaining, and the right to collective action
2	Prohibition of all forms of discrimination (including on the basis of nationality, gender, religion, academic background, or social status), prohibition of forced labor, and provision of equal pay
3	Comprehensive understanding of human rights protections as stipulated in the Constitution and labor laws, with proactive efforts to ensure compliance
4	Prohibition of human trafficking, forced labor, and child labor
5	Guarantee of all employees' right to participate in peaceful assembly and their right to refrain from participation
6	Respect for employees' freedom of expression, both individually and collectively

Human Rights Policy

Human Rights Management Goals

Samsung Electro-Mechanics establishes and implements mid-to-long-term human rights management goals to foster a human rights-centered organizational culture that guarantees dignity and equality for all employees. The Company advances effective human rights management by continuously improving systems to prevent and remediate workplace human rights violations and regularly assessing human rights performance across the organization. The Company established three core strategic directions—strengthening reporting and remediation channels, establishing a regular assessment system, and increasing the completion rate for preventive training—which it plans to implement in phases from 2026 to 2028.

Mid- to Long-term Human Rights Management Goals

Category	Reporting workplace human rights violations, Strengthening the operation of grievance channels	Regular assessment of organizational human rights levels	Human rights violation prevention training Maintaining the completion rate
2026	Operate the reporting center year-round in 2026 and achieve a 100% resolution rate	Conduct employee surveys on organizational culture and report the results to management	Achieve a 100% completion rate for sexual harassment and workplace bullying prevention training among all employees
2027	Review the reporting and resolution processes and establish directions for improvement	Analyze survey results to identify and review areas for improvement	Explore diversifying training content and pursue phased implementation
2028	Maintain a continuous monitoring system to enhance operational stability	Research directions to advance the assessment system and review the mid- to long-term roadmap	Continuously improve training effectiveness

Human Rights Protection Oversight and Assessment GRI 2-25

Samsung Electro-Mechanics advances company-wide human rights protection initiatives through collaboration among the Legal Team, Compliance Team, People Team, Management Audit Team, and Counseling Center, while also operating an agenda consultative body of elected Labor-Management Council members to address grievances and safeguard human rights. The Labor-Management Council, consisting of employees, operates a grievance resolution bulletin board on its website to continuously receive and promptly resolve human rights-related complaints. All these activities are transparently disclosed to employees through the Council's website.

Key Human Rights Risk Management Areas

Occupational Safety	• Conducting employee safety awareness activities • Eliminating worker exposure to hazardous substances through material substitution and automation
Working Environment	• Managing maternity protection, working hours, and wages in accordance with the Labor Standards Act and the Equal Employment Opportunity Act
Discrimination and Harassment	• Operating online and offline grievance procedures (workplace harassment, sexual harassment, etc.)

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Human Rights Management

Human Rights Assessments GRI 2-25, 2-26

Samsung Electro-Mechanics conducts annual organizational assessments for all employees at its domestic sites to assess respect for human rights. To foster an environment of mutual consideration among employees, the People Team conducts organizational management assessments based on employee surveys. These assessments evaluate the internalization of a culture of mutual respect and human rights protection, while identifying and rectifying any unreasonable practices in the workplace. If issues are identified, the Company analyzes the root causes, develops improvement measures, and takes corrective action, followed by continuous monitoring to ensure full resolution. In addition, dedicated grievance officers at each site receive and resolve employee concerns, and the Company operates a reporting center on the Knox Portal alongside a dedicated email account for anonymous reporting. When expanding its business through mergers and acquisitions, the Company conducts thorough preliminary reviews to ensure that target companies pose no significant potential human rights risks, such as forced labor, child labor, or occupational accidents. Furthermore, the Company provides Rules of Employment in English and Japanese for foreign workers, and each overseas subsidiary publishes its employment regulations in the local language to uphold the principles of respecting human rights.

Human Rights Assessment Process

Establishing a culture of respect for human rights through regular assessments

Detection	Investigation	Action	Management
• Compliance with labor laws • Compliance with human rights policies • Identifying global human rights issues • Customer RBA audits • Online and offline reporting	• Verifying compliance with domestic laws, including labor laws • Analyzing the impact of global issues • Conducting due diligence on compliance with RBA standards • Conducting preliminary investigations into human rights violations	• Developing improvement measures for each area of potential risk and non-compliance with domestic laws and global standards • Disciplining perpetrators and implementing protective measures for victims	• Analyzing the results of human rights assessments • Tracking the progress of key initiatives • Monitoring the implementation of measures and compliance

Human Rights Risk Mitigation Measures

Potential Risks	Affected Parties	Mitigation Plans	Remedial Measures
Discrimination and Harassment	Employees, Women	For employees Sexual harassment and discrimination Establishing a zero-tolerance culture	• Providing sexual harassment and discrimination prevention training to all employees (Sexual harassment prevention training, workplace harassment prevention training, disability awareness training) • Establishing and operating an employee grievance system • Operating dedicated email accounts for reporting workplace harassment and sexual harassment at three domestic sites (Suwon, Sejong, and Busan)
		Promoting the human rights of female employees	• HR systems for human rights protection, etc. • Promoting women's rights: Maternity protection and operating the W-Board
Forced labor, Child labor	Suppliers, contracted workers, and new business relationships such as mergers and acquisitions	Conducting on-site inspections and due diligence on suppliers and their employees	• Providing the Code of Conduct to suppliers and verifying their signed compliance agreements • Conducting evaluations on minimum wage and forced labor (unpaid overtime and forced overtime) for suppliers and M&A targets • Verifying child labor prohibition policies and reviewing employee rosters for suppliers and M&A targets • Verifying the operation of human rights grievance channels by suppliers (e.g., anonymous suggestion boxes, bulletin boards, and hotlines)
Industrial accidents		Strengthening safety and health management for suppliers	• Operating segmented subcontractor councils, managing systems for direct-contracted construction, conducting Daily Risk Inspections (DRI) for hazardous work, and implementing a supplier suggestion system, etc.

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Human Rights Management

Human Rights Management Strategy

| Compliance with Initiatives

Samsung Electro-Mechanics complies with the Responsible Business Alliance (RBA) Code of Conduct, which is aligned with international standards including the Universal Declaration of Human Rights, ILO International Labor Standards, OECD Guidelines for Multinational Enterprises, and ISO standards. Based on the five core areas of the RBA Code of Conduct—labor, health and safety, environment, ethics, and supply chain management—we manage operations and conduct audits across its entire supply chain, including domestic and overseas sites and suppliers. In 2023, in line with the expansion of its mobility industry (electronic components) business, the Company became the first in Korea to join Drive+, an automotive components supply chain consortium. As a Tier-1 consortium of Drive Sustainability, Drive+ pursues sustainability in the automotive industry based on three codes of conduct covering business ethics, the environment, and human rights and working conditions. The Company strictly complies with the codes of conduct of global initiatives such as the RBA and Drive+, the Supply Chain Due Diligence Guidelines, and international forced labor laws, and is committed to ensuring a better working environment for both its employees and supplier workers.

| Inspection and Mitigation Process

Every year, the Company conducts the RBA Self-Assessment Questionnaire (SAQ) across its domestic and overseas production sites. All production sites also undergo on-site inspections by professional third-party auditing firms in accordance with RBA Validated Assessment Program (VAP) standards. The VAP is a process in which professional third-party auditing firms inspect production sites based on the RBA Code of Conduct and local laws. Based on this framework, the Company conducts Initial Audits, and sites undergoing RBA Non-VAP audits complete Initial Audits on a one- to two-year cycle. For any findings identified during the audits, the relevant departments establish improvement plans and implement mitigation actions. When necessary, third-party auditing firms conduct Closure Audits to verify the completion of these actions. Furthermore, the Company comprehensively assesses human rights and sustainability using SAQ 5.0, developed by Drive Sustainability.

| Inspection and Improvement Cases

Samsung Electro-Mechanics requires its employees and tier-1 suppliers to comply with the Samsung Electro-Mechanics Supplier Code of Conduct and the Responsible Business Alliance (RBA) Code of Conduct. Where local laws apply, the stricter standard takes precedence. If any non-compliance is identified, the Company provides training for the personnel in charge and offers improvement guidelines to implement corrective actions in line with global compliance standards.

CASE | Follow-up Monitoring to Protect Identities and Prevent Retaliation

Samsung Electro-Mechanics has established processes to protect informant identities and prevent retaliation in the event of internal or external grievances and whistleblowing. However, upon identifying insufficient follow-up monitoring for potential retaliation or harm to informants, the Company immediately conducted a reassessment and implemented corrective actions.

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Human Rights Management

Human Rights Management Strategy

RBA Audit Status

Site[1]	Sejong	Busan	Tianjin	Philippines	Vietnam	Gaoxin
Human Rights Assessment Status	Completed	Completed	Completed	Completed	Completed	Completed
Method	RBA SAQ RBA VAP Audit	RBA SAQ RBA VAP Audit	RBA SAQ RBA VAP Audit	RBA SAQ RBA VAP Audit	RBA SAQ RBA Non-VAP Audit	RBA Non-VAP Audit
Implementation Year[2]	2024	2025	2025	2025	2025	2023
Third-party audit	Completed	Completed	Completed	Completed	Completed	Completed
Audit Results						
Labor	89.60%	79.30%	96.60%	79.30%	89.70%	100%
Safety and Health	91.60%	75.00%	75.00%	58.30%	91.60%	87.50%
Environment	94.10%	70.60%	76.50%	82.40%	100%	100%
Ethics	100%	68.80%	100%	68.80%	100%	100%
Supply Chain	100%	100%	100%	71.40%	100%	85.70%

1) The Suwon site completed the SAQ for this reporting period; the Sejong site is scheduled to conduct its SAQ(Self-Assessment Questionnaire) in 2026.
2) Based on Initial Audit

Supplier Labor and Human Rights Assessment GRI 407-1, 408-1, 409-1

| Supplier Labor and Human Rights Assessment Process

Samsung Electro-Mechanics regularly assesses its suppliers' compliance with labor and human rights by incorporating these criteria into its compliance management self-assessment checklist, which is aligned with the Responsible Business Alliance (RBA) Code of Conduct and national laws. In addition to self-assessments, the Company conducts on-site audits to verify the self-assessment results. These audit findings are incorporated into the annual comprehensive supplier evaluation and serve as a key indicator in determining whether to maintain business relationships. For any non-conformities identified during audits, the Company requires suppliers to implement corrective measures, while also providing training and consulting support based on the RBA Code of Conduct and national labor laws. In 2025, the Company conducted self-assessments for 83 domestic and overseas suppliers and performed on-site labor and human rights audits at 46 of these companies. As a result, 34 of the 46 suppliers audited on-site—representing 74%—scored 90 points or higher in the labor and human rights category.

Supplier Labor and Human Rights Assessment Results

Category	2023	2024	2025
Total number of unique suppliers	92	87	83
Number of unique significant suppliers	67	58	46
Number of unique significant suppliers supported with development measures	67	58	46
Number of unique significant suppliers assessed via desk assessments/on-site assessments	67	58	46
Number of unique significant suppliers assessed with substantial actual/potential negative impacts	2	5	3
Number of unique significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	2	5	3
Number of unique significant suppliers with substantial actual/potential negative impacts that were terminated	0	0	0

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Human Rights Management

Supplier Labor and Human Rights Assessment

Supplier Labor Rights Evaluation Criteria

Voluntary Employment	Prohibition of forced labor, execution of employment contracts, and guarantee of the freedom to resign or change jobs
Wages and Benefits	Minimum/additional wages, timely payment of wages, issuance of wage statements, subscription to social insurance, and prohibition of disciplinary wage deductions
Freedom of Association	Formation and operation of labor-management councils and democratic election of worker representatives
Underage Workers	Prohibition of child labor, verification of worker age through supporting documents, regulation of working hours, and prohibition of night and holiday work
Humane Treatment	Prohibition of inhumane treatment, protection of pregnant employees (e.g., restrictions on working hours and night/holiday work)
Corporate Ethics	Whistleblower protection (reporting channels), prohibition of the use of conflict minerals, and protection of personal information
Working Hours	Compliance with Responsible Business Alliance (RBA) standards and legal requirements, voluntary consent for overtime, and guarantee of weekly rest days, legal holidays, and break times
Prohibition of Discrimination	Fairness in recruitment postings, applications, medical examinations, and the treatment of non-regular workers
Management System	Legal violations, compliance training, and compliance audits across the supply chain

Working Conditions

| Working Environment Improvements Through the Labor-Management council GRI 2-30, 402-1

Samsung Electro-Mechanics operates a labor-management council in accordance with the Act on the Promotion of Workers' Participation and Cooperation. The Hanulim Council a labor-management consultative body representing 88% of the Company's workforce, functions as an employee representative body. Through monthly Board Committee meetings, the Council reviews a wide range of matters concerning employees' working conditions and welfare, and submits key agenda items to the Workplace Council for discussion and approval. Among these, the Company transparently discloses key matters regarding employee working conditions to all employees through regular quarterly council meetings.

| Setting Minimum Consultation or Notice Periods Before Mass Terminations

In accordance with Article 38 (Notice of Dismissal) of the Rules of Employment, Samsung Electro-Mechanics provides at least 30 days of advance notice prior to dismissing an employee (including dismissals for managerial reasons). If the Company does not provide this 30-day notice, it pays the employee 30 days of ordinary wages.

| Minimum Wage System GRI 202-1

Samsung Electro-Mechanics guarantees minimum wage levels to ensure the financial stability of its employees and enhance workforce quality. Operating a global network across Korea, China, the Philippines, and Vietnam, the Company pays wages above the legal minimum in each region to support a stable livelihood for its employees.

Remediation Process Through Human Rights Reporting Channels GRI 2-25

| Operating Human Rights Reporting Channels

Samsung Electro-Mechanics operates a Workplace Sexual Harassment and Bullying Reporting Center on its intranet to address human rights violations, including discrimination and harassment, and takes prompt action in accordance with internal procedures. Additionally, the Company established a dedicated email account for anonymous reporting to strictly protect reporters' identities. If violations are confirmed, appropriate disciplinary measures, including warnings, salary reductions, or suspension, are imposed on the perpetrator. In addition, employees are provided with access to counseling and grievance resolution support through the in-house counseling center and a mobile consultation/reporting channel.

Operation of Human Rights Reporting Channels

Company Intranet	• Operation of the "Workplace Sexual Harassment (verbal, physical, visual) and Workplace Bullying (verbal abuse, assault, unfair orders, emotional abuse, etc.) Reporting Center" • Dedicated email address for easier reporting: respect.sem@samsung.com (respect.sem@samsung.com)
In-house Counseling Center	• Provision of counseling programs to resolve employee grievances
Mobile Application 'Mobile 7979'	• Mobile messenger platform for consultation and anonymous reporting

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Human Rights Management

Remediation Process Through Human Rights Reporting Channels

| Status of Human Rights Violations and Grievance Handling

Samsung Electro-Mechanics' labor-management council continuously collects employee feedback, including grievances and suggestions, through the Hanulim website. Upon receipt of feedback, an initial response is provided within 24 hours, and the corresponding actions and outcomes are communicated within 10 days to ensure prompt resolution. In 2025, a total of 2,557 suggestions were submitted, all of which received timely responses and were resolved.

Status of Suggestions Submitted via Hanulim (Korea)

Category		2023	2024	2025
Number of cases accepted		1,861 cases	2,182 cases	2,557 cases
Reports Received	Health/Safety	3.80%	3.70%	2.90%
	Education	2.40%	2.00%	1.60%
	Workplace infrastructure	18.70%	19.40%	22.00%
	Salary/Attendance	9.00%	9.90%	7.10%
	Sungwoo Club/Community service	10.60%	7.50%	5.30%
	Personnel system (including recruitment)	5.10%	4.30%	4.70%
	Information Security (Information Security, Systems)	5.50%	4.50%	4.30%
	General Affairs (cafeteria, lounge, and commuter bus)	44.90%	48.80%	52.20%

| Human Rights Education

Samsung Electro-Mechanics provides annual workplace training on the prevention of sexual harassment and bullying, as well as disability awareness training, to all domestic employees. These programs are designed to strengthen respect for human rights and raise sensitivity to human rights issues.

Equity and Inclusion GRI 405-1

| Cultivation of a Fair Organizational Culture

Samsung Electro-Mechanics is committed to fostering an inclusive organizational culture that ensures equitable opportunities for all employees, regardless of gender, age, nationality, race, religion, or sexual orientation. We offer a variety of programs and training sessions to promote a work environment that values diverse perspectives on work and encourages mutual respect and collaboration.

| Gender Equity

Samsung Electro-Mechanics strives to promote a culture of gender equality across the organization and to create an environment where all employees can demonstrate their capabilities with equal opportunities. As of 2025, women comprised 23.8% of the domestic workforce and 50.4% of the overseas workforce. Among them, the proportion of women in managerial positions (Manager, Senior Manager, and General Manager) reached 17.8%, reflecting a 0.7 percentage point increase from the previous year. Notably, the proportion of female Managers stood at 27.1%, indicating a steady rise in female leadership representation.

| Age Diversity

Samsung Electro-Mechanics' workforce comprises a wide range of age groups, from employees in their 20s to those in their 50s and older. To promote intergenerational communication, we operate various internal exchange programs. As a result, the average length of service among employees in Korea stood at 15.5 years as of 2025, reflecting strong employee retention.

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Human Rights Management

Equity and Inclusion

| Cultivation of Female Leaders

Samsung Electro-Mechanics supports the career development and capacity building of female employees with the objective of expanding the pool of female leaders. Each year, we identify key female employees with strong leadership potential and provide them with various leadership development programs. Furthermore, we have steadily increased the proportion of women designated as key personnel from 5.6% in 2020 to over 10% since 2021, thereby enhancing motivation. Female employees are continuously enrolled in next-generation leadership training programs to cultivate future female leaders with strong growth potential in business management. As a result, Samsung Electro-Mechanics has consistently produced female executives since 2020.

| Enhancement of Systems to Prevent Career Disruptions for Women

Samsung Electro-Mechanics is committed to building a corporate culture that enables female employees to maintain continuous career development while achieving work-life balance. In recognition of these efforts, we have maintained the Family-Friendly Company Certification since 2013 and continue to enhance our familyfriendly systems.

CASE | Hosting Female Leaders' Meetings

Samsung Electro-Mechanics held annual communication meetings between the CEO and the Company's female leaders.
Through meetings with female leaders from various fields, including development, technology, and sales, the Company listened to their challenges and suggestions, and discussed ways to develop female leadership and foster a positive organizational culture.

| Guaranteeing Gender-Equal Compensation

Samsung Electro-Mechanics ensures that compensation standards for female employees are applied equally to those of male employees based on fair performance evaluations. Accordingly, the Company pays equal wages to both women and men across all job grades, provided they are in the same pay step and job grade.

Difference between men and women employees[1](Korea)

Category	2025
Average Wage Gap[2]	19.60%
Median Wage Gap[3]	24.20%
Average performance-based pay gap[4]	26.40%
Median performance-based pay gap[5]	25.00%

1) Calculations are based on 2025 business report data, and wage figures include monthly salary, annual leave allowance, additional allowances, tuition support, and medical expenses. Bonus figures include OPI, TAI, performance pay, and other performance-based compensation. The number of employees is based on the average annual workforce.
2) 1 - (Average wage of female employees/average wage of male employees)
3) 1 - (Median wage of female employees/median wage of male employees)
4) 1 - (Average performance-based pay of female employees/average performance-based pay of male employees)
5) 1 - (Median performance-based pay of female employees/median performance-based pay of male employees)

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Human Rights Management

Equity and Inclusion

| Childbirth and Childcare Support System

Samsung Electro-Mechanics operates a comprehensive range of policies to support childbirth and childcare for all employees. These include shortened working hours during pregnancy and legally mandated prenatal and postnatal leave of up to 90 days, extended to 120 days for multiple births and 100 days for premature births. Additional provisions encompass miscarriage and stillbirth leave for spouses, as well as leave for infertility treatment, aimed at supporting employees' physical and mental well-being. Employees with children under the age of 12 may take up to two years of childcare leave, with one paid year available to employees with children under eight years old or those in the second grade of elementary school (each employee is eligible for a minimum of three months of childcare leave, while single parents and parents of children with severe disabilities are entitled to up to two years and six months of leave, with one year and six months of paid leave). Furthermore, various supplementary childcare support programs are offered, including Mommy Leave, which can be flexibly utilized throughout pregnancy and up to childbirth. Through these continued efforts, Samsung Electro-Mechanics has maintained its Family-Friendly Company Certification since first receiving it in 2013.

Childbirth and Childcare Support System

Shortened working hours during pregnancy	Available for up to 2 hours per day — paid leave before 12 weeks and after 32 weeks of pregnancy, unpaid between 13 and 31 weeks. ※ In the case of a high-risk pregnancy, paid leave is provided throughout the entire pregnancy.
Prenatal and postnatal leave	Provided for up to 90 days (120 days for multiple births, 100 days for premature births).
Childcare leave	Available for up to 2 years for all employees with children aged 12 or younger. (Extended up to 2 years and 6 months for children aged 8 or in the 2nd grade of elementary school or younger, if one of the following conditions is met: ① Each parent using childcare leave for at least 3 months ② Single parent ③ Parent of a severely disabled child)
Shortened working hours for childcare	Can be used for up to 3 years in increments of at least 1 month, in addition to the childcare leave period.
Mommy leave	Leave available from pregnancy through childbirth (up to 8 months).
Childbirth incentive/ congratulatory gift	Provided to employees who give birth and to their spouses.
Miscarriage or stillbirth leave for spouses	Provided for up to 3 days (paid).
Spousal maternity leave	Up to 20 days (paid).
Infertility leave/ vacation	Up to 1 year of unpaid leave available; up to 6 days of infertility vacation per year (5 paid days + 1 unpaid day).
Child adoption support	Equivalent support provided as for childbirth.

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Social Contribution

Social Contribution Strategy

Vision

Together for Tomorrow! Enabling People

Solving social challenges using Samsung's core capabilities and resources

Key Implementation Strategies

Youth Education	Contribution to Local Communities
Blue Elephant Campaign Provides cyberviolence prevention education for youths	Nanum Kiosk
Samsung Software & AI Academy for Youth (SSAFY) Enhances the skill set of young individuals in future-oriented software & AI technology	Nanum Store
Hope Stepping Stones Supports the transition to independence for youth transitioning out of care	Employee Volunteer Activities
Dream Class Offers career guidance and future capacity building for vulnerable middle school students, alongside basic education	One-company, several village activities

UN SDGs[1] (Sustainable Development Goals)

Quality Education | Decent Work | Reduced Inequalities | No Poverty | Zero Hunger | Life on Land | Partnerships

1) UN Sustainable Development Goals — A set of 17 universal goals adopted by the United Nations (70th Session of the General Assembly in 2015), aimed at achieving integrated environmental, economic, and social development by 2030 to realize the vision of sustainable development.

Mid-to-Long-Term Social Contribution Goals

Category		2026	2027	2028
Youth Education	Core Goals	Establish a foundation for cooperation with local governments on cyberviolence prevention education for youths	Verify educational effectiveness	Expand into a flagship youth cyberviolence prevention program
	Key Initiatives	Operate prevention education, counseling, and healing programs for the Blue Elephant Campaign	Establish an evaluation system for the effectiveness of prevention education	Strengthen cultural initiatives to raise public awareness
		Establish integrated programs connecting education, culture, and platforms	Measure behavioral change outcomes among participating students	Expand to local governments nationwide
		Develop an expansion model for local governments	Increase defensive behaviors against cyberbullying by 30%	Achieve 2.6 million cumulative participants
		Achieve 250,000 participants	Reduce cyberbullying perpetration by 10%	Expand best practice models overseas
Contri-bution to Local Communi-ties	Core Goals	Establish a participation-based donation and shared growth model	Expand participation in donations and embed a local shared growth model	Generate and expand community contribution outcomes
	Key Initiatives	98% cumulative participation rate for the Nanum Kiosk	Stabilize donations through the Nanum Kiosk	Supporting a Cumulative Total of Over 400 Underprivileged Children
		Launch 'Nanum Store' and identify partner companies	Continuously Expanding Support for Underprivileged Children	Expanding 'Nanum Store' Operations to Over 60 Locations
		Encouraging Employee Participation and Driving Initial Expansion	Enhancing 'Nanum Store' Operations and Expanding Participating Stores	Revitalizing Local Economies and Building a Donation Ecosystem

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Social Contribution

Overview of Social Contribution Activities

Blue Elephant Campaign

Samsung Electro-Mechanics operates the Blue Elephant Campaign, its flagship social contribution program, to combat youth cyberbullying. Since 2010, the Company has provided prevention education to schools and local communities nationwide, combining online programs with in-person school visits, including those in remote islands and mountainous areas. Furthermore, the campaign supports youth in using the digital environment safely through various initiatives, including counseling, recovery support, research, and awareness campaigns.

School Commute Campaign

On-site Cyberbullying Prevention Education

Youth Education

Samsung Electro-Mechanics operates various education-based social contribution programs covering employment linkage, career exploration, and competency development to support the independence and growth of youth. The Company contributes to expanding educational opportunities for youth through initiatives such as Samsung Software Academy For Youth (SSAFY), designed to strengthen IT capabilities; Hope Stepping Stones, which helps youth preparing for independence make a stable transition into society; and Dream Class, which provides students in underserved educational environments with career experience and mentoring opportunities to help them broaden their aspirations

SSAFY

Dream Class

Community Contribution

To promote shared growth with local communities, Samsung Electro-Mechanics operates various community contribution programs centered on donations, volunteering, and cooperation. The Company supports vulnerable groups and improves local living environments through employee volunteer programs and the Nanum Kiosk, both driven by voluntary employee participation. Furthermore, the Company continuously promotes sustainable contribution activities to grow alongside local communities, such as supporting local economic revitalization through partnerships with small businesses and community groups.

Nanum Kiosk

5th Employment Anniversary Volunteer Activities

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Social Contribution

Social Contribution Programs

| Blue Elephant Campaign GRI 203-2

The Cyber Jungle Guardian "Blue Elephant" is a prevention-focused educational initiative designed to enhance the prosocial skills of youth and address the critical social issue of cyberbullying. As the lead organizer of the Blue Elephant Campaign, Samsung Electro-Mechanics is advancing this 10-year project (2020–2029) to fulfill its corporate social responsibility. The Company works in partnership with seven Samsung affiliates[1], the Blue Tree Foundation (an NGO specializing in youth violence prevention), the Ministry of Education, the Ministry of Gender Equality and Family, the Korean National Police Agency, and the Community Chest of Korea. The name "Blue Elephant" combines the elephant—an animal that protects its herd from predators in the jungle—with the color blue, which symbolizes peace and stability, embodying the hope that youth will protect one another in the cyber jungle and grow up safely and healthily. To prevent cyberbullying, which is spreading in various forms as the use of smart devices increases, Blue Elephant pursues comprehensive activities from a long-term perspective, centered on five key programs: 'on- and offline prevention education focused on strengthening the prosocial skills of youth,' 'psychological counseling for the emotional stabilization and recovery of victims,' 'campaigns to eradicate cyberbullying,' 'academic research to analyze the causes of cyberbullying and develop response policies,' and 'platform development.'

1) Seven affiliates: Samsung Electro-Mechanics, Samsung Electronics, Samsung SDI, Samsung SDS, Samsung Display, Samsung Biologics, and Samsung Bioepis

Blue Elephant Campaign Achievements

Category	2025	Cumulative (2020–2025)
Prevention Education	149,506 persons	681,109 persons
Counseling and Healing	2,038 persons	13,293 persons
Culture of prevention	93,057 persons	739,267 persons
Academic research	12,384 persons	65,249 persons
Platform Building	24,909 persons	123,174 persons
Total	281,894 persons	1,622,092 persons

Received the 2025 Education Donation Award

In recognition of the achievements of the Blue Elephant Campaign, Samsung Electro-Mechanics received the Minister of Education Award at the Education Donation Awards, an annual award hosted by the Ministry of Education for companies, organizations, and individuals that contribute to educational donations. This award holds special significance as it acknowledges the outcomes of the youth cyberbullying prevention education, which the Company has been implementing since 2010 to strengthen the digital safety net across schools and local communities nationwide. Moving forward, the Company plans to continuously advance these activities to ensure that youth can engage in online activities within a safe environment.

Signed an MOU with relevant organizations in Dongjak-gu

To establish a multilateral cooperation system centered on local governments and promote youth cyberbullying prevention education and culture, we signed an agreement with the Dongjak-gu Office, the Dongjak-Gwanak Office of Education, and the Dongjak Police Station, which wished to participate in the Blue Elephant Campaign. Through this partnership, the Company plans to provide intensive cyberbullying prevention education to elementary school students in Dongjak-gu and verify its effectiveness, aiming to establish a best practice model for expansion to other local governments.

Cyberbullying Prevention Education with Employee Participation

The Blue Elephant Campaign operates a school-visit prevention education program across 17 cities and provinces nationwide, including island and mountainous regions, while concurrently offering online education. Through these initiatives, a total of 23,381 students from 1,056 classes across 184 schools participated in the program in 2025, becoming guardians of the cyber jungle. The on-site education program, in particular, demonstrated high demand by receiving applications from 946 schools nationwide, and serves as a practical program for both students and teachers. In addition, employee assistant instructors participate in on-site sessions to support the smooth operation of the cyberbullying prevention education program. To enhance the delivery of the program, 75 employees from seven Samsung affiliates completed 10 hours of assistant instructor training before visiting schools in person to support the prevention education.

CASE | I am smiling with new friends and dreaming again.

I cried so much when the teacher from the Blue Elephant Campaign traveled all the way to my hometown, hugged me and said, "You did nothing wrong; you deserve protection." I felt like I was completely alone in the world, but those words gave me the strength to live again. Thanks to the continuous psychological counseling and support for my interests, I am now pursuing my dreams once again.

Hoon (pseudonym), a student affected by school cyberbullying

Social 1 2 3 4

Social Contribution

Youth Education GRI 203-2

| Samsung Software and AI Academy for Youth (SSAFY)

Jointly operated by Samsung affiliates1) and the Ministry of Employment and Labor, this program leverages Samsung's expertise in software and AI education to enhance the employability of unemployed youth under the age of 29 who hold university degrees or Meister high school diplomas. Selected trainees receive level-specific software and AI training for one year at five campuses nationwide, along with access to various employment support programs. This initiative supports trainees in developing into outstanding software and AI professionals and successfully entering the workforce.

1) Samsung Electro-Mechanics, Samsung Electronics, Samsung Display, Samsung SDI, Samsung SDS, S-1, Cheil Worldwide

SSAFY Performance

Number of Trainees[1)]	Number of Hiring Companies	Graduate Employment Rate[2)]
13,700	Over 2,300	85 %

1) Cumulative (Cohorts 1-15)
2) Average (Cohorts 1-12)

Curriculum Revamp to Foster AI Talent

SSAFY completely revamped its curriculum for 2025 to foster AI talent. The updated program dedicates 1,025 out of 1,725 total annual hours to training and introduces eight new courses. It focuses on cultivating developers equipped with problem-solving skills through foundational AI training in the first semester and hands-on AI projects in the second semester.

| Dream Class

Since 2022, Samsung Electro-Mechanics has participated in the 'Dream Class' education project, which offers education and mentoring to middle school students from underprivileged environments. The program selects 5,000 students with limited educational opportunities and provides them with mentoring and customized career education. Guided by university students, Samsung employees, and expert mentors, the students explore various fields to discover their aptitudes and nurture their dreams.

Career Exploration Events at Affiliates

Middle school students participating in Dream Class visited various Samsung worksites, shaping their future aspirations and establishing clear career paths through unique hands-on career exploration experiences and employee mentoring.

| Hope Stepping Stones

The 'Hope Stepping Stone' program aims to support the complete independence of youth transitioning out of care, offering a solid foundation as they transition into society. The program provides residential support and fosters economic independence through job training and employment capability enhancement for young adults who have exited childcare facilities or foster care at the age of 18.

10th Anniversary of Hope Stepping Stones and Opening of the Incheon Center

Launched in Busan in 2015, Hope Stepping Stones completed its nationwide network in 2025 with the opening of the Incheon Center, expanding to 16 centers across 13 local municipalities. During its 10th-anniversary event, the program shared its achievements in helping 54,611 transitioning youth achieve independence over the past decade, celebrating their growth and the positive changes in their lives.

Social 1 2 3 4

Social Contribution

Community Contribution GRI 203-2

| Nanum Kiosk

To promote a culture of sharing within the company, Samsung Electro-Mechanics has operated 'Sharing Kiosks' at its domestic sites since April 2022. These kiosks enable employees to donate KRW 1,000 by simply tagging their employee ID cards. Once contributions reach KRW 5 million, the funds are delivered to vulnerable children recommended by local NGOs. Thanks to strong participation, more than 10,000 employees, approximately 90% of the domestic workforce, have joined the initiative. As of 2025, a total of KRW 1.14 billion has been raised, benefitting 227 children, including 65 children in 2025 alone. Beyond one-time financial support, employee volunteers provide ongoing mentorship and extracurricular activities, such as tutoring and music or art lessons. The program also fosters goodwill through seasonal events and gift deliveries on occasions such as Children's Day, traditional holidays, and Christmas.

| Nanum Store

In April 2026, Samsung Electro-Mechanics launched 'Nanum Store,' a new donation initiative designed to foster shared growth with local communities. Through this program, when employees patronize partnered local businesses, the stores donate 1% of the purchase amount to support local youth in need. By encouraging employee participation, the initiative revitalizes the local economy while supporting vulnerable groups, thereby creating a virtuous cycle of positive impact throughout the community.

| Employee Volunteer Activities

Samsung Electro-Mechanics continues to carry out both in-person and remote volunteer programs, while expanding talent-based volunteer initiatives tailored to the needs of social welfare institutions and local communities. Major programs include remote volunteer initiatives such as preparing side dishes and assembling meal kits for elderly individuals living alone, learning assistance and badminton classes to support children's physical development in community study rooms, birthday party sponsorships for children in childcare facilities, employee blood donation drives to help alleviate blood supply shortages, and hands-on DIY volunteer activities. Through these efforts, employees are actively contributing their time and talents to help build a better society.

| Community Support GRI 413-1

As part of its commitment to co-prosperity, Samsung Electro-Mechanics engages in close communication with the local community to accurately identify their needs and undertakes various initiatives based on these insights. We participate in the Local Community Security Council near its business sites and serve as a member of the Steering Committee of the Suwon Global Youth Dream Center, a social welfare organization, to gain a deeper understanding of the challenges faced by the community. In addition, Samsung Electro-Mechanics strengthens cooperation with local companies by taking part in the "Corporate Welfare Net" hosted by the Busan Social Welfare Council. Through these efforts, we foster mutually beneficial relationships by addressing social blind spots in collaboration with local councils and by planning and implementing joint initiatives for advancing local community development.

| Promotion of Mutual Prosperity for Cities and Villages GRI 203-1

To promote urban-rural coexistence, Samsung Electro-Mechanics operates an online marketplace with its sister villages, helping secure sales channels for local specialties and increase income. Furthermore, the Company purchases these specialties every holiday season and shares them with vulnerable groups in the local community, adding meaning to the holidays.

| Community Environment Protection Initiatives

Samsung Electro-Mechanics employees actively participate in various environmental conservation efforts in collaboration with local communities. In addition to conducting plogging and environmental cleanup campaigns near its sites, the Company partners with Suwon City Hall to run a program that exchanges waste paper and milk cartons collected from in-house cafeterias and cafes for toilet paper. The Company donates this toilet paper annually to local social welfare facilities. Furthermore, the Company continuously advances environmental conservation through various eco-friendly initiatives, including reducing single-use items, recycling PET film, and partnering with Yuhan-Kimberly on an in-house hand towel recycling project.

| Employee Donation Activities

To foster a culture of sharing and encourage voluntary employee engagement, Samsung Electro-Mechanics operates various donation programs, including regular and one-time contributions. Employees make regular donations from their monthly salaries to support selected youth education and community engagement programs. Samsung Electro-Mechanics reinforces these efforts through a matching grant program, contributing an equal amount to that donated by employees. Moreover, we conduct an annual year-end donation campaign to raise awareness of Samsung's youth education programs. Furthermore, the Company operates the Nanum Kiosk and an ad-hoc donation system that allows employees to donate internal and external prize money as well as lecture fees.

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Social Contribution

Donations

| Sponsorship Policy

Samsung Electro-Mechanics strictly prohibits corruption and bribery and operates the External Sponsorship Review Council to ensure the transparent and fair execution of donations. Composed of team leaders from five divisions, the Council conducts prior reviews for all financial and in-kind donations of KRW 10 million or more. Donations of KRW 100 million or more require approval from the Board of Directors prior to execution. After executing a donation, the Company obtains a statement of use from the recipient organization and conducts a rigorous verification process to ensure the funds were used appropriately.

Monitoring Procedures

Step. 1	Step. 2	Step. 3
Preliminary review of donations exceeding KRW 10 million	Request for donation usage reports	Post-verification and result reporting Quarterly Audit Committee Report

Global Social Contribution GRI 203-2

| Expansion of Global Social Contributions

Samsung Electro-Mechanics faithfully fulfills its corporate social responsibilities by identifying and supporting social contribution projects that address the diverse needs of the global community, thereby helping to alleviate inequality. Starting in 2024, we have expanded our successful domestic programs by installing and operating "Sharing Kiosks" at overseas sites to encourage greater employee participation.

China

In China, Samsung Electro-Mechanics collaborates with Samsung China to support various initiatives, including "Solve for Tomorrow," a national science competition for youth; "STEM Girls," a science and technology development program for female students; and "Samsung Sharing Village," a part of the One Heart–One Village initiative. We also support the rehabilitation of children with autism, promote environmental conservation, and provide daily necessities and care services to vulnerable groups, such as children and the elderly, in local communities.

Philippines

The Company partners with low-income public schools in the Philippines to provide students with equipment, hygiene products, and school supplies. Employees sponsor vulnerable children on a one-on-one basis to support their healthy development, while the Company donates food and relief supplies to local residents. Furthermore, the Company contributes to improving the local environment by planting trees and conducting environmental cleanup activities near its business sites.

Vietnam

The Company has established sister-school partnerships with public schools in Vietnam to donate educational equipment and provide learning materials to vulnerable students, fostering a better educational environment. It also consistently supports welfare facilities, organizes blood donation campaigns, and donates wheelchairs for people with disabilities. In 2025, the Company is supporting vulnerable children through a charity marathon to bring hope to local communities.

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Customer Satisfaction

Quality Management Governance

Samsung Electro-Mechanics has established a quality governance system centered on the Quality Assurance Office. In June 2022, a product-specific quality assurance framework was introduced, grounded in core quality principles, to enhance the efficiency of quality management. As part of this initiative, the Quality Assurance Office was restructured, and specialized quality teams were established for each product.

Quality Control Systems

Quality Assurance Office	Components Quality Team	Optics Quality Team	Package Quality Team	CS Team
Quality control framework	Quality Management System IATF 16949	Plan-Do-Check-Act(PDCA) cycle	Shift-left verification system in the development phase	

Quality Management Operational System

Category	Activities		Effects
Design/ Development	• Continuous improvement of the Qual[1] verification framework • Incorporation of mass production verification checkpoints • Verification of reliability and development of new evaluation methods	• Enhancement of lifetime prediction accuracy based on customer usage conditions	• Increased product development • completeness through the shift-left verification system • Quality control/assurance based on predictive analysis of customer ·usage environments
Raw Material Quality	• Establishment of a system-based quality control framework	• Implementation of a distribution data management system for suppliers	• Assurance of raw material safety and mass production quality
Manufacturing/ Process	• Management of SPC[2] and process capabilities • Implementation of an equipment anomaly detection and response system	• Ongoing reinforcement of mass production quality assurance procedures (abnormality control, change management, and shipment assurance)	• Monitoring and control to ensure mass production quality
Shipment Customer Quality	• Focused management of items prone to customer-facing defects • Development of measurement databases and anomaly detection systems • Analysis of customer issue data → Linkage to internal improvement initiatives • Target-based management of customer response turnaround t ime (TAT)[3]	• Enhancement of data-driven shipment quality assurance processes • Operation of a dedicated expert team for intensive customer support • Assessment of customer quality competitiveness	• Reducing customer-facing defects through proactive leakage prevention measures • Reduction in the occurrence rate of customer issues • Enhancing Customer Satisfaction with Products

1) Qualification
2) Statistical Process Control
3) Turn Around Time

Quality Management Vision and Strategy

Samsung Electro-Mechanics is enhancing its global quality competitiveness through a leading-edge quality management system aimed at maximizing customer value. To strengthen this framework, we operate all key processes, including development, mass production, and customer response, under the ISO 9001 system, with continuous inspection and monitoring. In new product development, we proactively identify and address potential quality risks at an early stage. Post-issue management is conducted systematically through the PDCA (Plan-Do-Check-Act) cycle and a closed-loop system that encompasses immediate reporting, progress tracking, and confirmation of issue resolution to prevent recurrence and control leakage. During the development phase, we reinforce quality completeness by applying a shift-left verification system that emphasizes early-stage risk identification and pre-development activities. Predictive capabilities are further advanced through ongoing research into reliability technologies. In the mass production phase, we ensure quality by improving the detection of process anomalies using statistical process control (SPC), thereby minimizing defect occurrence.

Quality Management Vision and Strategy

Vision	Create Customer Value through Best-in-Class Quality
Quality Principles	1 Make decisions and take actions based on customer expectations and specifications 2 Execute tasks in compliance with regulations and regulations 3 Transparently report issues using data 4 Pursue continuous improvement through collaboration and synergy 5 Act with ownership, authority, and responsibility
Quality Assurance Organization and Its Responsibilities	The Quality Assurance Office consists of the CS Team, Component Quality Team, Optics Quality Team, and Package Quality Team.

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Customer Satisfaction

Quality Education

| Enhancing Employee Quality Capabilities

Based on the ISO 9001 and IATF 16949 quality management systems, Samsung Electro-Mechanics ensures that all production activities adhere to standardized rules and processes. To support this, the Company operates Quality University to raise employee quality awareness and enhance professional expertise. Grounded in statistical data analysis, Quality University covers various quality tools, including Statistical Process Control (SPC), Measurement System Analysis (MSA), AIAG-VDA Failure Mode and Effects Analysis (FMEA), and Design of Experiments (DOE). In 2025, the Company held 71 sessions across 20 courses, with a total of 1,082 employees completing the quality training program.

| Customer Satisfaction Assessment

To enhance customer satisfaction, Samsung Electro-Mechanics operates a systematic process for managing customer complaints, from initial receipt and corrective action to developing root cause countermeasures and evaluating effectiveness. This system enables the Company to resolve customer issues promptly and prevent recurrence. Additionally, the Company regularly conducts customer needs and satisfaction surveys among key clients across six categories, including product quality, customer response, and support processes. In 2025, surveys of key clients by product category yielded an average satisfaction score of 4.1 out of 5.

Customer Satisfaction Activities

| Expanding Customer Touchpoints

Samsung Electro-Mechanics continuously improves its user-centric website to enhance customer accessibility. Going beyond traditional Search Engine Optimization (SEO), the Company has strengthened its Generative Engine Optimization (GEO) to accommodate generative AI searches, making it easier for users to find product information. Furthermore, it has improved information accessibility by updating the design and layout based on visitor behavior and implementing an intuitive menu structure. To ensure the website is fully accessible to vulnerable groups, including people with disabilities and the elderly, the Company complies with web accessibility guidelines and acquires relevant certifications annually. In addition, it continuously advances interface features by optimizing the mobile environment and providing AI-based personalized experiences.

CASE | SAT(SAMSUNG Automotive MLCC Tech-Day)

To continuously enhance communication with customers, Samsung Electro-Mechanics hosts annual product training sessions and seminars for domestic and international clients. In 2025, the Company hosted SAT (SAMSUNG Automotive MLCC Tech-Day) in Busan for domestic customers in the mobility industry (electronic components). A total of 103 representatives from 43 companies attended, further strengthening the Company's customer relationships.

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Responsible Minerals

Responsible Minerals Management

Samsung Electro-Mechanics is committed to minimizing negative social and environmental impacts, such as human rights violations and environmental degradation during mineral extraction, by establishing a responsible Supply Chain Management System. To this end, the Company strictly monitors all suppliers through its Masterpiece of Procurement System (MaPS) to ensure they do not use conflict minerals (3TG), cobalt, mica, copper, graphite, lithium, or nickel extracted unethically from the Democratic Republic of the Congo and the DRC and adjoining countries. Furthermore, the Company has established a management process for Responsible Minerals, continuously refining it to enhance the reliability of operational data. As a result, as of the end of 2025, all of the Company's suppliers source from smelters certified by the Responsible Minerals Assurance Process (RMAP). The Company continuously encourages suppliers to transition to RMAP-certified smelters if their current smelters are uncertified or have an unclear certification status. In addition, to ensure ethical mineral extraction and procurement, the Company requires its suppliers to adopt a Supplier Code of Conduct based on the OECD Due Diligence Guidance.

Responsible Minerals Management System

Establishment of a Responsible Mineral Management System

Samsung Electro-Mechanics has established and is systematically operating a responsible mineral management system in collaboration with its suppliers to ensure that customers receive products sourced through legitimate and ethical distribution channels. Through this system, we thoroughly verify the use of responsible minerals across the entire supply chain. We ensure that not only conflict minerals (3TG) but also cobalt and mica are sourced exclusively from smelters certified by the RMAP. In addition, Samsung Electro-Mechanics has developed internal guidelines for responsible mineral usage and is actively engaging in monitoring and continuous improvement activities. We collect 100% of the CMRT and EMRT reports from our suppliers, analyze the certification status of smelters and assess potential risks, and implement control measures, including transaction restrictions on supplier registration, if any risks are identified, thereby ensuring compliance with relevant regulations. In 2024, we confirmed that 100% of the 3TG minerals, cobalt, and mica used in our products were sourced from RMAP-certified smelters. Going forward, we will prohibit the use of uncertified smelters and continue to encourage their transition to RMAP certification. Furthermore, we support our suppliers in conducting supply chain due diligence and offer training to enable voluntary compliance with responsible mineral regulations. Samsung Electro-Mechanics remains deeply concerned about issues related to minerals, including unethical mining practices, human rights violations, and environmental degradation, and is committed to sourcing responsible minerals in collaboration with its suppliers.

Go to Responsible Minerals Usage Information

Responsible Minerals Management Process

STEP 1	STEP 2	STEP 3
Compliance assessment items for suppliers	Investigation of the use of conflict and high-risk area minerals	Reasonable verification of investigation results
• Obtaining written consent for non-use of minerals from non- RMAP-certified smelters • Distributing and providing training on conflict and highrisk area mineral policies and guidelines • Requesting suppliers to extend their policy prohibiting the use of non-certified minerals to their subcontractors	• Gathering information on raw material suppliers handling conflict and high-risk minerals • Investigating and monitoring the smelters used within the supply chain	• Validation of information submitted by suppliers and conducting on-site inspections • Identifying and sharing best practices in mineral management among suppliers

STEP 4	STEP 5
Identification and assessment of supply chain risk factors	Development of improvement plans and reporting of relevant information
• Evaluating the level of management based on submitted documents and onsite inspection results • Implementing follow-up management activities	• Prohibiting procurement from suppliers using non-RMAPcertified smelters • Recommending that smelters used in the supply chain obtain RMAP certification

Responsible Minerals Management System and Cooperation Framework

Management System	Operation through the procurement portal system
Cooperation Framework	Participation in the Responsible Minerals Initiative (RMI) led by RBA and GeSI

Operation of RMAP-Certified Smelters

A total of 731 smelters are used across the supply chain by mineral, comprising 94 for gold, 80 for tantalum, 157 for tin, 65 for tungsten, 63 for cobalt, 61 for mica, 48 for copper, 55 for graphite, 58 for lithium, and 50 for nickel. Samsung Electro-Mechanics will continue to strengthen its rigorous inspection and management systems to prevent products from uncertified smelters from entering the supply chain.

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Responsible Minerals

Management of Minerals from Conflict-Affected and High-Risk Areas

| Usage Status Research

Samsung Electro-Mechanics strengthens its responsible Supply Chain Management System by regularly surveying the use of Responsible Minerals across its entire supply chain at least once a year. Between January and April each year, the Company uses the latest versions of the RMI Conflict Minerals Reporting Template(CMRT) and the Extended Minerals Reporting Template (EMRT) to verify suppliers' use of conflict minerals, cobalt, and mica, as well as smelter information within the supply chain. Furthermore, the Company requires suppliers to expand policies prohibiting the use of minerals mined in conflict regions. If smelters lacking Responsible Minerals Assurance Process (RMAP) certification are identified, the Company immediately consults with the suppliers to recommend RMAP certification and verify the origin of the minerals. Samsung Electro-Mechanics discloses its Responsible Minerals policy and the list of utilized smelters on its website for all stakeholders to access.

| Validation of Survey Results

Samsung Electro-Mechanics verifies the information submitted by all suppliers to enhance the reliability and transparency of its Responsible Minerals usage survey results. For suppliers requiring additional verification, the Company conducts on-site audits to comprehensively review their use of Responsible Minerals Assurance Process (RMAP)-certified smelters, internal Responsible Minerals policies, and information management systems. If non-conformances are identified during the audits, the Company supports suppliers in implementing necessary improvements.

| Risk Factor Identification and Improvement Measures

The Company systematically monitors all suppliers to verify the use of responsible minerals and their countries of origin for each supplied material, ensuring that uncertified minerals are not used. Furthermore, after reviewing the reliability of the responsible mineral data submitted by suppliers and their management practices, the Company requests additional supporting documents from underperforming suppliers and provides on-site guidance when necessary. The Company prohibits placing orders with suppliers that use minerals sourced from uncertified smelters under the Responsible Minerals Assurance Process (RMAP). To prevent supply chain disruptions in such cases, it minimizes risks by identifying and securing alternative supply sources in advance.

Support for Suppliers

| Supplier Training

The Company has established a responsible minerals policy and distributes related training materials to strengthen suppliers' responsible mineral procurement capabilities. In addition, the Company conducts practical training on topics such as transitioning to RMAP-certified smelters and entering smelter information to raise awareness of responsible mineral issues. In 2025, the Company enhanced suppliers' understanding of responsible mineral mining issues through remote training and educational sessions during on-site inspections, and made efforts to prohibit the use of non-RMAP certified smelters.

| Support for Suppliers' Transition to RMAP-Certified Smelters

As of the end of 2025, all suppliers of Samsung Electro-Mechanics source all responsible minerals from smelters participating in the Responsible Minerals Assurance Process (RMAP). The Company continuously encourages suppliers to transition to certified smelters if they use smelters with unverified origins or without RMAP certification.

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Governance

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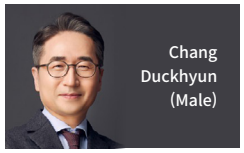
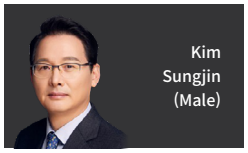
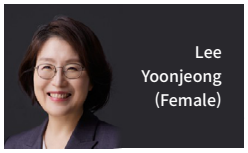
Governance

Board Composition GRI 2-9, 2-11, 2-17

To strengthen the independence of the Board of Directors, the Company separated the roles of Chairman of the Board and CEO in 2016. In addition, the Company further enhanced Board independence by appointing an Independent Director as Chairman, enabling the Board to effectively oversee management. Moving forward, the Company will continue to drive innovation and growth by sharing information and responsibilities through mutual cooperation between the Board of Directors and the CEO, establishing a robust governance structure for transparent decision-making.

Board members

		Inside Director			Independent Director			
		 Chang Duckhyun (Male)	 Kim Sungjin (Male)	Choi Jaeyeol (Male)	Choi Jongku (Male)	 Lee Yoonjeong (Female)	Rhee Chonghoon (Male)	Kim Miyoung (Female)
Category		CEO, Inside Director	Executive Vice President, Inside Director	Executive Vice President, Inside Director	Chairman of the Board, Independent Director	Independent Director	Independent Director	Independent Director
Year of Birth		1964	1965	1970	1957	1968	1960	1968
Term of office		2022.3 - 2028.3 (6 years, reappointed once)	2022.3 - 2028.3 (6 years, reappointed once)	2024.3 - 2027.3 (3 years)	2023.3 - 2029.3 (6 years, reappointed once)	2022.3 - 2028.3 (6 years, reappointed once)	2026.3 - 2029.3 (3 years)	2026.3 - 2029.3 (3 years)
Current Position		CEO ,Samsung Electro-Mechanics	Head of Management Support (CFO), Samsung Electro-Mechanics	Head of Components Business Division, Samsung Electro-Mechanics	Special Advisor, Yoon & Yang LLC	Attorney, Kim & Chang Law Office	Professor Emeritus of Business Administration, Myongji University	Professor of Materials Science and Engineering, Seoul National University
Committee Memberships		• Management Committee • ESG Committee	• Management Committee • ESG Committee	• Management Committee	• Independent Director Candidate Recommendation Committee • Compensation Committee • Audit Committee • Internal Transactions Committee • ESG Committee	• Independent Director Candidate Recommendation Committee • Compensation Committee • Internal Transactions Committee • ESG Committee	• Independent Director Candidate Recommendation Committee • Compensation Committee • Audit Committee • Internal Transactions Committee • ESG Committee	• Independent Director Candidate Recommendation Committee • Compensation Committee • Audit Committee • ESG Committee
Professional experience and expertise	Education	Ph.D. in Electrical Engineering, University of Florida	B.A. in Economics, Korea University	M.S. in Ceramic Engineering, Yonsei University	M.A. in Public Policy, University of Wisconsin	Master's in Environmental Law, University of London	Ph.D. in Labor Economics, Cornell University	Ph.D. in Physics, Arizona State University
	Experience	• Sensor Business Team Leader (Vice President), System LSI Business Division, Samsung Electronics • Head of SOC Development Office (Vice President), System LSI Business Division, Samsung Electronics	• Support Team Leader (Vice President), Wireless Business Division, Samsung Electronics • Support Team Leader (Vice President), Home Appliance Business Division, Samsung Electronics	• Team Leader (Vice President), MLCC Development Team, Samsung Electro-Mechanics	• Chairperson, Financial Services Commission • President, Export-Import Bank of Korea	• Legal Advisor, Ministry of Environment • Member, Administrative Appeals Commission, Seoul Metropolitan Government	• Member of the 19th National Assembly • Fellow, Korea Development Institute (KDI)	• Associate Professor, Department of Materials Science and Engineering, Seoul National University • Principal Researcher, Samsung Advanced Institute of Technology (SAIT)
	Leadership	●	●	●	●	●	●	●
	Engineering	●		●				●
	Finance/ Economics		●		●		●	
	Law					●	●	
	Risk Management	●	●	●	●	●	●	●
	ESG Strategy					●		
Interests in Samsung Electro-Mechanics		Executives	Executives	Executives	-	-	-	-

*As of the publication date in June 2026

Governance

Board Operation GRI 2-16, 2-17

The Board of Directors of Samsung Electro-Mechanics operates systematically in accordance with the Board of Directors Regulations. To ensure directors can thoroughly review agenda items, the Company provides relevant materials at least five days prior to each meeting. For critical matters such as large-scale strategic investments, the Board receives preliminary reports, engages in discussions, and incorporates feedback before reaching a final resolution. In 2025, the Board convened eight times to review and approve 23 agenda items, including the convocation of the Annual General Meeting of Shareholders, approval of donations, and reports on business performance and outlook. In accordance with the Articles of Incorporation, Board resolutions require the attendance of a majority of directors. In 2025, the attendance rate for both Inside Directors and Independent Directors was 98%.

Board Operation

Number of meetings	Number of reported/resolved agenda	Attendance rate (inside/ independent directors)	Ratio of independent directors	Ratio of female independent directors
8 meetings	23 items	98%	57%	50%

Committee under the Board of Directors

Samsung Electro-Mechanics operates six subordinate committees under the Board of Directors.

Committees under the BOD	Primary role	Key Agenda Items
Audit Committee	• Supervises the company's overall business operations, including financial oversight.	• Report on the evaluation of the operating status of the internal accounting management system for 2024, report on external audit results, etc. • Report on 2025 financial statements, report on the execution of external sponsorships, etc.
Compensation Committee	• Ensures objectivity and transparency in determining director compensation.	• Review of the remuneration limit for registered directors for the 53rd term • Review of individual annual salaries for Inside Directors for the 53rd term
Independent Director Candidate Recommendation Committee	• Recommends candidates for independent directors based on independence, diversity, competence, etc.	• Recommendation of Independent Director candidates
Internal Transactions Committee	• Enhances corporate management transparency through voluntary fair trade compliance	• Report on internal transaction performance for 2024 and 2025 • Deliberation on large-scale internal transactions
ESG Committee	• Deliberates and approves matters related to shareholder value enhancement and corporate social responsibility based on ESG principles	• Approval of ESG information disclosure • Report on the Status of Response to Climate Change
Management Committee	• Deliberates and makes decisions matters delegated by the Board including general business and financial issues	• Expansion investments • Development investments • Supplementary investments

* Based on Board of Directors in 2025

Board Committee Composition

Name	Position	Audit Committee	Internal Transactions Committee	Compensation Committee	Independent Director Candidate Recommendation Committee	ESG Committee	Management Committee
Chang Duckhyun	CEO					Member	Chair
Kim Sungjin	Inside Director					Member	Member
Choi Jaeyeol	Inside Director						Member
Choi Jongku	Independent Director (Board Chair)	Chair	Member	Chair	Chair	Member	
Lee Yoonjeong	Independent Director		Member	Member	Member	Chair	
Rhee Chonghoon	Independent Director	Member	Chair	Member	Member	Member	
Kim Miyoung	Independent Director	Member		Member	Member	Member	

* As of the publication date in June 2026

Governance

Board Expertise and Diversity GRI 2-17

Policy on the Appointment of Independent Directors

Samsung Electro-Mechanics established the Independent Director Candidate Recommendation Committee under the Board of Directors and operates a policy to appoint directors from diverse backgrounds. When appointing Independent Directors, the Company considers diversity and excludes discriminatory factors such as origin, gender, occupation, race, and nationality. Furthermore, it appoints experts with specialized knowledge and practical experience across various fields—including law, accounting, engineering, and ESG—who can contribute to the Company's sustainable growth. Notably, the ESG Committee consists of four Independent Directors and two Inside Directors with expertise in environmental, social, and governance areas.

Enhancing the Board Expertise

Samsung Electro-Mechanics operates various training programs to enhance the expertise and efficiency of the Board of Directors. To enable Independent Directors to execute management oversight and decision-making more actively and independently, the Company provides internal training for all members. This includes domestic and overseas site visits and status reports to familiarize them with the organizational and business structures and internal systems. In particular, to strengthen Risk Management capabilities, the Board of Directors receives quarterly reports on the global business environment and domestic and international market outlooks, alongside regular training on the Company's mid- to long-term strategies. In 2025, a total of seven training sessions were conducted, centered on the Board of Directors and its sub-committees to strengthen the professional performance of Independent Directors.

2025 Board of Directors Training Summary

Date	Provider	Key Topics
2025.04.28	Samsung Electro-Mechanics	Understanding the Compensation System
2025.07.30	Samsung Electro-Mechanics	Understanding New Businesses and Technology Trends
2025.07.30	Samjong KPMG	Trends in the Internal Accounting Management System and New Reporting Standards for the Internal Accounting Management System
2025.07.30	Deloitte Anjin	Introduction to IFRS 18 Accounting Standards
2025.08.25	Samsung Electro-Mechanics	Review of Overseas Business Operations
2025.10.29	Samsung Electro-Mechanics	Key Amendments to Laws and Regulations
2025.10.29	Deloitte Anjin	Key Provisions of the Amended Commercial Act

Professional Training for Independent Directors

The Company actively provides advisory services from various external experts, including legal and accounting counsel, to enable Independent Directors to effectively perform their roles in management oversight and major decision-making. In 2025, the Company conducted three specialized training sessions for Audit Committee members to strengthen the committee's audit capabilities. Furthermore, the Company actively supports independent meetings among Independent Directors to facilitate smooth communication, exchange opinions necessary for performing their duties, and gather suggestions. In 2025, a total of four such meetings were held.

Development Support for Independent Directors

	Independent Directors' Meeting	Training for Audit Committee Members
Scope	All Independent Directors	Yeo Yoonkyung, Choi Jongku, Chung Seungil
Number of meetings and training sessions provided	4 sessions	3 sessions
Key topics	• Understanding the Compensation System • Understanding New Businesses and Technology Trends • Review of Overseas Business Operations • Key Amendments to Laws and Regulations	• Trends in the Internal Accounting Management System and New Reporting Standards • Introduction to IFRS 18 Accounting Standards • Key Provisions of the Amended Commercial Act

Promoting Board Diversity

Samsung Electro-Mechanics is enhancing the diversity of its Board of Directors to practice Sustainability Management and gather feedback from various stakeholders, including shareholders and customers. To this end, the Company has consistently appointed female Independent Directors since 2014, and as of 2025, two female Independent Directors serve on the Board.

Board Expertise and Diversity Requirements
Samsung Electro-Mechanics actively seeks individuals who can contribute diverse and innovative perspectives to the Board, regardless of race, gender, cultural background, or area of expertise. In particular, independent directors are selected from among individuals with substantial expertise or experience in management, economics, accounting, law, or relevant technologies, in accordance with the requirements of the Commercial Act and applicable laws.

View Board Expertise and Diversity Requirements

Governance

Board Independence and Transparency GRI 2-15

| Strengthening the Independence of the Board of Directors

To ensure the independence of the Board of Directors, the Company appoints an Independent Director as the Chair. Independent Directors comprise four of the seven Board members (57%), ensuring the Board's core function of overseeing management. Furthermore, to secure independence from management, four committees (Audit, Internal Transactions, Independent Director Candidate Recommendation, and Compensation)—excluding the Management Committee and the ESG Committee—consist entirely of Independent Directors. In particular, the Compensation Committee has been composed solely of Independent Directors since 2021, further enhancing the objectivity and transparency of the director remuneration decision-making process.

| Operating an Independent Audit Committee GRI 2-26

To ensure independence from management and the governance structure, the Company's Audit Committee consists entirely of Independent Directors. To enable the Audit Committee to perform its duties effectively, the Company provides necessary external expert advisory services at its own expense, in accordance with Article 13 of the Audit Committee Regulations. Furthermore, the Company established the Audit Committee Secretariat in October 2023 to systematically support administrative tasks, including responding to committee requests, distributing key financial reporting materials, and facilitating meetings. The Internal Accounting Management Group of the Finance Team assists the Audit Committee in evaluating the overall design and operation of the internal control system. Additionally, the internal audit department (Management Diagnosis Team) reports internal audit results, audit plans, and fraud risk assessment findings to the Audit Committee twice a year.

| Audit Committee Training

To enhance the Audit Committee's capabilities, the Company conducted three training sessions in 2025 through its external auditor, Anjin Accounting Corporation, and its advisory accounting firm, Samjong Accounting Corporation. The training topics included 'Key Details of the Revised Commercial Act,' an institutional turning point for enhancing corporate governance transparency; an 'Introduction to IFRS 18 Accounting Standards'; and 'Trends in the Internal Accounting Management System and Revised Reporting Standards,' which addressed the new evaluation and reporting criteria effective from 2025.

Audit Committee Trainings

Training Date	Training Provider	Attending Members	Key Training Content
2025.07.30	Samjong KPMG	Yeo Yoonkyung, Choi Jongku, Chung Seungil	Trends and Reporting Standards for the Internal Accounting Management System
2025.07.30	Deloitte Anjin	Yeo Yoonkyung, Choi Jongku, Chung Seungil	Introduction to IFRS 18 Accounting Standards
2025.10.29	Deloitte Anjin	Yeo Yoonkyung, Choi Jongku, Chung Seungil	Key Provisions of the Amended Commercial Act

| Adopting Electronic General Shareholder Meetings

To enhance board transparency and encourage active shareholder participation, Samsung Electro-Mechanics adopted electronic general shareholder meetings in 2021 and has been broadcasting the meetings live online for shareholders unable to attend in person. Furthermore, the Company plans to introduce an electronic voting system in 2027 to further increase shareholder participation in management decision-making.

| Transparent Communication with Stakeholders

Samsung Electro-Mechanics actively communicates with various stakeholders, including shareholders, investors, and customers, to transparently disclose its business performance and build solid relationships based on trust. The Company holds quarterly earnings briefings where management directly shares updates on business operations, growth potential, and profitability. By incorporating Q&A sessions, the Company fosters an environment for active communication with shareholders and stakeholders worldwide. Furthermore, following its quarterly earnings releases, the Company hosts meetings with key domestic and international institutional investors and analysts. During these sessions, the Company gathers feedback on its core business strategies, capital market interests, and perspectives on the Company, integrating these insights into its management strategies.

Stakeholders	Activity Details
Shareholders	Holding quarterly performance briefings
Investors	IR meetings with major domestic and international institutional investors
Customers	Continuous disclosure of financial and non-financial performance via the company website

Governance

Board Independence and Transparency

| Independence of Independent Directors

Samsung Electro-Mechanics evaluates the independence of its Independent Directors and determines a lack of independence if any disqualification criteria are met. The Company's criteria are as follows:

Independence Requirements for Independent Directors
① Individuals involved in the company's general business, ② Individuals with material interests in or partnerships (including individual service contracts) with the company's major shareholders,the company or its CEO, or key customers and suppliers, ③ Spouses and lineal ascendants and descendants of the Company's directors, auditors, and executive officers, ④ Executives and employees who have served the Company within the past five years, ⑤ Executives and employees of companies where Samsung Electro-Mechanics' executives serve as independent directors, ⑥ Employees of the accounting firm that conducted the Company's audit within the past year, among others. The above individuals are prohibited from serving as independent directors. The Company's independence criteria for Independent Directors satisfy the requirements of Articles 382 and 54-8 of the Commercial Act and Article 22-2 of the Articles of Incorporation.

Shortcut to Independence Requirements for Independent Directors

Board Operations and Responsibilities

| Appointment and Term of Directors GRI 2-10

The Company appoints directors through a process of candidate recommendation, deliberation and resolution, and approval at the General Meeting of Shareholders. Each director is elected individually through a separate vote. In accordance with Article 23 of the Articles of Incorporation, the term of office is three years, and directors may serve a maximum of six years under the Commercial Act. With the exception of the Management Committee and the ESG Committee, four of the six Board committees—the Internal Transactions Committee, Audit Committee, Compensation Committee, and Independent Director Candidate Recommendation Committee—consist entirely of Independent Directors. The Company appoints Independent Directors who meet the qualifications stipulated by relevant laws through a resolution at the General Meeting of Shareholders, considering diverse backgrounds such as nationality, gender, religion, and race. In accordance with the Articles of Incorporation, the following individuals are ineligible for appointment as Independent Directors: former executives and employees who retired less than five years ago; individuals with special relationships with the Company, the CEO, or the largest shareholder; executives and employees of companies where a Samsung Electro-Mechanics executive serves as an Independent Director; and former employees of an accounting firm that audited the Company who retired less than one year ago. To ensure Independent Directors can faithfully perform their duties, the Company complies with the Commercial Act by limiting them to a maximum of two concurrent positions at other companies.

| Independent Director Appointment Process

The Company recommends Independent Director candidates based on their independence, expertise, and capabilities through the Independent Director Candidate Recommendation Committee, which consists entirely of Independent Directors. These candidates are officially appointed following approval at the General Meeting of Shareholders, in accordance with Article 382 of the Commercial Act. The Independent Director Candidate Recommendation Committee thoroughly evaluates prospective candidates across various factors, including their compliance with legal qualifications, potential conflicts of interest with the Company, relationships with the largest shareholder, commitment to duties, and ethical standards.

STEP 1	STEP 2	STEP 3
Nomination of candidates	Review of candidates	Appointment of independent directors
• Qualifications and expertise of preliminary candidates are reviewed to establish a talent pool. • Maintain a candidate pool by area of specialization, including expertise, engineering, business management, law, accounting, and more	• The Independent Director Candidate Recommendation Committee evaluates the candidates (legal qualifications, potential conflicts of interest with the company, relationship with major shareholders, job integrity, and ethical standards).	• After the evaluation of the eligibility for an independent director, final candidates are recommended to the general shareholders' meeting in accordance with Article 382 of the Commercial Act and are appointed upon approval.

Governance

Board Operations and Responsibilities GRI 2-18, 2-19, 2-20

| Board Evaluation and Compensation

Samsung Electro-Mechanics conducts an annual self-assessment of the Board of Directors' roles, functions, and responsibilities to review overall operations and identify areas for improvement, thereby fostering the continuous development of the Board.

The Company evaluates Inside Directors annually by comprehensively considering quantitative financial indicators, such as revenue, operating profit, pre-tax profit margin, and return on equity (ROE), as well as qualitative factors, including business strategy proposals and ESG and safety activities. Based on the evaluation results, the Compensation Committee, composed entirely of Independent Directors, reviews the appropriateness of the remuneration limit. This limit is then finalized through a resolution at the General Meeting of Shareholders, and compensation is paid within the approved limit.

The Company evaluates Independent Directors annually based on quantitative metrics, such as meeting attendance, the number of agenda items reviewed, and committee memberships, as well as qualitative metrics, including expertise and business understanding. These evaluation results serve as a key factor in determining their reappointment. To avoid compromising their independence in decision-making, the Company does not link the compensation of Independent Directors to evaluation results. Instead, it sets compensation at an appropriate level by considering industry standards and the time required to fulfill their duties.

Board Evaluation Items

	Quantitative indicators	Qualitative indicators
Inside Director	ROIC, ROE, operating profit margin, EPS, pre-tax profit margin, and sales growth rate	Proposing business strategies, ESG and safety activities, etc.
Independent Director	Meeting attendance rate, number of agenda deliberations, and number of committees served	Expertise and business acumen

Director Remuneration Criteria

Category		Description
Inside Director (Including the CEO)	Salary	Determined based on position, the nature of delegated responsibilities, and performance results, in accordance with the executive compensation regulations approved by the Board of Directors
	Seollal (Lunar New Year) and Chuseok bonuses	Paid at 100% of the monthly salary for each holiday
	Target Incentive	Paid twice a year within the range of 0% to 200% of the monthly salary based on the achievement of targets, including financial and business competitiveness indicators (adjusted according to organizational performance)
	Performance Incentive	Paid once a year within the range of 0% to 50% of the base salary based on a compensation pool calculated using financial factors such as evaluated after-tax profit and cost of capital (adjusted according to individual performance)
	Long-Term Performance Incentive	Calculated based on the three-year average salary by comprehensively evaluating quantitative indicators, such as ROE and pre-tax profit margin, and non-quantitative indicators, such as business strategy and contribution, and paid in deferred installments over three years (subject to cancellation or reduction in accordance with regulations)
	Benefits	Medical support and health checkups provided in accordance with executive compensation regulations
Independent Director (Including Audit Committee members)	Salary	Calculated based on the nature of delegated duties in accordance with the regulations on independent director compensation
	Benefits	Medical support and health checkups provided in accordance with the regulations on independent director compensation

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Shareholder-Friendly Management

Share Ownership Status

As of the end of 2025, Samsung Electro-Mechanics had issued a total of 74,693,696 common shares and 2,906,984 non-voting preferred shares. Excluding the 2,906,984 preferred shares and 2,077,210 common shares with restricted voting rights under applicable laws (2,000,000 treasury shares and 77,210 shares held by Samsung Life Insurance), the number of common shares with exercisable voting rights stands at 72,616,486. Samsung Electronics is the largest shareholder, holding 17,693,084 shares (23.7%), and the National Pension Service owns a total of 8,213,036 shares (11.0%).

Share Ownership Status

(As of the end of 2025)

Category	Total		Common Stock		Preferred Stock	
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio
Total	77,600,680 shares	100.00%	74,693,696 shares	100.00%	2,906,984 shares	100.00%
Individual Shareholders	14,618,252 shares	18.80%	12,927,792 shares	17.30%	1,690,460 shares	58.20%
Institutional shareholders	16,975,325 shares	21.90%	16,399,174 shares	22.00%	576,151 shares	19.80%
Foreign investors	26,260,589 shares	33.80%	25,673,646 shares	34.40%	586,943 shares	20.20%
Samsung Electronics	17,693,084 shares	22.80%	17,693,084 shares	23.70%	0 shares	0%
Treasury shares	2,053,430 shares	2.60%	2,000,000 shares	2.70%	53,430 shares	1.80%

Shareholder Return Policy

Samsung Electro-Mechanics establishes its dividend policy by considering business performance, investments to secure future growth engines, and cash flow. In 2025, the Company paid a dividend of KRW 2,350 per common share, representing a dividend payout ratio of approximately 25%. While the dividend policy may be adjusted based on cash flow and investment needs for future growth engines, the Company plans to maintain a payout ratio of at least 20% and will continue to enhance shareholder returns through appropriate dividends.

Dividend Policy Criteria

- Determine dividend amounts in alignment with the company's business performance
- Reflect future investment (business management) plans and cash flow considerations
- Take into account historical dividend payout trends by year among listed companies
- Incorporate dividend expectations of major institutional and individual shareholders
- Consider the impact of changes in external systems and laws
- Reference dividend guidelines set by domestic and international proxy advisory firms

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Risk Management

Risk Management Governance GRI 207-2

Samsung Electro-Mechanics fosters a company-wide risk management culture that empowers all employees to identify risks early and respond preemptively in their respective work environments. On the operational front, employees directly manage risks at the front lines of all work sites, including manufacturing, procurement, and sales. The Company operates dedicated processes that enable employees to immediately report identified risks related to safety and environment, information security, corruption, and human rights. Notably, through the safety communication platform (SEM-S), the Company identifies best practices among employees who contribute to safety risk management and provides them with awards and incentives. Departments responsible for specific issues and business unit support teams concurrently review operational and financial risks, such as business feasibility, investment viability, and post-implementation evaluations. Furthermore, during product development and approval, the Company strictly enforces risk inspection processes to manage hazardous substances and prevent patent litigation.

Corporate functions, including the management support and direct reporting units, monitor and support the company-wide risk management process. The Chief Financial Officer (CFO) holds the highest responsibility for risk management at the Company. Specific risks are managed by dedicated departments: the Finance Team handles financial risks, the People Team oversees human rights and HR-related risks, and the Safety and Environment Team manages safety and environmental issues. Company-wide risks, including those related to finance and compliance, are reported to the Board of Directors and the Audit Committee. As independent internal audit bodies, the Compliance Team and the Management Audit Team objectively monitor and control regulatory compliance and process efficiency. The head of the Compliance Team also serves as the Compliance Officer, attending all Board of Directors meetings to support corporate decision-making and report on key compliance management issues.

Risk Management Areas

Risks	Details
Tax Risks	· Conduct prior assessments of all tax-related risks, such as goods/service transactions, new business models, and changes in transaction structures, by engaging external experts (e.g., accounting firms) for each headquarters and overseas subsidiary Manage associated risks including local tax law and regulatory compliance, omission of tax reporting, and transfer pricing in international transactions between the head office and overseas subsidiaries
Liquidity Risks[1]	· Periodically assess cash flows and available liquidity for each entity (company/subsidiary) to effectively manage liquidity risk · Minimize the risk of collection defaults in export/import transactions through export insurance and negotiation/factoring arrangements
Compliance Risks	· Verify compliance with internal control standards and report the results of the "Compliance Effectiveness Evaluation" to the Board of Directors annually · Senior management makes decisions and provides direction on critical compliance issues through the "Compliance Management Committee" · Manage compliance risks that may arise in the course of business operations by enabling employees to proactively identify and prevent risks through continuous operation of the compliance management system
Market Risk[2]	· Interest rate risk: Periodically review interest rate conditions for borrowing and deposit management (forming an optimal portfolio by reviewing borrowings by fixed and floating interest rates, reducing reliance on high-interest borrowings, and diversifying deposit products) · Foreign exchange risk: Regularly monitor foreign exchange risks arising from exchange rate fluctuations and manage the company's overall foreign exchange exposure accordingly
Safety Risk	· Operate the SEM-S (SEM-Safety) risk reporting system to identify potential hazards and risk factors, and provide feedback on corrective actions taken by relevant departments · Foster a culture of autonomous safety management by introducing "not-to-do" lists and conducting proactive activities to identify potential risks

1) The risk of failing to secure funds to meet obligations under financial contracts by maturity
2) The risk of fluctuations in the fair value of financial instruments due to changes in market prices

Risk Management Training

The Company conducts regular training to strengthen its risk management capabilities. The Board of Directors receives training at least twice a year and conducts an annual site visit. In 2025, the Company provided Independent Directors with training on new business and technology trends, the employee compensation system, and major legislative changes. Additionally, the Company provides employees with diverse annual training tailored to their roles and levels, including specific sessions on safety and environmental risks and compliance management issues, as well as broader training on compliance, safety and the environment, information security, and industry trends.

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Risk Management

Compliance Risk Management

The Samsung Compliance Committee (SSCC) is an independent, external organization with guaranteed autonomy, established to strengthen compliance monitoring and control across eight major Samsung affiliates[1]. Composed of seven members with expertise and experience in compliance, the SSCC systematically monitors and manages legal risks across these eight affiliates. The Company also operates a dedicated organizational structure to ensure effective compliance management. Through the Compliance Management Committee, executive management reviews key business activities, provides strategic direction, and makes decisions on major compliance matters. Additionally, the Company operates a dedicated compliance organization to support functional departments in implementing compliance practices. Furthermore, the Company appoints Compliance Officers to oversee compliance activities at the domestic and international team-leader levels, along with Compliance Managers to handle practical operations, ensuring proactive, unit-level responses to any compliance issues. Samsung Electro-Mechanics operates its own reporting channels through its internal Compliance Program Management System and official website. A separate reporting channel is also available through the Samsung Compliance Committee, an external oversight body that operates independently of Samsung Electro-Mechanics' management. Employees and external stakeholders may report compliance violations involving the Company directly through its own channels, or report matters within the Committee's remit through the Committee's website or the external specialist provider entrusted by the Committee with anonymous report intake. Reports received through the Committee's reporting channels are handled and managed independently by the Committee within its remit.

1) Samsung Electro-Mechanics, Samsung Electronics, Samsung C&T, Samsung SDI, Samsung SDS, Samsung Life Insurance, Samsung Fire & Marine Insurance, Samsung E&A

Key Agreements of the Samsung Compliance Committee

- Obligation to provide prior notification to the committee regarding internal transactions and external sponsorships subject to Board approval, and to endeavor to reflect the committee's recommendations or requests regarding such matters
- Provision of necessary data and materials to enable the committee to supervise and make recommendations on compliance monitoring programs and systems
- Obligation to respond when the Board of Directors requests reports on potential violations of compliance-related obligations

Tax Risk Management GRI 207-1, 207-2, 207-3

| Tax Policy

In accordance with its Tax Management Operational Guidelines, Samsung Electro-Mechanics complies with the tax laws of the countries where its headquarters and overseas sites operate, faithfully fulfilling its tax reporting and payment obligations. The Company maintains transparent relationships with local tax authorities and actively engages external experts, including tax professionals and accountants at its local subsidiaries, to comprehensively monitor and manage tax risks. Furthermore, Samsung Electro-Mechanics proactively manages tax risks associated with domestic and international tax policies by strictly adhering to the tax regulations of all jurisdictions where it operates. The Company does not transfer value created through its business activities to low-tax jurisdictions for the purpose of tax avoidance. In particular, it maintains fair pricing in transactions with third parties and related parties in accordance with relevant domestic laws. For international transactions, the Company applies the arm's length principle to its transfer pricing, thereby preventing risks associated with international taxation.

Tax Management and Operation Guidelines

1. Among all applicable regulations, the accounting standards and tax laws of the headquarters and relevant local jurisdictions shall take precedence.
2. Differences in tax laws across jurisdictions shall be duly recognized, and all tax reporting and payment obligations shall be fulfilled in accordance with applicable laws. Income transfers to tax havens for the purpose of tax avoidance are prohibited.
3. Tax managers at each local entity shall maintain transparent relationships with their respective tax authorities and strive to prevent tax-related risks.
4. Internal tax expertise shall be effectively managed, and external professionals shall be fully utilized to ensure compliance with local tax regulations and to preemptively manage potential risks.
5. In transactions between related parties, such as between headquarters and overseas subsidiaries, the appropriateness of profit margins shall be reviewed through transfer pricing assessments conducted by external experts. Relevant reports shall be secured to mitigate future tax risks.
6. All transactions shall be based on commercial substance. Artificial tax structures that lack such substance are prohibited. In this regard, valid documentation shall be maintained, and timely tax payments shall be ensured to maintain full compliance with relevant regulations.

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Risk Management

Tax Risk Management

Tax Share by Jurisdiction in 2025

	Korea	China	Southeast Asia	Others[1]
Profit before tax	50.8%	35.0%	11.5%	2.7%
Corporate tax	8.6%	69.8%	16.9%	4.7%
Corporate tax expense reflected in profit or loss [2]	38.0%	48.5%	9.7%	3.8%

1) United States, Germany, Japan, and India
2) Represents the simple sum before reflection of consolidation adjustments

Tax Risk Assessment

Samsung Electro-Mechanics strives to proactively identify and prevent all tax risks that may arise from business transactions involving goods and services, cross-border trade, new business initiatives, and changes in transaction structures. The headquarters and overseas subsidiaries evaluate tax risks, proactively identify tax-related risk factors, and establish response plans to minimize their impact. To ensure rigorous assessments, the headquarters and overseas subsidiaries collaborate with external experts, such as accounting firms. Through this collaboration, the Company preemptively addresses tax risks by analyzing the factual background of specific issues, reviewing national tax regulations, and identifying potential future risks.

Tax Risk Management Policy

Samsung Electro-Mechanics operates a tax consulting system to proactively identify and address local tax regulations and risks when establishing new subsidiaries or conducting mergers and acquisitions (M&A). Furthermore, before filing corporate tax returns, the headquarters and overseas subsidiaries undergo mandatory reviews by external accounting firms to ensure compliance with local tax laws. All transactions are executed based on commercial substance, with relevant qualifying evidence properly documented and retained. The Company faithfully fulfills its tax obligations by strictly adhering to payment deadlines for all generated income. For domestic transactions, the Company maintains fair pricing with both third parties and related parties. For transactions between the headquarters and overseas subsidiaries, the Company mitigates tax risks by engaging external experts to conduct transfer pricing reviews, assess the adequacy of profit margins, and obtain relevant reports. Samsung Electro-Mechanics does not transfer generated value to low-tax jurisdictions, utilize tax structures for tax avoidance, or operate in secrecy jurisdictions or tax havens. In addition, the Company continuously strives to prevent Base Erosion and Profit Shifting (BEPS) by entering into Advance Pricing Arrangements (APAs), among other measures.

Internal Accounting Management

Samsung Electro-Mechanics operates a consolidated internal accounting management system to enhance the transparency of its financial statements and provide reliable information to external stakeholders. This system is governed by internal accounting management regulations and operational guidelines in accordance with the Act on External Audit of Stock Companies and its Enforcement Decree. The Company conducts quarterly operational evaluations of its headquarters and overseas subsidiaries. Any deficiencies identified during these evaluations are addressed through tripartite consultations among auditors, dedicated departments, and working-level staff. To ensure the objectivity and reliability of these evaluations, the Company conducts third-party cross-assessments and reviews the operational status of its overseas subsidiaries. Since October 2023, the Company has operated the Audit Committee Secretariat to support the Audit Committee in independently and objectively evaluating the consolidated internal accounting management system.

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Risk Management

Emerging Risks

Samsung Electro-Mechanics identifies emerging risks with potential long-term impacts on the business, assesses their implications from a sustainability management perspective, formulates response measures, and systematically manages these risks.

Risk Category	Definition	Business Impact	Response Measures
Multi-Tier Supply Chain Transparency Risk	• As we move beyond Tier-1 suppliers to Tier-2 and Tier-3, the accessibility and reliability of data significantly decline, making it difficult to accurately verify the origin of raw materials, compliance with labor and environmental standards, and quality assurance.	• Delays in delivery and increased costs from rework or disposal may occur if regulatory non-compliance (e.g., human rights, environment, safety) and quality issues at lower-tier suppliers are only identified afterward. • With the strengthening of global supply chain due diligence regulations (e.g., human rights and environmental due diligence), insufficient verification could lead to potential sanctions. • Supply disruptions of critical materials and components due to high dependency on specific regions or suppliers may negatively affect production continuity and profitability.	• Enhanced Supply Chain Mapping: Structure supplier, country, and process information step by step, from core Tier-1 suppliers down to Tier-2 and Tier-3 suppliers. • Diversification and Resilience: Diversify sourcing considering geopolitical and disaster risks, and secure safety stock, longterm contracts, and substitute materials for critical inputs. • Capacity Building: Provide training and guidance, implement joint improvement projects, and establish/monitor improvement plans for high-risk supplier groups
Increasing Demand for Recycled Material Content	• Growing demands from customers and markets to include recycled materials (e.g., metals, plastics) in products are becoming a major trend. However, due to the nature of our products—small, high-precision components made largely from ceramics and metals—using recycled inputs poses challenges in ensuring quality and cost competitiveness.	• If customer requirements for recycled material content are not met, there is a risk of losing new orders, receiving lower evaluation scores, and consequently missing out on sales opportunities. • The introduction of mandatory recycled content regulations by industry or region could lead to redesigns, process modifications, increased certification costs, and reduced productivity in the initial stages. • Volatility in the price and availability of recycled raw materials may raise challenges for cost management, while the use of substandard recycled inputs could undermine product quality and reliability.	• Product-Specific Application Strategy: Review the feasible scope of recycled material application and set phased target levels by product group and process characteristics. • Supply Chain Collaboration: Identify specialized suppliers of recycled raw materials, explore opportunities for longterm supply and price stabilization, and leverage integrated demand across business units to achieve economies of scale

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Information Protection

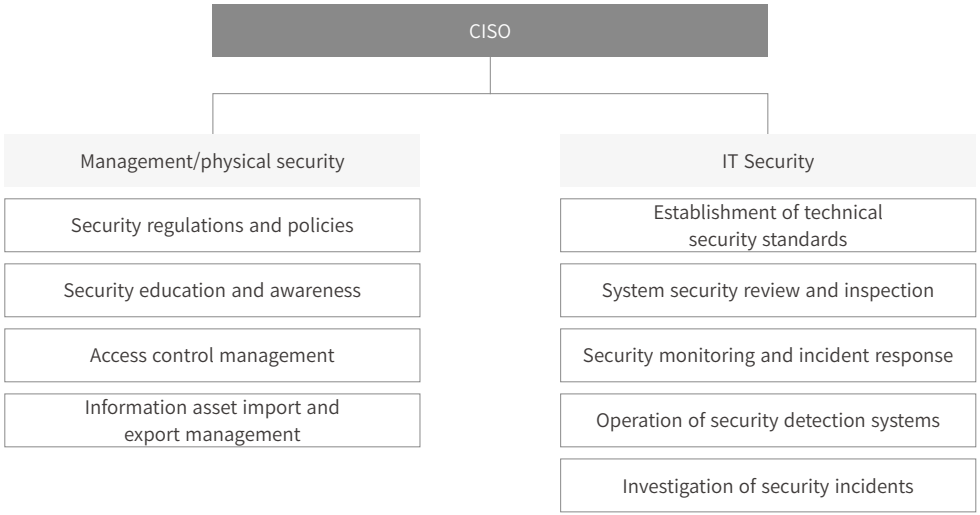
Information Protection Management

| Information Protection Overview

Samsung Electro-Mechanics has established information protection regulations and implementation guidelines to safeguard key information assets, including core technologies and personnel, and to ensure compliance with applicable laws. Based on these regulations, we have defined physical, administrative, and technical protection standards, and we conduct regular inspections and improvement activities to proactively manage and prevent risks such as information leakage and breaches. Due to the strength of these systemic information protection efforts, no cybersecurity incidents have occurred in the past three years.

| Information Protection Governance

The Company has appointed an executive-level Chief Information Security Officer (CISO) and operates a dedicated team of professionals to establish, implement, and manage information protection strategies aligned with its business strategies. In addition, the Company conducts security inspections to enhance site security, maintains ongoing collaboration with personnel at overseas subsidiaries, and continuously identifies and remediates security vulnerabilities.



| Information Protection Regulations

Samsung Electro-Mechanics has established an information protection policy comprising fundamental principles and implementation guidelines to systematically manage the security standards all employees must observe to strengthen business competitiveness. This policy applies to all information assets owned or generated by the Company, covering not only employees but also supplier personnel and external visitors. It also outlines the standards and procedures for managing information assets and responding to security incidents. To ensure these standards keep pace with rapidly evolving IT technologies and work environments, the Company annually reviews and updates the policy to reflect changes in the business environment, technological advancements, and amendments to security-related laws. The information protection policy is published on the internal system, ensuring all employees can easily access it at any time.

| Information Protection Management System

Samsung Electro-Mechanics operates an integrated information protection management system encompassing physical, administrative, and technical measures. To enhance the security of critical information and key facilities, the Company has installed ID card readers and CCTV cameras along perimeters and at major installations, strictly restricting access to authorized personnel only. In addition, security personnel are on duty 24/7, and a physical threat response system is in place to address unexpected events such as natural disasters. For the technical protection of its systems and networks, the Company deploys and operates multi-layered security systems. To safeguard against cyberattacks such as malware and hacking, the Company and a third party, Samsung SDS, regularly conduct penetration testing and vulnerability assessments on internal and external systems while operating a continuous security monitoring system. Furthermore, the Company conducts defense and response drills in the first half of each year, simulating emergency scenarios of external system attacks. In the second half, it regularly performs exercises to verify that processes designed to prevent IT system disruptions and cyberattacks function as intended. To ensure data integrity, Samsung Electro-Mechanics establishes and continuously manages countermeasures to prevent, block, detect, and track data leaks and security incidents. The Company also applies security updates and remediates vulnerabilities across its data management systems. Additionally, the Company has established a granular access control system that distinguishes between data operators and users. It regularly analyzes data usage logs to monitor for potential data misuse, abuse, and integrity issues. Led by system operation departments such as the IT System Team and Samsung SDS, Samsung Electro-Mechanics establishes an annual Business Continuity Plan (BCP). The Company conducts business continuity drills at least twice a year and reports the outcomes.

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Information Protection

Information Protection Management

| Information Protection Education and Training

The Company implements a range of programs to ensure that all employees clearly understand and comply with its information security standards and systems. It requires all employees to sign non-disclosure agreements (NDAs), while mandating information security pledges and regular training for supplier personnel. In addition, the Company provides specialized training for employees by sharing case studies of security violations and incidents at other companies. To enhance the expertise of dedicated security personnel, it conducts role-specific training at least once a year. To strengthen response capabilities against security threats, the Company conducts simulated malicious email exercises that mimic real-world external attacks. It also drives continuous security awareness through various channels—including internal broadcasts, campaigns, and promotional materials—to ensure employees fully understand and adhere to security protocols in their daily work. Furthermore, the Company operates an online security reporting center, enabling employees to report potential security incidents to protect core technologies and critical business information.

| Information Protection Certification

Samsung Electro-Mechanics is actively acquiring global information protection certifications to gain customer trust in its electronic device business. In 2021, we obtained the international information protection certification TISAX (Trusted Information Security Assessment Exchange)[1] for its Suwon headquarters and successfully renewed it in 2024. Additionally, in 2024, the Company acquired TISAX certification for its Tianjin and Philippines production subsidiaries and the Busan site, while securing ISO 27001 certification for the Gaoxin production subsidiary. In addition, in 2025, the Company strengthened its competitiveness in the automotive electronics business by obtaining ISO 21434 certification for its Suwon site and its Gaoxin and Vietnam production subsidiaries.

1) An international certification established by the European Automotive Industry Association to ensure the secure exchange of information among companies in the automotive industry.

Information Protection Education Status

Number of Employees Trained in Information Security[1] (Domestic)	2023	2024	2025
Employees	12,051 persons	12,304 persons	12,112 persons

1) Excluding duplicates

Personal Information Protection Management

| Personal Information Protection Governance

To strengthen data privacy, the Company appointed a Chief Privacy Officer (CPO) and operates the Personal Information Protection Office, a dedicated privacy organization. The Personal Information Protection Office continuously monitors legislative changes and integrates them into the company-wide privacy policy. It establishes policies and systematically manages data to ensure the secure protection of all personal information collected and used by the Company, including that of customers, suppliers, and employees. Furthermore, the Company regularly convenes a privacy council to facilitate seamless collaboration with related departments, such as information security and system operations, thereby enhancing the efficiency and responsiveness of its privacy operations.

Personal Information Protection Organization

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Information Protection

Personal Information Protection Management

| Personal Information Protection Governance

Role of the Personal Information Protection Office

Establishing internal regulations and ensuring legal compliance	Monitoring domestic and international legal trends and developing response strategies	• Analyzing related legal amendments and assessing their impact to establishcountermeasures
	Drafting and reviewing internal regulations, pledges, and consent forms	• Revising and inspecting implementation of personal information security regulations, processing policies, and internal management plans • Reviewing consent forms and pledges related to personal information handlers
Risk prevention and management	Conducting internal inspections to identify risks and implement improvements	• Performing annual reviews to ensure the execution of internal management plans and inspecting contractors handling personal information
	Reviewing the security of personal information processing systems and providing training for internal and external personnel	• Proactively identifying and addressing risks through inspections • Inspecting and managing safety measures in the development of personal information systems • Enforcing mandatory training for all personal information handlers
External response	Establishing procedures for responding to personal information leak incidents and managing responses when such events occur	• Defining roles and responsibilities and response protocols by business division in the event of a personal information breach • Acting as the control center during personal information leak incidents
	Managing inspections by external agencies	• Responding to investigations by administrative authorities and Samsung Integrated Security Center
	Handling inquiries and damage relief requests related to personal information	• Receiving and addressing inquiries and damage relief requests related to personal Information

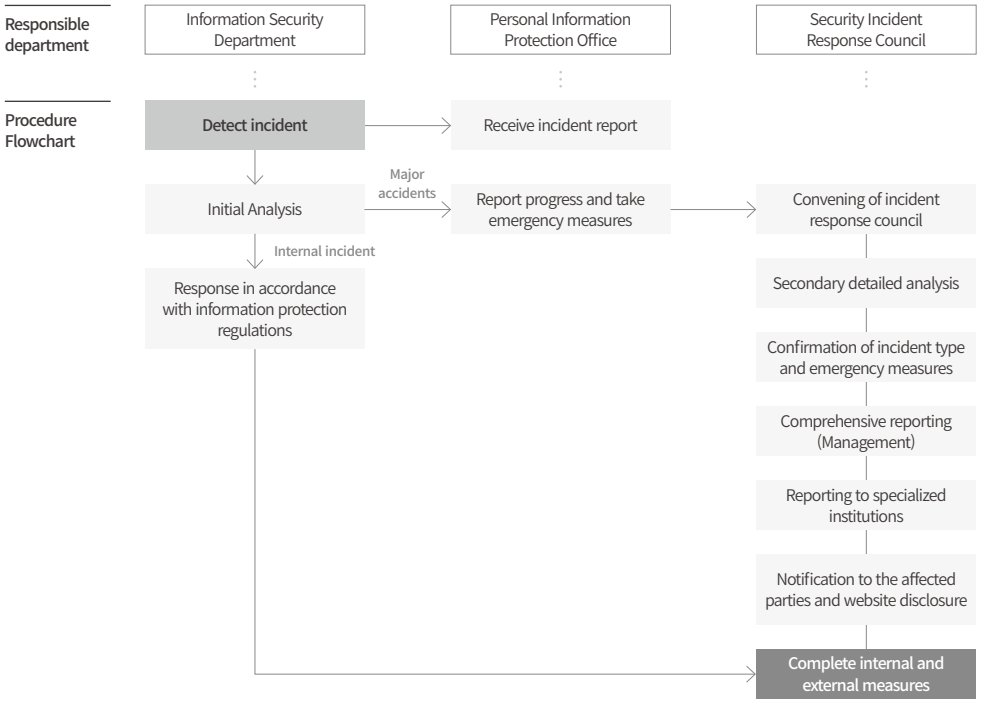
| Privacy Policy

Samsung Electro-Mechanics is committed to building trust by securely protecting personal information and transparently disclosing its usage. To this end, the Company outlines its collected data categories, processing purposes, retention periods, and protection measures in the Privacy Policy available at the bottom of its website. The policy also includes contact information for the department responsible for handling privacy inquiries, complaints, damage relief, and data access requests. This ensures that data subjects fully understand and can make informed decisions regarding how their personal information is collected, used, retained, and processed. When outsourcing personal information processing, the Company discloses the names of third-party processors and the scope of their outsourced tasks. In accordance with relevant laws, the Company obtains consent from data subjects regarding the categories and purposes of data collection. The Company uses personal information strictly within the scope of this consent and never utilizes it for unauthorized purposes. Furthermore, the Company provides a clear procedure allowing data subjects to select "Agree" or "Disagree," empowering them to independently decide whether to provide their personal information.

| Personal Information Security Response System

Samsung Electro-Mechanics minimizes further damage by taking swift action through its company-wide integrated personal information leak response system. The Company detects incidents through reports submitted via its website and immediately convenes a security incident response council if a data breach is confirmed. Following incident-specific response protocols, designated personnel within the council assess the damage, implement emergency system measures, analyze the impact, communicate progress, and review legal actions. The council then establishes a comprehensive response strategy, reports it to the Chief Privacy Officer (CPO), and executes the necessary measures. Furthermore, to strengthen accountability in information security, the Company enforces disciplinary regulations for individuals who violate security standards and for those responsible for their management and supervision.

Personal Information Breach Response Procedure



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Information Protection

Personal Information Protection Management

| Personal Information Protection Inspections

To manage privacy-related risks, Samsung Electro-Mechanics conducts company-wide inspections through the Samsung Security Center and performs internal audits, including reviews of internal management plan implementation, at least once a year. In addition, when entering into contracts for outsourcing personal information processing, the Company specifies privacy-related responsibilities in the contracts and other documents, and conducts annual personal information protection inspections of these third-party processors.

| Personal Information Protection Training

Samsung Electro-Mechanics requires all domestic employees and personnel handling personal information to complete mandatory personal information protection training at least once a year, and verifies the training compliance of third-party data processors. As a result, 100% of the target personnel complete this training annually. The Company will continue to enhance its training and support programs to ensure employees recognize the importance of personal information protection and effectively apply relevant policies and regulations in practice.

Personal Information Protection Training Targets and Contents

Target Audience	Employees	Employees at three domestic sites
	Personal	Personnel with access to personal information systems and managers of third-party processors
	Information Handlers and Third-Party Processors	Personnel handling Samsung Electro-Mechanics' work at third-party processors
Content	Understanding the Personal Information Protection Act, safety measures for each stage of personal information processing, and leak prevention and response	

CASE | Legal Consultation System for Personal Information

Samsung Electro-Mechanics operates a personal information legal consultation system for employees to ensure compliance with privacy regulations. This system receives privacy-related inquiries from employees and provides guidance on necessary measures following legal reviews by the Personal Information Protection Office and domestic and international legal counsel, thereby proactively identifying and preventing legal risks.

| Responsible Use of AI

Samsung Electro-Mechanics has established a Responsible AI Policy based on the key principles of privacy protection, safety and security, fairness and transparency, human oversight and accountability, and sustainability to ensure the safe and responsible use of AI technologies. In addition to protecting personal and confidential information and managing cybersecurity risks in the use of AI, we manage AI through collaboration among relevant functions to ensure that AI is used appropriately and in alignment with our values and principles. We continuously review the performance and reliability of AI models throughout their introduction and operation and update them as necessary, while striving to ensure responsible use by considering the purpose and potential impacts of AI applications. We also consider computing resource and token efficiency as well as model performance, and continuously monitor AI usage and resource utilization to improve operational efficiency and reduce the environmental impact associated with AI operations. Samsung Electro-Mechanics will continue to review and enhance its Responsible AI management framework in line with advances in AI technologies and evolving regulatory and societal expectations. For more information, please refer to the Samsung Electro-Mechanics Responsible AI Policy.

Go to Responsible AI Policy

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Creation of Economic Value

Business Vision

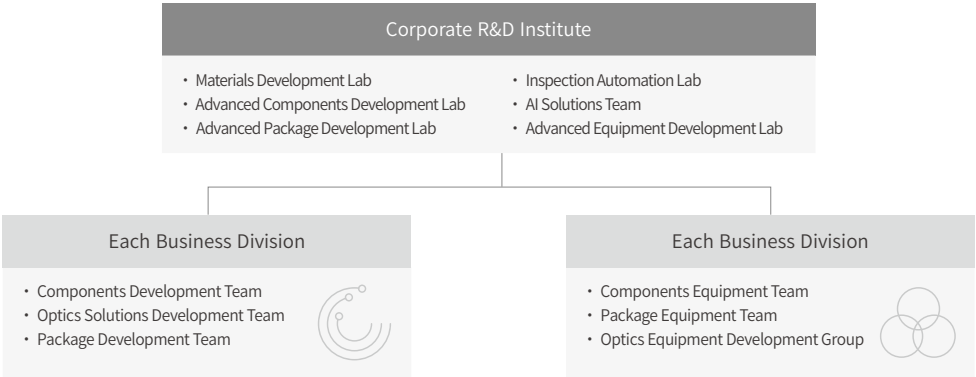
Founded in 1973, Samsung Electro-Mechanics has grown into a global company by leading the technological independence of Korea's electronic components industry. After expanding its business portfolio to include core materials and computer components in the 1980s, the Company focused on developing next-generation products, such as chip components, communication components, and optical components, in the 1990s. Since the 2000s, the Company has led the industry by supplying core electronic components—including MLCCs, package substrates, and camera modules—for major applications ranging from IT devices to the mobility industry and servers. First, in the MLCC sector, the Company leverages core material and differentiated process technologies to lead the launch of industry-leading products. For package substrates, it is expanding the supply of high value-added products in high-growth sectors such as AI/Servers. Lastly, the Company is securing future growth engines in the camera modules business by utilizing its IT technological competitiveness to expand its lineup of high-resolution and high-reliability products for the mobility industry.
Samsung Electro-Mechanics will continue to build a sustainable business structure for the mid-to-long term by securing next-generation core technologies and making preemptive investments to expand its competitiveness in high value-added markets. Promising future markets such as humanoids, autonomous vehicles, and AI/Servers are industries that integrate a wide range of electronic components, presenting new growth opportunities for the Company. The Company will fully commit to the research and development of future technologies to seize growth opportunities in new markets while continuing to strengthen technological competitiveness in its existing businesses. Furthermore, Samsung Electro-Mechanics will continue to grow as a trusted company in the global market by fulfilling its social responsibilities and promoting the harmonious and sustainable development of the economy, environment, and society.

R&D

R&D Governance

Samsung Electro-Mechanics operates a systematic R&D governance structure centered on its Corporate R&D Institute to lead advanced research into future core technologies and secure foundational technologies in materials and components. The Corporate R&D Institute operates in close coordination with the business divisions. Each division manages product development tailored to its specific characteristics through the Components Development Team, Optics Solutions Development Team, and Package Development Team, while the equipment teams within each division develop production facilities and process technologies. Through this structure, the Company maintains an integrated R&D system that organically links the advanced research capabilities of the Corporate R&D Institute, the product development expertise of the business divisions, and the process engineering capabilities of the Equipment Development Institute.

R&D Governance



R&D Strategy

Leveraging world-class materials and components technologies, Samsung Electro-Mechanics develops core components, including chip components, substrates, and camera modules. The Company leads the drive toward high-performance and miniaturization of components, which are essential for the advancement of both digital devices and the automotive industry. Furthermore, the Company has established a global R&D network with leading enterprises, research institutes, and universities worldwide. Through open innovation, it focuses on securing fundamental core technologies for next-generation materials and components. Led by its Central Research Institute, the Company continuously advances the evaluation and development of eco-friendly future technologies, including green energy. To optimize resource management and shorten development cycles for new technologies and products, the Company integrates data-driven R&D and Digital Transformation across all development phases. The Company will further strengthen its technological competitiveness through the continuous development of new technologies, leveraging data generated during the R&D process and applying Digital Twin technology to minimize physical testing.

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Creation of Economic Value

R&D

R&D Process

The Company utilizes the Global Product Lifecycle Management (GPLM) system to systematize the entire process from technology development to mass production for all materials and products. This allows the Company to share continuous R&D innovations and technological assets company-wide and comprehensively manage deliverables, resources, and costs at each project stage, thereby continuously strengthening its technological capabilities and product competitiveness. In terms of process innovation, by developing and applying foundational manufacturing technologies—such as measurement and sensing, logistics, and clean technology—the Company has not only reduced costs and enhanced factory management efficiency but also significantly improved the work environment and safety levels. Furthermore, the Central Research Institute operates a process to proactively assess risks related to hazardous substances, developer safety, and the supply chain at the project initiation stage.

R&D Outcomes and Plans

The applications of IT technology are expanding beyond traditional telecommunications and home appliances into AI, automotive, robots, and aerospace. In particular, growth in the high-end market—a key strategic focus for Samsung Electro-Mechanics—is expected to accelerate. This growth is driven by robust AI demand stemming from the rapid expansion of AI servers and the integration of AI features into PCs and smartphones, alongside the accelerating electrification of vehicles fueled by the wider adoption of autonomous driving and ADAS. Accordingly, the Company is concentrating its business capabilities on future growth markets to expand its AI/Servers and automotive businesses by broadening its lineup of related products, including MLCCs for servers and automotive applications, FCBGA for AI, and high-reliability automotive cameras.
Led by the Corporate R&D Institute and the product and equipment development teams of each business division, the Company is advancing its core material and process technologies. Simultaneously, it is transitioning its business portfolio to focus on high-growth and high value-added products while improving internal operational efficiency by strengthening Operational Excellence. To create synergies aligned with its mid-to-long-term strategy, the Company invests in promising domestic and international venture companies with outstanding technological capabilities. These investments not only enhance the quality and productivity of existing businesses but also enable the early acquisition of new technologies for future growth and the identification of new business opportunities. As a result of these efforts, the Company continues to launch high value-added products. Notable achievements include the first-ever development of MLCCs for autonomous driving LiDAR, expanded mass production of next-generation semiconductor substrates, and the development of industry-leading ultra-macro camera modules. Furthermore, Samsung Electro-Mechanics is advancing the 'Mi-RAE Project' to address future markets—including the mobility industry (electronic components), Robots (humanoids), AI/Servers, and Energy—based on its core parts and materials technologies. Moving forward, the Company will strengthen its competitiveness in high-end products through differentiated technological capabilities and timely investments. By leveraging the technologies accumulated in the IT sector, the Company will provide differentiated value to its customers and emerge as a premier growth company leading the global market.

Intellectual Property Status

As a leading global components company, the Company proactively identifies technology trends and continuously strengthens its intellectual property (IP) competitiveness by securing core technologies and advancing research and development. To utilize patents as business assets and thoroughly prevent IP-related risks, the Company has established a stable intellectual property rights operating system and a collaborative framework among relevant departments, focusing on securing patents, responding to disputes, and managing licenses. Furthermore, alongside securing patents globally, the Company collaborates with international law firms to enhance the quality of its IP and strengthen its capabilities to respond to patent disputes. Filed patents are systematically managed in portfolios by product and key project. By addressing technological gaps and reinforcing the rights of critical patents, the Company actively identifies patents with practical business applications to maximize synergy.

Patent Registration Status

Category	2023	2024	2025
Domestic	4,001 cases	3,931 cases	4,075 cases
Overseas	6,635 cases	6,881 cases	7,195 cases

CASE | Key Achievements in R&D

In the IT sector, Samsung Electro-Mechanics has expanded its technology development and business by focusing on components featuring miniaturization, high-capacity, fine-line width, and high-definition. To address future markets such as intelligent devices and automobiles, the Company is focusing on developing next-generation components based on core materials, innovative equipment, and new processes. Furthermore, the Company is continuously expanding its new growth engines by leveraging its cutting-edge parts and materials technologies through technological convergence to develop high-reliability and high-capacity MLCCs for the mobility industry (electronic components), semiconductor substrates for ARM-based CPUs, and ultra-small solid-state batteries for wearable devices.

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Creation of Economic Value

R&D

CASE | Mass Production of the First 1000V-Class MLCC for CLLC Resonance in Electric Vehicles

In December 2025, Samsung Electro-Mechanics developed the world's first temperature-compensating, high-voltage Multilayer Ceramic Capacitor (MLCC) for electric vehicle (EV) charging systems (CLLC resonant circuits). The product features a 1210 size (3.2mm x 2.5mm) and a capacitance of 33nF (nanofarads), achieving 1000V-class high-voltage stability in a temperature-compensating (C0G, -55 to 125°C) design. As the electrification and increasing functionality of automobiles drive a surge in the number of MLCCs required per vehicle, there is a continuous demand for MLCC miniaturization, high-voltage stability, and increased capacitance. In response, Samsung Electro-Mechanics is leveraging its technological expertise in ultra-small and ultra-high-capacity MLCCs to strengthen its lineup of electronic components for the mobility industry, including products engineered for high temperatures, high-voltage, and high-reliability. Furthermore, the Company is expanding its MLCC supply to global automotive parts suppliers and vehicle manufacturers.

CASE | Development of a 200MP Continuous Zoom Camera Module

Samsung Electro-Mechanics has developed an "optical continuous zoom" camera module for smartphones that eliminates image degradation when adjusting telephoto magnification. A single module enables seamless optical zoom at any magnification between 3.2x and 4.3x, allowing users to capture 200-megapixel high-resolution photos without compromising image quality. Leveraging its expertise in IT optical technologies, the Company is accelerating its expansion into high value-added markets, including the mobility industry (electronic components) and humanoids.

CASE | Development of FCBGA Substrates for High-Performance AI Accelerators

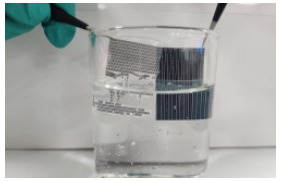
Samsung Electro-Mechanics has developed high-performance FCBGA semiconductor substrates for AI accelerators, a core component of AI servers and cloud data centers. Designed for AI accelerator chips that require high-speed computing and massive data processing capabilities, these newly developed substrates integrate advanced technologies to simultaneously ensure high-volume data transmission, stable power supply, and efficient heat dissipation. Manufacturing semiconductor substrates for AI accelerators requires highly advanced technology, as they are over four times larger in surface area than conventional FCBGAs and require more than twice the number of internal layers, typically reaching around 20 layers. Leveraging differentiated materials and processing technologies, the Company supplies warpage-free, large-area, and highly multi-layered products to leading global companies. Furthermore, the Company is strengthening its collaboration with customers by securing the core technologies demanded by the next-generation semiconductor substrate market.

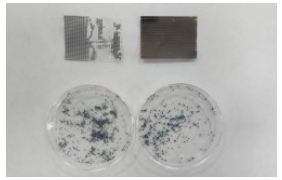
CASE | Eco-friendly Products and Technologies

Samsung Electro-Mechanics develops technologies to minimize the environmental impact of its products from the production stage through to the use phase, applying these innovations to actual products. Moving forward, the Company remains committed to continuously developing eco-friendly products and technologies based on its differentiated technological capabilities.

MLCC

To minimize environmental impact during the manufacturing process, Samsung Electro-Mechanics is developing an eco-friendly method that replaces fossil fuel-based organic solvents used in MLCC production with water. Applying this to MLCCs requires developing new water-dispersible organic materials and customized auxiliary materials that offer physical properties equivalent to green sheets made from conventional materials, as well as optimizing the MLCC manufacturing process for existing production facilities. The Company has been researching this since 2022 and, since 2024, has been working to develop optimal material compositions and establish process conditions applicable to existing production facilities across all processes. The Company has secured partial process capabilities through its development line and is advancing the development of core technologies for each process to manufacture finished chips.





Camera Modules

Camera modules are among the key features consumers consider when purchasing a smartphone, alongside design, display, battery, and AI functions. To meet these expectations, Samsung Electro-Mechanics is addressing the need to slim down camera modules in response to the increasing adoption of large-capacity batteries and slim smartphone designs. Furthermore, we are actively responding to consumer demands for high-performance functions, including large sensors (for high resolution or large pixels), zoom capabilities, video stabilization, and low-light photography. At the same time, we are commercializing products with reduced power consumption to extend battery life. Samsung Electro- Mechanics has developed high-performance and ultra-slim camera modules that improve current consumption by over 50% compared to conventional spring-type actuators. This is achieved by leveraging its capabilities in circuit and mechanical design, software, and core components such as lenses and ball guide-type actuators. We are supplying these advanced modules to various smartphone manufacturers. By offering differentiated solutions based on its technological expertise, Samsung Electro-Mechanics intends to continue expanding its camera module business.

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Creation of Economic Value

Mi-RAE Project

Samsung Electro-Mechanics is advancing the Mi-RAE Project—an acronym derived from the Mobility industry (electronic components), Robots, AI/Servers, and Energy—to develop core technologies for these future industries. This initiative reflects the Company's commitment to identifying new growth engines in preparation for an era where AI-integrated humanoids are widely adopted across daily life and industries, evolving beyond mobile and mobility platforms. As parts and materials form the essential foundation for realizing future technologies, the Company expects to establish a springboard for its next leap in growth by securing core technologies in these areas.

R&D Achievements by Sector

SOCs

Samsung Electro-Mechanics is leveraging ceramic material technologies and process technologies, such as lamination and sintering, acquired from its MLCC business to develop SOEC (Solid Oxide Electrolysis Cell), a core technology for green hydrogen production, and SOFC (Solid Oxide Fuel Cell) cell stack technology, a next-generation eco-friendly power generation technology that converts the chemical energy of fuels such as hydrogen and natural gas into electrical energy. Samsung Electro-Mechanics has achieved the highest levels of current density and durability—the most critical characteristics of the cells—in the commercial market

Small-Sized Solid-State Battery

Samsung Electro-Mechanics is developing an oxide-based solid-state battery advantageous for miniaturization and mass production. Compared to conventional lithium-ion batteries, the small-sized solid-state battery currently under development is easier to miniaturize, offers high shape flexibility, and poses no explosion risk. This provides significant practical and efficiency advantages when applied to wearable devices that come into close contact with the body.

Silicon Capacitor

Samsung Electro-Mechanics is developing silicon capacitors, which are manufactured by depositing electrodes and dielectric materials onto silicon substrates using semiconductor processes. Their ultra-thin profile allows them to be placed close to the system semiconductor, ensuring voltage stability amid current fluctuations. Furthermore, they are highly effective at removing high-frequency noise, making them ideal for high-performance packages. As customizable products, they can be manufactured in various sizes, terminal configurations, and capacities to meet specific customer requirements. The silicon capacitor business model encompasses design, wafer fabrication, post-package processing, and testing. For the testing phase in particular, Samsung Electro-Mechanics independently developed equipment leveraging its MLCC single-unit testing know-how and successfully completed the setup for mass production.

Glass Substrates

To enhance semiconductor performance, Samsung Electro-Mechanics is developing glass substrates by replacing the plastic core, which serves as the backbone of the package substrate, with glass. With excellent mechanical properties and processability, glass substrates experience minimal temperature-induced deformation and enable fine-pitch processing, making them highly advantageous for large-area and miniaturized applications.

Hybrid Lens for Automotive Electronic Robots and Cameras

Samsung Electro-Mechanics is developing a hybrid lens for cameras used in the mobility industry (electronic components) and robots, combining the advantages of plastic and glass lenses. The hybrid lens maintains performance during temperature changes and offers high production efficiency, facilitating camera miniaturization and weight reduction. By utilizing fewer glass elements, it also reduces contamination issues during manufacturing. Samsung Electro-Mechanics has developed technology to minimize plastic deformation and is conducting reliability tests.

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Appendix

Reporting Methodology

Environmental Performance Calculation Criteria

Environmental performance data was calculated and reported in accordance with the following criteria.

Data Category	Item	Calculation Scope	Calculation Criteria and Formula
GHG emissions	Scope 1 and 2 emissions	Domestic business sites and overseas production subsidiaries	Domestic: Guidelines on Reporting and Certification of Emissions under the Greenhouse Gas Emissions Trading Scheme Overseas: IPCC Guidelines for National Greenhouse Gas Inventories
	Scope 3 emissions	Domestic and overseas business sites (production subsidiaries, sales subsidiaries, and R&D centers)	Third-party verified data
	Carbon intensity	Domestic business sites and overseas production subsidiaries	Total GHG Emissions (Scope 1 and 2) (Market-based) / Consolidated Revenue from the Business Report
Energy consumption	Energy consumption	Domestic business sites and overseas production subsidiaries	Energy consumption statements
	Renewable energy consumption		Calculated by source based on renewable energy purchase certificates
	Energy intensity		Total Energy Consumption / Consolidated Revenue from the Business Report
	Energy reduction Performance		Total savings achieved through reduction initiatives
Water consumption	Water withdrawal	Domestic business sites and overseas production subsidiaries	Water withdrawal details
	Water consumption		Water withdrawal - Water discharge
	Water discharge		Calculated based on flow meter readings; includes only discharge at the supply water level
	Water reuse		Calculated based on flow meter readings; for locations without flow meters, calculated based on facility capacity and operating conditions
	Water reuse rate		Water reuse / (Water reuse + Water withdrawal)
	Water intensity		Water consumption / Consolidated revenue from the business report
	Water withdrawal in water-stressed areas		Water withdrawal in areas classified as Extremely High or High water stress by the World Resources Institute (WRI) Aqueduct Water Risk Atlas, based on site locations
	Percentage of high water-stress areas		Total water withdrawal in water-stressed areas / Total water withdrawal
Water pollutant discharge	BOD, SS, T-N, T-P	Domestic business sites and overseas production subsidiaries	Domestic: Based on wastewater discharge source surveys/ Overseas: Based on internal measurements
Air pollutant emissions	SOx, NOx, and dust emissions	Domestic business sites and overseas production subsidiaries	Domestic: Based on the Air Emission Source Management System / Overseas: Based on internal measurements
	VOC emissions	Domestic sites	Based on the Regulations on the Investigation and Calculation of Chemical Emissions
Waste	Waste generation	Domestic business sites and overseas production subsidiaries	Aggregated monthly generation by business
	Recycling rate		(Total Waste Recycled + Energy Recovered) / Total Waste Generated
Environmental and energy investments and operations	Environmental and energy investment costs	Domestic business sites and overseas production subsidiaries	Investment costs for air, water, and energy
	Environmental and energy operating Expenses		Air, water, and energy usage costs
Green purchasing	Green purchasing performance	Domestic sites	Purchase costs of office PCs and equipment with certifications such as Eco-label, GREENGUARD, and ENERGY STAR

Social Performance Calculation Criteria

Social performance data was calculated and reported in accordance with the following criteria.

Data Category	Item	Calculation Scope	Calculation Criteria and Formula
Workforce composition	Number of employees	Domestic and overseas business sites (production subsidiaries, sales subsidiaries, and R&D centers)	Total number of employees, including domestic and overseas regular and non-regular employees
	Management in revenue-generating departments		Manufacturing, Engineering, and Sales (excluding Management Support)
	Employees in STEM departments		Employees in departments related to Science, Technology, Engineering, and Mathematics (typically technical roles, technical research, R&D teams, etc.)
	Employee turnover		Total departing employees / (Average monthly employees + Total departing employees)
	Number of employees with disabilities	Domestic sites	Special calculation standards for the employment of persons with disabilities
	Percentage of employees with disabilities		Number of employees with disabilities / Total domestic employees
Employee compensation and benefits	Employee-related expenses	Domestic and overseas business sites (production subsidiaries, sales subsidiaries, and R&D centers)	Employee labor costs + employee benefits + pensions (retirement benefits)
	Ratio of entry-level wage to minimum wage	Domestic sites	Hourly wage of entry-level salaried office workers / Statutory minimum hourly wage in Korea
	Number of employees who took parental leave		Employees who commenced parental leave in the reporting year (not the total number of employees on parental leave during the year)
	Number of employees who remained employed for 12 months or more after returning from parental leave		Employees retained in the reporting year among those who returned from parental leave in the previous year
	12-month retention rate after returning from parental leave		Percentage of employees retained in the reporting year among those who returned from parental leave in the previous year
	Number of employees who returned to work after parental leave		Employees who returned from parental leave in the reporting year
	Return to work rate after parental leave		Number of employees who returned from parental leave compared to those scheduled to return in the reporting year
Employee training	Training hours per employee	Domestic sites	Total training hours / Total number of employees
	Human rights and sexual harassment prevention training		Workplace Harassment Prevention Training (including sexual harassment training)
	Safety and health training	Domestic and overseas business sites (production subsidiaries, sales subsidiaries, and R&D centers)	Number of employees completing safety and health training by course
Return on human capitalinvestment		Domestic and overseas business sites (production subsidiaries, sales subsidiaries, and R&D centers) Domestic and overseas production subsidiaries	(Revenue - (Cost of sales - Employee-related expenses)) / Employee-related expenses * Employee-related expenses = Salaries and bonuses + Retirement benefits + Employee benefits
Employee performance evaluation rate			Number of employees receiving regular performance evaluations based on KPIs / Total eligible employees (Eligible employees: All domestic and overseas employees, excluding new hires, employees on leave, and dispatched workers)
Social contribution			As overseas data management began in 2022, data prior to 2022 covers domestic operations only.
Comprehensive supplier evaluation			Raw material suppliers (suppliers with business relationships of one year or more)
Safety and health certification and assessment		Domestic and overseas production subsidiaries	Number of ISO 45001 certified sites / Total number of manufacturing sites

Reporting Methodology

| Social Performance Calculation Standards

Data Category		Scope	Calculation Standards and Formulas
Occupa-tional accidents [1]	Fatality rate	Domestic business sites and overseas production subsidiaries	(Number of fatalities from work-related injuries / Total annual hours worked by employees) *1,000,000
	Accident rate		(Number of accidents / Number of employees) * 100 Domestic: Based on the submission of occupational accident reports Overseas: Based on accidents resulting in 28 or more days of lost time
	Lost time injury frequency rate (LTIFR)		(Number of injuries resulting in 1 or more days of lost time / Total annual hours worked by employees) * 1,000,000
	Accident frequency rate		(Number of accidents / Total annual hours worked by employees) * 1,000,000
	Lost day rate		(Number of lost days / Number of employees) * 100
	Severe injury rate		Number of employees with work-related severe injuries (excluding fatalities) / Number of employees

1) Includes executives, employees, and in-house contractors (excluding suppliers).

| Governance Performance Calculation Standards

Governance performance was calculated and reported based on the following standards.

Data Category	Scope	Calculation Standards and Formulas
Contributions to government and business associations	Domestic sites	Total contributions to associations
Compliance training	Domestic sites and overseas sales subsidiaries	
Ethics training	Domestic and overseas sites (production subsidiaries, sales subsidiaries, and R&D centers)	

| Restatements of Information GRI 2-4

The following information differs from the report published in the previous reporting year due to changes in calculation standards.

Category	Indicator		Changes in calculation methodology
Enviro-nment	Water reuse	Reuse rate	Calculation standards changed starting in 2021
	Water pollutant discharge	COD	Data for 2021–2022 includes domestic data
	Greenhouse gas emissions	Scope 3 emissions	2023–2024 data restated due to a change in the calculation methodology
	Designated waste treatment and recycling	Other	Other treatment volumes excluding waste recycling, incineration, and landfill (applied from 2023 onwards) added
		Recycling rate in Korean and overseas business sites	Designated waste recycling rates in Korean and overseas business sites excluded to prevent confusion with the total company waste recycling rate
	Waste		2023 waste data revised due to inclusion of additional data indicators and correction of prior errors
Social	Employee training	Training hours per employee	Data from 2021 to 2023 is limited to domestic operations; due to changes in the domestic scope, 2023 data was revised
	Global supply chain procurement status	Local procurement spend	Corrected data errors for 2022 and 2023
		Local procurement rate	Corrected data errors for 2022 and 2023
	Responsible minerals usage status	Copper, graphite, lithium, and nickel smelters; share of RMAP-certified smelters	Indicator to be added from 2025
Governance	Revenue and operating profit	Revenue	Figures for 2022 and 2023 have been restated for comparative purposes due to discontinued operations.
		Operating profit	Figures for 2022 and 2023 have been restated for comparative purposes due to discontinued operations.
	R&D and patents	R&D expenses	Figures for 2023 have been restated for comparative purposes due to discontinued operations.
		R&D-to-revenue ratio	Figures for 2023 have been restated for comparative purposes due to discontinued operations.
	Top 5 foreign shareholders	SCHRODERS	Changes in the top 5 foreign shareholders as of the end of 2025
		JP MORGAN	

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Environmental

Energy Consumption GRI 302-1, 302-2, 302-3, 302-4

Category		Unit	2021	2022	2023	2024	2025
Energy consumption	Total energy consumption	MWh	2,908,763	2,701,368	2,825,032	3,038,497	3,227,264
	Electricity	MWh	2,224,870	1,998,760	2,131,357	2,343,483	2,494,209
	LNG	MWh	467,803	471,896	421,283	410,063	418,205
	Diesel	MWh	27,039	33,100	37,208	39,507	38,769
	Gasoline	MWh	2,712	2,980	2,983	3,037	3,001
	LPG	MWh	23,833	7,486	26,442	30,574	34,468
	Purchased steam	MWh	162,506	187,146	205,759	211,833	238,612
	Non-renewable energy consumption	MWh	2,902,647	2,694,539	2,685,432	2,798,414	2,935,712
	Electricity	MWh	2,218,754	1,991,931	1,991,757	2,103,400	2,202,657
	LNG	MWh	467,803	471,896	421,283	410,063	418,205
	Diesel	MWh	27,039	33,100	37,208	39,507	38,769
	Gasoline	MWh	2,712	2,980	2,983	3,037	3,001
	LPG	MWh	23,833	7,486	26,442	30,574	34,468
	Purchased steam	MWh	162,506	187,146	205,759	211,833	238,612
	Renewable energy consumption	MWh	6,116	6,829	139,600	240,083	291,553
	Solar	MWh	116	99	33,968	70,083	195,613
	Geothermal	MWh	6,000	6,730	50,000	60,000	0
	Hydroelectric	MWh	0	0	37,632	0	0
	Wind	MWh	0	0	18,000	110,000	95,940
	Energy intensity	MWh/ revenue (KRW 100 million)	30.1	28.7	31.7	29.5	28.5
Energy savings	Electricity[1]	GJ	653,147[2]	613,487	409,075	746,632	740,844
	LNG	kNm^3	3,559	2,583	5,850	13,430	5,133
Energy consumption stretch targets and performance	Target	KRW 100 million	2,744	3,107	3,693	4,009	4,464
	Performance	KRW 100 million	2,549	3,079	3,501	3,865	4,411

1) Based on energy savings from reduction projects completed annually.
2) Corrected the 2022 disclosure, which had converted cost savings into energy savings for projects that did not generate actual energy reductions in 2021 (e.g., direct power purchasing).

Energy Consumption (Domestic) GRI 302-1, 302-2, 302-3, 302-4

Category		Unit	2021	2022	2023	2024	2025
Energy consumption	Total Energy Consumption	MWh	1,218,060	1,251,232	1,205,957	1,226,947	1,289,939
	Electricity[1]	MWh	864,215	883,569	854,429	894,802	921,872
	LNG	MWh	245,178	254,078	235,308	212,761	242,129
	Diesel	MWh	3,469	3,687	3,559	3,570	3,647
	Gasoline	MWh	1,589	1,719	1,682	1,601	1,800
	LPG	MWh	0	0	0	0	0
	Purchased steam	MWh	103,609	108,179	110,979	114,213	120,491
Energy savings	Electricity[2]	GJ	199,963	200,728	93,539	380,883	304,881
	LNG	kNm^3	2,280	1,463	4,976	13,167	1,905
Energy consumption stretch targets and performance	Target	KRW 100 million	1,199	1,327	1,691	1,884	2,161
	Performance	KRW 100 million	1,130	1,439	1,686	1,813	1,999

1) Includes renewable energy consumption
2) Based on energy savings from reduction projects completed annually

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Environmental

Water consumption GRI 303-3, 303-4, 303-5

Category		Unit	2021	2022	2023	2024	2025
Water withdrawal	Total water withdrawal	m^3	20,834,376	19,699,860	20,918,985	22,323,851	23,975,054
	Surface water	m^3	874,030	930,608	727,470	775,247	611,292
	Sejong	m^3	874,030	930,608	727,470	775,247	611,292
	Groundwater	m^3	3,231,490	3,006,686	2,982,969	3,313,542	3,533,861
	Sejong	m^3	64,857	58,458	0	0	0
	Philippines	m^3	3,166,633	2,948,228	2,982,969	3,313,542	3,533,861
	Municipal water[1]	m^3	16,728,856	15,762,566	17,208,546	18,235,062	19,829,901
	Suwon	m^3	1,441,286	1,335,415	1,148,360	1,149,306	1,111,796
	Sejong	m^3	3,141,770	3,345,142	3,857,387	3,931,841	4,724,907
	Busan	m^3	6,163,052	7,299,985	6,434,020	6,723,761	7,181,540
	Tianjin	m^3	2,611,176	2,490,294	2,213,878	2,451,398	2,696,891
	Gaoxin	m^3	244,875	169,427	150,985	172,826	164,335
	Vietnam	m^3	3,097,083	1,122,303	3,404,916	3,805,930	3,950,432
	Other	m^3	29,614	-	-	-	-
Water reuse	Reused volume	m^3	6,437,870	6,965,660	9,782,861	11,006,416	12,299,423
	Reuse rate[2]	%	23.6	26.1	31.9	33	33.9
Water discharge	Total water discharge (discharge at supply water level)	m^3	15,298,946	15,255,852	16,951,808	17,290,757	18,673,772
Water consumption	Total water consumption	m^3	5,535,430	4,444,008	3,967,177	5,033,094	5,301,282
Water intensity	Water intensity[3]	m^3/KRW 100 million in revenue	215	209	235	217	212
Water withdrawal in water stressed areas	Total water withdrawal in water-stressed areas[4]	m^3	9,119,767	6,730,252	8,751,748	4,707,088	15,681,718
	Surface water	m^3	5,953,134	0	0	775,247	611,292
	Groundwater	m^3	3,166,633	2,948,228	2,982,969	0	3,533,861
	Municipal water	m^3	-	3,782,024	5,761,175	3,931,841	11,536,565
	Percentage of areas with high water stress[5]	%	44	34	42	21	65

1) Since 2022, water routed through industrial complexes has been classified as municipal water.
2) Since 2021, the criteria for calculating water reuse have been applied across all sites.
2021: Managed company-wide after establishing criteria for calculating water reuse. Water reuse rate = (Water reused / (Water withdrawal + Water reused))*100
3) Water intensity = Water withdrawal / Revenue
4) From 2021 to 2023, based on the Tianjin, Gaoxin, Philippines, and Vietnam sites; for 2024, based on the Sejong site due to changes in water-stressed areas.
5) Proportion of high water-stress areas = Water withdrawal in water-stressed areas / Total water withdrawal

Water consumption (Domestic) GRI 303-3, 303-4, 303-5

Category		Unit	2021	2022	2023	2024	2025
Water withdrawal	Total water withdrawal	m^3	11,684,995	12,969,608	12,167,237	12,580,155	13,629,535
	Surface water	m^3	874,030	930,608	727,470	775,247	611,292
	Sejong	m^3	874,030	930,608	727,470	775,247	611,292
	Groundwater	m^3	64,857	58,458	0	0	0
	Sejong	m^3	64,857	58,458	0	0	0
	Municipal water[1]	m^3	10,746,108	11,980,542	11,439,767	11,804,908	13,018,243
	Suwon	m^3	1,441,286	1,335,415	1,148,360	1,149,306	1,111,796
	Sejong	m^3	3,141,770	3,345,142	3,857,387	3,931,841	4,724,907
	Busan	m^3	6,163,052	7,299,985	6,434,020	6,723,761	7,181,540
Water reuse	Reused volume	m^3	3,036,070	3,432,095	6,022,396	6,763,919	7,970,541
	Reuse rate	%	20.6	20.9	33.1	35	36.9
Water discharge	Total water discharge (discharge at supply water level)	m^3	10,523,898	11,756,560	10,907,999	10,142,648	11,944,758
Water consumption	Total water consumption	m^3	1,161,097	1,213,048	1,259,238	2,437,507	1,684,777

1) Since 2022, water routed through industrial complexes has been classified as municipal water.

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Environmental

Raw Material Consumption

Category		Unit	2021	2022	2023	2024	2025
Raw materials used	Total raw material consumption	Ton	116,528	97,324	90,423	108,186	125,354
	Chemicals	Ton	94,483	81,006	74,024	88,422	102,342
	Powders	Ton	18,108	13,123	13,232	16,577	18,789
	Non-ferrous metals	Ton	1,988	1,593	1,423	1,582	1,872
	Resin	Ton	1,593	1,242	1,475	1,335	1,984
	Paste	Ton	16	17	14	18	16
	Precious metals	Ton	1	1	1	1	1
	Other	Ton	339	342	254	251	350

Raw Material Consumption (Domestic)

Category		Unit	2021	2022	2023	2024	2025
Raw materials used	Total raw material consumption	Ton	76,732	76,232	65,015	71,556	81,238
	Chemicals	Ton	62,115	64,422	54,114	58,185	65,921
	Powders	Ton	12,413	9,858	9,341	11,713	13,513
	Non-ferrous metals	Ton	1,402	1,313	1,047	1,062	1,199
	Resin	Ton	495	322	290	378	330
	Paste	Ton	12	7	5	6	6
	Precious metals	Ton	1	1	1	1	1
	Other	Ton	294	309	217	211	268

Air Pollutants GRI 305-7

Category		Unit	2021	2022	2023	2024	2025
Air pollutant emissions	SOx	Ton	5	29	30	20	10
	NOx	Ton	37	73	68	64	43
	Dust	Ton	45	37	55	52	28

Air Pollutants (Domestic) GRI 305-7

Category		Unit	2021	2022	2023	2024	2025
Air pollutant emissions	SOx	Ton	4	8	7	1	10
	NOx	Ton	31	42	37	37	35
	Dust	Ton	20	18	30	19	21
VOC emissions	VOC	Ton	3	3	3.2	3.4	3.6

Water Pollutants

Category		Unit	2021	2022	2023	2024[1]	2025
Water pollutant discharge	BOD (Biochemical oxygen demand)	Ton	264	557	421	306	693
	COD[2]	Ton	397	442	81	94	129
	SS (Suspended solids)	Ton	87	58	84	134	97
	T-N (Total nitrogen)	Ton	220	159	102	110	113
	T-P (Total phosphorus)	Ton	5	2	2	2	2
Wastewater discharge limit violations	Number of violations	Cases	0	0	0	0	0

1) 2024 figures were restated due to a change in the calculation methodology.
2) Data for 2021 and 2022 also includes domestic data.

Water Pollutants (Domestic)

Category		Unit	2021	2022	2023	2024	2025
Water pollutant discharge	BOD (Biochemical oxygen demand)	Ton	225	542	391	275	657
	TOC[1]	Ton	-	-	148	197	391
	COD	Ton	283	377	-	-	-
	SS (Suspended solids)	Ton	40	42	25	93	54
	T-N (Total nitrogen)	Ton	168	117	55	54	76
	T-P (Total phosphorus)	Ton	3	1	0.3	0.2	0.3
Wastewater discharge limit violations	Number of violations	Cases	0	0	0	0	0

1) Actual measurements began in 2023. When converting COD emissions to TOC based on the Ministry of Environment's press release (May 27, 2019), the estimated TOC emissions for 2022 are 209 tons.

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Environmental

Waste GRI 306-3, 306-4, 306-5

Category		Unit	2021	2022	2023	2024	2025
Waste generation	Total waste generation	Ton	155,077	131,983	114,195	136,244	147,292
General waste treatment and recycling	General waste generation	Ton	90,765	79,502	66,939	73,784	72,707
	General waste incinerated	Ton	5,861	6,080	3,742	4,604	4,556
	With energy recovery	Ton	419	5,616	3,742	4,604	4,556
	Without energy recovery	Ton	5,442	464	0	0.3	0
	General waste landfilled	Ton	9,024	6,396	3,379	0	0
	General waste recycled	Ton	75,880	67,026	59,818	69,180	68,151
Designated waste treatment and recycling	Designated waste generated	Ton	64,312	52,481	47,256	62,460	74,585
	Designated waste incinerated	Ton	4,748	5,748	2,382	5,886	7,131
	With energy recovery	Ton	0	2,161	2,382	5,871	7,131
	Without energy recovery	Ton	4,748	3,587	0	15	0
	Designated waste landfilled	Ton	4,986	4,182	138	177	45
	Other[1]	Ton	0	0	1,356	1,547	1,610
	Designated waste recycled	Ton	54,578	42,551	43,380	54,850	65,799
Waste treatment and recycling	Total	Ton	155,077	131,983	114,195	136,244	147,292
	Incineration	Ton	10,609	11,828	6,124	10,490	11,687
	With energy recovery	Ton	419	7,777	6,124	10,475	11,687
	Without energy recovery	Ton	10,190	4,051	0	15	0
	Landfill	Ton	14,010	10,578	3,517	177	45
	Waste recycled	Ton	130,458	109,577	103,198	124,030	133,950
	Waste recycling rate[2]	%	84	89	96	99	99

1) 'Others' refers to the remaining treatment volume excluding waste recycling, incineration, and landfill, applied since 2023.
2) Waste recycling rate = (Waste recycled + Energy recovered) / Waste generated

Waste (Domestic) GRI 306-3, 306-4, 306-5

Category		Unit	2021	2022	2023	2024	2025
Waste generation	Total waste generation	Ton	56,588	53,564	47,039	48,501	51,709
General waste treatment and recycling	General waste generation	Ton	24,326	24,113	18,140	14,915	11,965
	General waste incinerated	Ton	2,629	1,080	571	658	940
	With energy recovery	Ton	419	1,080	571	657	940
	Without energy recovery	Ton	2,210	0	0	0.3	0
	General waste landfilled	Ton	605	297	0	0	0
	General waste recycled	Ton	21,092	22,737	17,569	14,257	11,025
Designated waste treatment and recycling	Designated waste generated	Ton	32,262	29,450	28,899	33,588	39,744
	Designated waste incinerated	Ton	1,126	2,347	1,350	5,088	5,757
	With energy recovery	Ton	0	1,141	1,350	5,088	5,757
	Without energy recovery	Ton	1,126	1,205	0	0	0
	Designated waste landfilled	Ton	266	20	0	3	8
	Other[1]	Ton	0	0	1,356	1,547	1,610
	Designated waste recycled	Ton	30,870	27,083	26,193	26,950	32,369
Waste treatment and recycling	Total	Ton	56,588	53,563	47,039	48,501	51,709
	Incineration	Ton	3,755	3,427	1,921	5,745	6,697
	With energy recovery	Ton	419	2,221	1,921	5,745	6,697
	Without energy recovery	Ton	3,336	1,205	0	0	0
	Landfill	Ton	871	317	0	3	8
	Waste recycled	Ton	51,962	49,820	43,762	41,206	43,394
	Waste recycling rate[2]	%	93	97	97	97	97

1) 'Others' refers to the remaining treatment volume excluding waste recycling, incineration, and landfill, applied since 2023.
2) Waste recycling rate = (Waste recycled + Energy recovered) / Waste generated

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Environmental

Environmental Certifications and Information Requests

Category		Unit	2021	2022	2023	2024	2025
ISO 14001	ISO 14001 Certification Rate	%	100	100	100	100	100
Information Requests	Responses to Product Environmental Information Requests	Cases	2,748	3,545	4,138	4,759	5,294

Environmental Certifications and Information Requests (Domestic)

Category		Unit	2021	2022	2023	2024	2025
ISO 14001	ISO 14001 Certification Rate	%	100	100	100	100	100

Environmental and Energy Investments and Operations

Category		Unit	2021	2022	2023	2024	2025
Environmental and Energy Investment	Environmental and energy investment expenses	KRW million	35,352	26,599	21,265	25,739	23,605
Environmental and energy operations	Environmental and energy operating expenses	KRW million	272,486	337,134	296,731	340,704	390,744

Environmental and Energy Investments and Operations (Domestic)

Category		Unit	2021	2022	2023	2024	2025
Environmental and energy investment	Environmental and energy investment expenses	KRW million	26,139	19,777	11,614	10,009	6,317

Eco-friendly Purchasing Status (Domestic)

Category	Unit	2021	2022	2023	2024	2025
Green purchasing performance[1]	KRW 100 million	23	18	17	27	31

1) Eco-friendly purchasing performance: Eco-friendly purchasing refers to the expenditure on office PCs and supplies certified by Eco-Label, GREENGUARD, and ENERGY STAR.

Social

Workforce Composition GRI 2-7, 202-2, 405-1

Category		Unit	2021	2022	2023	2024	2025
Number of Employees	Total Number of Employees	Persons	37,312	34,819	34,742	35,990	36,500
	Male	Persons	20,931	20,114	19,851	20,582	21,337
	Female	Persons	16,381	14,705	14,891	15,408	15,163
	Percentage of females	%	43.9	42.2	42.9	42.8	41.5
	Number of domestic employees	Persons	11,868	12,368	11,973	12,164	12,176
	Number of overseas employees	Persons	25,444	22,451	22,769	23,826	24,324
Employees by job level (Total)	Executives	Persons	71	69	68	69	72
	Male	Persons	68	66	65	65	69
	Female	Persons	3	3	3	4	3
	Percentage of females	%	4.2	4.3	4.4	5.8	4.2
	Managers[1]	Persons	6,008	6,255	6,737	7,098	7,301
	Male	Persons	5,171	5,328	5,672	5,883	5,998
	Female	Persons	837	927	1,065	1,215	1,303
	Percentage of females	%	13.9	14.8	15.8	17.1	17.8
	Staff	Persons	30,806	27,953	27,630	28,319	28,414
	Male	Persons	15,398	14,333	13,912	14,296	14,731
	Female	Persons	15,408	13,620	13,718	14,023	13,683
	Percentage of females	%	50	48.7	49.6	49.6	48.2
Employees by Employment Type (Total)	Regular	Persons	36,885	34,277	34,435	35,486	35,787
	Non-regular	Persons	427	542	307	504	713
	Male	Persons	294	387	202	338	539
	Female	Persons	133	155	105	166	174

1) Managers: Middle management (CL3-4)

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Social

| Workforce Composition

Category		Unit	2021	2022	2023	2024	2025
Employees by job level (domestic)	Executives	Persons	62	63	63	63	64
	Male	Persons	59	60	60	59	61
	Female	Persons	3	3	3	4	3
	Percentage of females	%	4.8	4.8	4.8	6.3	4.7
	Managers[1]	Persons	4,941	5,185	5,436	5,617	5,673
	Male	Persons	4,428	4,587	4,765	4,852	4,857
	Female	Persons	513	598	671	765	816
	Percentage of females	%	10.4	11.5	12.3	13.6	14.4
	Staff	Persons	6,485	6,596	6,182	5,995	5,746
	Male	Persons	4,281	4,412	4,141	4,004	3,828
	Female	Persons	2,204	2,184	2,041	1,991	1,918
	Percentage of females	%	34	33.1	33	33.2	33.4
Employees by employment type (direct empl-oyment) (domestic)	Permanent	Persons	11,488	11,844	11,681	11,675	11,483
	Non-regular	Persons	380	524	292	489	693
	Male	Persons	288	384	201	336	535
	Female	Persons	92	140	91	153	158
Employees by job level (overseas)	Executives	Persons	9	6	5	6	8
	Male	Persons	9	6	5	6	8
	Female	Persons	0	0	0	0	0
	Percentage of females	%	0	0	0	0	0
	Managers[1]	Persons	1,067	1,070	1,301	1,481	1,628
	Male	Persons	743	741	907	1,031	1,141
	Female	Persons	324	329	394	450	487
	Percentage of females	%	30.4	30.7	30.3	30.4	29.9
	Staff	Persons	24,321	21,357	21,448	22,324	22,668
	Male	Persons	11,117	9,921	9,771	10,292	10,903
	Female	Persons	13,204	11,436	11,677	12,032	11,765
	Percentage of females	%	54.3	53.5	54.4	53.9	51.9
Employees by employment type (direct employment) (overseas)	Permanent	Persons	25,397	22,433	22,754	23,811	24,304
	Non-regular	Persons	47	18	15	15	20
	Male	Persons	6	3	1	2	4
	Female	Persons	41	15	14	13	16

Category		Unit	2021	2022	2023	2024	2025
Revenue-generating departsments managerial staff[2]	Total	Persons	4,951	5,170	5,590	6,004	6,250
	Male	Persons	4,356	4,501	4,798	5,060	5,236
	Female	Persons	595	669	792	944	1,014
	Percentage of females	%	12	12.9	14.2	15.7	16.2
	Domestic	Persons	4,151	4,348	4,571	4,794	4,892
	Male	Persons	3,770	3,907	4,063	4,187	4,246
	Female	Persons	381	441	508	607	646
	Overseas	Persons	800	822	1,019	1,210	1,358
	Male	Persons	586	594	735	873	990
	Female	Persons	214	228	284	337	368
Employees in STEM depar-tments[3]	Total	Persons	13,709	13,345	13,630	14,037	14,228
	Male	Persons	9,127	8,989	9,151	9,320	9,467
	Female	Persons	4,582	4,356	4,479	4,717	4,761
	Percentage of females	%	33.4	32.6	32.9	33.6	33.5
	Domestic	Persons	6,059	6,231	6,208	6,303	6,272
	Male	Persons	4,660	4,787	4,782	4,829	4,797
	Female	Persons	1,399	1,444	1,426	1,474	1,475
	Overseas	Persons	7,650	7,114	7,422	7,734	7,956
	Male	Persons	4,467	4,202	4,369	4,491	4,670
	Female	Persons	3,183	2,912	3,053	3,243	3,286
Employees by age group[4]	Employees Under 30	Persons	18,048	15,341	13,932	13,765	12,881
	Employees Aged 30-50	Persons	18,275	18,337	19,484	20,747	22,014
	Employees Over 50	Persons	989	1,141	1,326	1,478	1,605
	Percentage of Employees Under 30	%	48.4	44.1	40.1	38.2	35.3
	Percentage of employees aged 30 to 50	%	49	52.7	56.1	57.6	60.3
	Percentage of employees over 50	%	2.7	3.3	3.8	4.1	4.4

1) Managers: Middle management (CL3-4)
2) Manufacturing, Engineering, and Sales (excluding Management Support)
3) Includes employees in departments related to Science, Technology, Engineering, and Mathematics (technical roles, technical research, R&D teams, etc.)
4) All domestic and overseas employees

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Workforce Composition

Category		Unit	2021	2022	2023	2024	2025
Employees by country	Korea	Persons	11,868	12,368	11,973	12,164	12,176
	Asia	Persons	25,358	22,360	22,679	23,735	24,229
	China	Persons	10,876	9,421	9,168	9,495	9,623
	Vietnam	Persons	6,584	6,005	6,130	6,275	5,916
	Philippines	Persons	7,340	6,747	7,141	7,716	8,455
	Other	Persons	558	187	240	249	235
	Americas	Persons	49	55	54	54	59
	Europe	Persons	37	36	36	37	36
Employees with disabilities (domestic)[1]	Number of employees with disabilities	Persons	230	225	220	220	216
	Percentage of employees with disabilities	%	1.94	1.82	1.84	1.81	1.78

1) Special provisions for calculating the number of employees with disabilities

Number of Departing Employees GRI 401-1

Category		Unit	2021	2022	2023	2024	2025
Turnover rate[1]	Total turnover rate	%	13.1	8.8	7.6	6.3	7.0
	Domestic	%	2.9	2.9	2.7	2.4	2.4
	Overseas	%	17.2	11.4	10.0	8.1	9.1
Voluntary turnover rate	Total voluntary turnover rate	%	9.7	7.1	6.5	5.0	4.6
	Domestic	%	2.6	2.5	2.4	2.0	2.0
	Overseas	%	12.6	9.3	8.5	6.4	5.8
Turnover by job grade	Total turnover by job grade	Persons	5,446	3,462	2,837	2,358	2,691
	Executives	Persons	18	12	10	15	12
	Managers	Persons	166	193	165	185	214
	Staff	Persons	5,262	3,257	2,662	2,158	2,465
Turnover by gender	Total turnover by gender	Persons	5,446	3,462	2,837	2,358	2,691
	Male	Persons	2,342	1,678	1,465	1,143	1,391
	Female	Persons	3,104	1,784	1,372	1,215	1,300
Employee turnover by age	Total employee turnover by age	Persons	5,446	3,462	2,837	2,358	2,691
	Under 30	Persons	3,821	2,404	1,928	1,538	1,733
	30-50 years old	Persons	1,540	943	792	694	786
	Over 50 years old	Persons	85	115	117	126	172
Average years of service	Total average years of service	Years	8.3	9.1	9.8	10.1	10.5
	Domestic	Years	13.6	13.6	14.7	15.1	15.5
	Overseas	Years	5.8	6.6	7.2	7.6	8.0

1) Turnover rate = Total turnover / (Monthly average number of employees + Total turnover)

Employee Compensation and Benefits GRI 201-3, 202-1, 401-3, 405-2

Category		Unit	2021	2022	2023	2024	2025
Employee benefits	Employee-related expenses	KRW million	2,067,396	2,171,239	2,069,581	2,249,969	2,445,830
	Employee labor costs	KRW million	1,675,110	1,741,691	1,629,411	1,788,890	1,932,646
	Employee Welfare Expenses	KRW million	314,861	342,602	355,092	373,595	425,674
	Employee pensions (retirement benefits)	KRW million	77,425	86,946	85,078	87,484	87,509
	Ratio of pensions to employee labor costs	%	4.6	5.0	5.2	4.9	4.5
Compared to minimum wage wage ratio (domestic)	Male	%	111.9	115.8	125.9	126.6	129.1
	Female	%	111.9	115.8	125.9	126.6	129.1
Parental leave (domestic)	Employees on parental leave[1]	Persons	484	543	488	504	396
	Male	Persons	123	137	140	175	187
	Female	Persons	361	406	348	329	209
	Employees retained for 12 months or more after returning to work[2]	Persons	273	249	320	250	317
	Male	Persons	81	72	95	75	102
	Female	Persons	192	177	225	175	215
	12-month retention rate after return to work[3]	%	86.4	77.8	91.4	80.9	94.9
	Male	%	92.0	83.7	94.1	87.2	96.2
	Female	%	84.2	75.6	90.4	78.5	94.3
	Employees returning to work after parental leave[4]	Persons	292	323	288	334	359
	Male	Persons	79	96	84	107	151
	Female	Persons	213	227	204	227	208
	Return to work rate after parental leave[5]	%	91.3	92.3	93.2	96.5	97.3
	Male	%	91.9	95.0	97.7	98.2	99.3
	Female	%	91.0	91.2	91.5	95.8	95.5

1) Number of employees who took parental leave = Employees granted leave in the reporting year (not the total number of employees on parental leave during the year)
2) Number of employees who returned from parental leave and remained employed for 12 months = Employees retained in the reporting year among those who returned in the previous year
3) Percentage of employees who returned from parental leave and remained employed for 12 months = Percentage of employees retained in the reporting year among those who returned in the previous year
4) Number of employees who returned from parental leave = Employees who returned from parental leave in the reporting year
5) Percentage of employees who returned from parental leave = Percentage of employees who returned compared to those expected to return in the reporting year

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Employee Satisfaction

Category		Unit	2021	2022	2023	2024	2025
Employee satisfaction domestic [1]	Organizational health index	Point	72.2	71.7 (Work)	76.5 (Work)	74.8 (Work)	74.7 (Work)
				73.6 (Colleagues)	77.8 (Colleagues)	76.0 (Colleagues)	75.5 (Colleagues)
				72.1 (Company)	75.7 (Company)	72.4 (Company)	72.2 (Company)

1) Since 2022, the employee satisfaction survey has been restructured into an organizational health assessment, presenting separate scores for work, colleagues, and the company instead of a single overall score.

Employee Training GRI 205-2, 410-1

Category		Unit	2021	2022	2023	2024	2025
Training hours per employee	Training hours per employee	Hours/persons	62	49	49	48	51
Training expenses per employee (domestic)	Training expenses per employee	KRW million/ persons	0.85	0.95	0.99	0.91	0.77
Human rights training (domestic)	Human rights training hours per employee[1]	Hours/persons	3	3	3	3	3
	Male	Hours/persons	3	3	3	3	3
	Female	Hours/persons	3	3	3	3	3
Sexual harassment prevention training (domestic)	Sexual harassment prevention training completion rate	%	100	100	100	100	100
	Training hours per employee (Male)	Hours/persons	1	1	1	1	1
	Training hours per employee (Female)	Hours/persons	1	1	1	1	1
Fraud prevention training	Employee fraud prevention training completion rate	%	100	100	100	100	100
	Number of employee fraud prevention training sessions	cases	368	242	248	240	277
	Training hours per employee (Male)	Minutes/persons	8	8	8	8	8
	Training hours per employee (Female)	Minutes/persons	8	8	8	8	8
Safety and health training	Number of participating employees	Persons	149,625	352,063	228,860	358,097	920,247
	Domestic	Persons	53,618	74,369	68,484	68,653	71,306
	Overseas	Persons	96,007	277,694	160,376	289,444	848,941
Human capital return on investment	Human capital return on investment ratio[2]	%	2.23	2.04	1.83	1.87	1.93

1) Sexual Harassment Prevention (1 hour), Workplace Harassment Prevention (1 hour), Disability Awareness Training (1 hour)
2) Return on Human Capital Investment = (Revenue - (Cost of Sales - Employee-related Expenses)) / Employee-related Expenses (Employee-related Expenses = Salaries and Bonuses + Retirement Benefits + Welfare Expenses)

Status of Human Rights Violations and Grievance Handling (Domestic)

Category		Unit	2021	2022	2023	2024	2025
Processing status by hanulim council deliberation board	Number of hanulim council deliberations	Case	48	61	73	40	74
	FUN[1]	Case	15	21	18	21	20
	PRIDE[2]	Case	12	16	29	4	23
	TRUST[3]	Case	14	18	11	9	18
	WOMEN[4]	Case	7	6	15	6	13

1) Employee contribution activities, support for personal hardships, organizational engagement activities, etc.
2) Improvement of company-wide welfare facilities, work environment, productivity, competitiveness, etc.
3) General policies related to HR, labor relations, and training, as well as compensation and benefits standards
4) Improvement of overall welfare facilities and HR systems related to female employees, etc.

Employee Performance Evaluation GRI 404-3

Category		Unit	2021	2022	2023	2024	2025
Percentage of employees receiving performance evaluations[1]	Executives	%	100	100	100	100	100
	Male	%	100	100	100	100	100
	Female	%	100	100	100	100	100
	Managers[2]	%	100	100	100	100	100
	Male	%	100	100	100	100	100
	Female	%	100	100	100	100	100
	Staff	%	100	100	100	100	100
	Male	%	100	100	100	100	100
	Female	%	100	100	100	100	100

1) Excluded from evaluation: New employees, employees on leave, dispatched employees, etc.
2) Middle management (CL3-4)

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Social Contribution

Category		Unit	2021	2022	2023	2024	2025
Social contribution expenses[1]	Social contribution expenditure	KRW million	6,261	9,174	8,924	7,248	6,546
	Charitable donations[2]	KRW million	1,563	2,158	2,098	1,392	1,719
	Community investment[3]	KRW million	4,204	5,926	5,926	5,161	4,302
	Commercial activities[4]	KRW million	493	1,090	900	695	525
Employee volunteering (domestic)	Total employee volunteer hours	Hours/persons	14,580	10,785	15,135	18,442	20,408
	Number of volunteer teams	Teams	52	62	69	69	44
	Number of participating employees	Persons	2,579	1,785	2,244	3,874	8,312
Employee donations (domestic)	Participation rate	%	100	100	100	100	100
	Donation amount	KRW million	1,216	1,615	1,534	1,467	1,453
Youth education (domestic)	Blue Elephant Campaign	Persons	259,339	308,941	277,887	400,169	281,845
	SSAFY[5]	Persons	1,700	2,300	2,300	2,200	2,000
	Junior SW Academy[6]	Persons	0	43,720	54,233	0	0
	Hope Stepping Stones[6]	Persons	0	6,284	10,305	14,717	15,381
	Dream Class	Persons	0	4,397	7,605	4,127	2,909
Community contributions (domestic)	Sister Villages	Number	17	17	17	17	17

1) As overseas data management began in 2022, data prior to 2022 covers domestic operations only.
2) One-time or ad hoc sponsorships for philanthropic purposes, such as responding to requests from charities and community organizations or providing emergency relief
3) Strategic participation in resolving social issues from a long-term perspective as part of Sustainability Management
4) Business-related activities to promote corporate and brand identity
5) As the SSAFY program was launched in 2021, prior data is unavailable.
6) Samsung Electro-Mechanics participated in Samsung Electronics' corporate citizenship programs in 2022 and 2023.

Shared Growth Support and Activities (Domestic) GRI 205-2

Category		Unit	2021	2022	2023	2024	2025
Supplier training	Shared growth academy training[1]	Number of courses	83	106	146	164	155
	Supplier employees who completed the Shared Growth Academy[2]	Persons	1,600	3,395	3,462	3,839	4,812
	RBA (Labor and Human Rights) training	Companies	44	34	44	41	39
	Product environmental training	Companies	33	45	60	66	63
	Safety and environment training	Companies	99	144	136	100	114
Support for suppliers' sustainability management	Environmental facility operation consulting	Companies	38	24	5	4	4
	GHG and energy efficiency assessments	Companies	1	11	3	1	2
	Risk assessment and fire safety inspection	Companies	6	29	18	25	21
Shared growth support	Shared growth fund[3]	KRW 100 million	484	755	737	723	1,038

1) Includes manufacturing productivity, quality, facilities, and business management
2) Participants who completed training through supplier visits, group sessions, or online courses
3) Based on outstanding loan amounts

Supply Chain Management

Category		Unit	2021	2022	2023	2024	2025
Global supply chain procurement status	Raw material purchase costs	KRW million	4,010,433	3,484,413	3,718,951	4,217,398	4,470,791
	Local procurement spend	KRW million	892,746	974,034	1,019,794	1,166,834	1,275,961
	Local procurement rate	%	22.3	28	27.4	27.7	28.5
Procurement share by region	Korea	%	38	37	36	35	35
	Greater China	%	21	19	20	20	20
	Japan	%	25	25	26	26	26
	Southeast Asia	%	14	17	16	17	17
	Europe	%	1	1	1	1	1
	Americas	%	1	1	1	1	1
Responsible minerals survey	Responsible minerals usage survey	%	100	100	100	100	100

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| Status of Responsible Minerals Usage

Category	Unit	2021	2022	2023	2024	2025
Number of tantalum smelters	Site	37	36	35	50	80
Percentage of RMAP-certified tantalum smelters	%	100	100	100	100	100
Number of tin smelters	Site	52	81	81	144	157
Percentage of RMAP-certified tin smelters	%	100	100	100	100	100
Number of tungsten smelters	Site	39	50	51	78	65
Percentage of RMAP-certified tungsten smelters	%	100	100	100	100	100
Number of gold smelters	Site	107	173	167	220	94
Percentage of RMAP-certified gold smelters	%	100	100	100	100	100
Number of cobalt smelters	Site	34	59	70	100	63
Percentage of RMAP-certified cobalt smelters	%	100	100	100	100	100
Number of mica[1] smelters	Site	-	1	4	16	61
Percentage of RMAP-certified mica smelters	%	-	100	100	100	100
Number of copper[2] smelters	Site	-	-	-	-	48
Percentage of RMAP-certified copper smelters	%	-	-	-	-	100
Number of graphite smelters[2]	Site	-	-	-	-	55
Percentage of RMAP-certified graphite smelters	%	-	-	-	-	100
Number of lithium smelters[2]	Site	-	-	-	-	58
Percentage of RMAP-certified lithium smelters	%	-	-	-	-	100
Number of nickel smelters[2]	Site	-	-	-	-	50
Percentage of RMAP-certified nickel smelters	%	-	-	-	-	100
Total number of smelters	Site	269	400	406	608	731
Total percentage of RMAP-certified smelters	%	100	100	100	100	100

1) Added in 2022
2) Added in 2025

| Supplier Sustainability Management (Compliance) Assessment GRI 308-1, 308-2, 413-1, 414-1, 416-1

Category		Unit	2021	2022	2023	2024	2025
Sustainability Management	Number of companies subject to assessment[1]	Companies	101	97	92	87	83
	Domestic	Companies	54	52	48	47	43
	Overseas	Companies	47	45	44	40	40
	Number of companies conducting self-assessments	Companies	101	97	92	87	83
	Domestic	Companies	54	52	48	47	43
	Overseas	Companies	47	45	44	40	40
	Number of companies subject to on-site audits[2]	Companies	54	82	67	58	46
	Domestic	Companies	38	50	46	31	24
	Overseas	Companies	16	32	21	27	22
Sustainability Management Compliance rate by (compliance) evaluation area[2]	Total[3]	%	-	88.9	94.8	94.4	95
	Labor and Human Rights	%	-	89.7	93.4	93.4	94.3
	Safety and Health	%	-	83.8	90.3	90.1	92.8
	Environment	%	-	96	99.1	96.9	98.8
	Business Ethics	%	-	94	97.6	99	98.6
	Management System	%	-	88.6	93.5	92.6	90.6

1) Same as the number of suppliers subject to self-assessment
2) Number of suppliers undergoing on-site audits among those subject to self-assessment (on-site audits have been limited since 2019 due to COVID-19)
3) Data compiled since 2022

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Occupational Accidents GRI 403-9

Category		Unit	2021	2022	2023	2024	2025
Work-related fatalities	Total fatalities[1]	Persons	0	0	0	0	0
	Employee fatalities[1]	Persons	0	0	0	0	0
	Total employee fatality rate[2]	10^{-4}%	0	0	0	0	0
	On-site supplier fatalities[1]	Persons	0	0	0	0	0
	Total on-site supplier fatality rate[3]	10^{-4}%	0	0	0	0	0
Injuries and lost time[8]	Injury rate[4]	%	0.056	0.04	0.032	0.042	0.033
	Lost time injury rate[5]	10^{-4}%	0.114	0.098	0.089	0.069	0.048
	Frequency rate[6]	10^{-4}%	0.235	0.168	0.156	0.174	0.137
	Lost days (days away from work)	Days	1,742	1,360	692	1,817	1,178
	Lost day rate[7]	%	4.669	3.906	1.992	5.049	3.227
Occupational injuries (Severe injuries)	Total number of severe injuries[1]	Persons	0	0	0	0	0
	Number of severe injuries among employees	Persons	0	0	0	0	0
	Domestic	Persons	0	0	0	0	0
	Overseas	Persons	0	0	0	0	0
	Rate of severe injuries among employees[9]	10^{-4}%	0	0	0	0	0
	Number of severe injuries among in-house suppliers	Persons	0	0	0	0	0
	Domestic	Persons	0	0	0	0	0
	Overseas	Persons	0	0	0	0	0
	Rate of severe injuries among in-house suppliers[10]	10^{-4}%	0	0	0	0	0

1) Includes employees and in-house contractors
2) Includes employees and in-house contractors; Total employee fatality rate = (Number of employee fatalities due to work-related injuries / Annual hours worked by employees)*1,000,000
3) Total in-house contractor fatality rate = (Number of in-house contractor fatalities due to work-related injuries / Annual hours worked by in-house contractors)*1,000,000
4) Includes employees and in-house contractors; Accident rate = (Number of accidents / Number of employees)*100
5) Includes employees and in-house contractors; Lost time injury rate = (Number of injuries / Total hours worked)*1,000,000
6) Includes employees and in-house contractors; Frequency rate = (Number of incidents / Total hours worked)*1,000,000
7) Includes employees and in-house contractors; Lost day rate = (Number of lost days / Number of employees)*100
8) Five-year data has been recalculated due to changes in data measurement methods.
9) Includes employees and in-house contractors; Rate of high-consequence injuries for employees = Number of high-consequence work-related injuries for employees (excluding fatalities) / Number of employees
10) Rate of high-consequence injuries for in-house contractors = Number of high-consequence work-related injuries for in-house contractors (excluding fatalities) / Number of in-house contractors

Occupational Accidents (Domestic)

Category		Unit	2021	2022	2023	2024	2025
Injuries and lost time[1]	Lost time injury rate[2]	10^{-4}%	0.105	0.101	0.090	0.144	0.103
	Frequency rate[3]	10^{-4}%	0.421	0.303	0.209	0.308	0.308

1) Five-year data was recalculated due to a data aggregation error.
2) Includes employees and in-house contractors. Lost Time Injury Rate = (Number of injuries / Total hours worked)*1,000,000
3) Includes employees and in-house contractors. Frequency Rate = (Number of incidents / Total hours worked)*1,000,000

Occupational Health and Safety Certification and Assessment GRI 403-8

Category		Unit	2021	2022	2023	2024	2025
ISO 45001 certification rate	Certification rate	%	100	100	100	100	100
	Domestic	%	100	100	100	100	100
	Overseas	%	100	100	100	100	100

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Governance

Key Financial Performance GRI 201-1

Category		Unit	2021	2022	2023	2024	2025
Revenue and operating profit	Revenue[1]	KRW million	9,675,036	9,406,610	8,892,412	10,294,103	11,314,459
	Operating profit[1]	KRW million	1,486,873	1,205,798	660,544	735,006	913,331
	Net income	KRW million	915,432	993,519	450,482	703,216	730,990
Dividends	Dividends	KRW million	158,792	158,792	87,022	136,128	177,679
	Cash dividend payout ratio	%	17.8	16.2	20.6	20.0	25.2
Liabilities	Debt-to-equity ratio	%	44.7	42.9	45.2	41.9	49.0

1) Figures for 2022 and 2023 were restated for comparative purposes due to discontinued operations.

Corporate Income Tax Payment Status by Corporation (2025) GRI 207-4

(Unit: KRW 100 million)

Region	Site	Main Business	Revenue	Profit before income tax	Income tax payable	Income tax expense
Korea	Samsung Electro-Mechanics Co., Ltd.	Manufacturing and sales of passive components, semiconductor package substrates and camera modules	83,843	4,472	647	553
Japan	Samsung Electro-Mechanics Japan Co., Ltd.	Sales subsidiary	837	20	2	6
United States	Samsung Electro-Mechanics America, Inc.	Sales subsidiary	4,251	91	7	15
Germany	Samsung Electro-Mechanics GmbH	Sales subsidiary	3,753	101	20	28
Philippine	Samsung Electro-Mechanics Philippines, Corp.	Manufacturing of passive components	16,462	455	34	99
Singapore	Samsung Electro-Mechanics Pte, Ltd.	Sales subsidiary	3,296	60	12	10
Vietnam	Samsung Electro-Mechanics Vietnam Co., Ltd.	Manufacturing of camera modules and semiconductor package substrates	29,784	486	0	32
India	Samsung Electro-Mechanics Software India Bangalore Private Limited.	Software development	149	23	28	6
China	Tianjin Samsung Electro-Mechanics Co., Ltd.	Manufacturing of passive components	30,411	1,857	80	476
	Samsung High-Tech Electro-Mechanics (Tianjin) Co., Ltd.	Manufacturing of camera modules	12,015	582	24	139
	Samsung Electro-Mechanics (Shenzhen) Co., Ltd.	Sales subsidiary	33,015	536	3	91

Corporate Income Tax Payment Status (Consolidated Basis) GRI 207-4

Category	Unit	2021	2022	2023	2024	2025
Profit before income tax	KRW million	1,491,309	1,186,828	543,210	797,296	895,831
Income tax expense	KRW million	413,648	164,122	84,846	132,346	163,599
Effective tax rate	%	27.74	13.83	15.62	16.60	18.26
Corporate income tax paid[1]	KRW million	143,516	331,253	186,249	81,746	115,717
Tax payment ratio	%	9.62	27.91	33.07	10.25	12.92

1) Corporate income tax paid as presented in the statement of cash flows

Government Subsidies Received GRI 201-4

Category		Unit	2021	2022	2023	2024	2025
Government financial support (domestic)	Subsidies	KRW million	10,661	6,563	31,144	21,597	20,776

Contributions to Government and Business Associations GRI 2-28, 415-1

Category		Unit	2021	2022	2023	2024	2025
Lobbyists/Lobbying organizations		KRW million	-	-	-	-	-
Political campaigns/candidates		KRW million	-	-	-	-	-
Political contributions		KRW million	-	-	-	-	-
Contributions to associations (domestic)	Korea Electronics Association	KRW million	104	104	103	103	103
	Suwon Chamber of Commerce and Industry	KRW million	41	41	41	40	40
	Busan Chamber of Commerce and Industry	KRW million	40	40	40	40	40
	Sejong Chamber of Commerce and Industry	KRW million	24	24	24	24	24
	Climate Alliance[1]	KRW million	0	20	24	26	26

1) RE100 membership fees; data collected from 2022 (the year of joining RE100).

※ Samsung Electro-Mechanics monitors the activities of industry associations of which it is a member to assess their alignment with global climate policies. Where differences are identified between the Company's position on climate policy and that of an association, the Company reviews whether to maintain its membership in accordance with internal procedures.

ESG Databook

Governance

R&D and Patent Status

Category		Unit	2021	2022	2023	2024	2025
R&D and patents	R&D expenses[1)]	KRW million	567,194	577,140	555,756	666,310	786,951
	R&D expenses / Revenue ratio[1)]	%	5.9	6.1	6.2	6.5	7
	Registered patents	Cases	8,851	9,653	10,636	10,812	11,270
	R&D subsidiaries and centers	Number	2	2	2	2	2

1) 2023 figures were restated for comparative purposes due to discontinued operations.

Customer Satisfaction

Category		Unit	2021	2022	2023	2024	2025
Customers	Customer satisfaction[1)]	Points	4.2	4.4	4.4	4.3	4.1

1) 2023 figures were restated for comparative purposes due to discontinued operations.

Board Operations GRI 405-1

Category		Unit	2021	2022	2023	2024	2025
Board diversity	Male	Persons	6	5	5	5	5
	Female	Persons	1	2	2	2	2
	Under 30	Persons	0	0	0	0	0
	30-50	Persons	0	0	0	0	0
	Over 50	Persons	7	7	7	7	7
Board expertise	Number of financial experts	Persons	1	1	2	2	2

Board Committee Activities

Category		Unit	2021	2022	2023	2024	2025
Audit committee operations	Number of meetings held	Meetings	5	4	4	4	5
	Attendance rate	%	100	100	100	100	100
	Number of members	Persons	3	3	3	3	3
	Number of independent directors	Persons	3	3	3	3	3
	Number of financial experts	Persons	1	1	2	2	2
	Proportion of Financial Experts	%	33	33	67	67	67
Operation of the compensation committee	Number of meetings held	Meetings	2	1	1	1	1
	Attendance rate	%	100	100	100	100	100
	Number of members	Persons	4	4	4	4	4
	Number of independent directors	Persons	4	4	4	4	4
Operation of the independent director candidate recommendation committee	Number of meetings held	Meetings	1	1	1	1	1
	Attendance rate	%	100	100	100	100	100
	Number of members	Persons	4	4	4	4	4
	Number of independent directors	Persons	4	4	4	4	4
Operation of the internal transactions committee	Number of meetings held	Meetings	6	6	6	5	5
	Attendance rate	%	100	100	100	100	100
	Number of members	Persons	3	3	3	3	3
	Number of independent directors	Persons	3	3	3	3	3

ESG Databook

Governance

CEO Compensation GRI 2-21

Category		Unit	2021	2022	2023	2024	2025
CEO long-term incentives	CEO Long-Term Incentive Deferral Period	Years	3	3	3	3	3
	CEO Long-Term Incentive Ratio	%	0	0	14	13	11
CEO-to-employee pay ratio	Compared to Average Employee Compensation CEO compensation	%	1,822	1,393	1,438	1,461	1,539
	Ratio to median employee compensation CEO compensation	%	2,045	1,553	1,624	1,588	1,764

Shareholder Composition

Category		Unit	2021	2022	2023	2024	2025
Top 5 domestic shareholders	Samsung Electronics	Shares	17,693,084	17,693,084	17,693,084	17,693,084	17,693,084
	National Pension Service	Shares	7,767,553	6,133,055	7,935,549	7,551,895	8,213,036
	Samsung Asset Management	Shares	1,096,289	948,375	920,306	726,487	878,881
	Mirae Asset Global Investment	Shares	834,770	670,395	797,362	639,723	863,547
	NH-Amundi Asset Management[1]	Shares	155,519	100,514	231,178	320,932	685,934
Top 5 foreign investors shareholders	BlackRock	Shares	2,080,993	2,325,572	2,582,607	2,569,633	2,634,440
	The Vanguard Group	Shares	1,760,651	1,943,253	2,034,212	2,153,745	2,290,731
	Schroders[1]	Shares	2,177	216,027	716,309	407,801	1,265,143
	J.P. Morgan[1]	Shares	645,645	477,957	760,222	575,245	1,222,956
	People's Bank of China (PBoC)	Shares	692,900	672,395	711,857	678,888	859,087

1) Information on the top five shareholders as of 2025 has changed compared to the end of 2024.

Compliance and Ethics GRI 2-27

Category		Unit	2021	2022	2023	2024	2025
Compliance inspections	Number of inspections	Times	6	6	6	6	6
Compliance training (domestic)	Number of employees completing compliance training	Persons	15,760	23,894	19,845	19,429	19,027
	Number of compliance training sessions	Times	20	19	24	23	29
Compliance training (overseas)	Number of employees completing compliance training	Persons	283	241	191	258	228
	Number of compliance training sessions	Times	1	1	1	1	1
Employee ethics training[1]	Total participants	Persons	35,182	30,792	30,382	31,416	35,810
	Directors	Persons	3	3	3	3	3
	Executives	Persons	60	63	64	66	67
	Managers[2]	Persons	5,988	6,248	6,583	7,518	7,254
	Staff	Persons	28,748	24,352	23,617	23,720	27,803
	Non-regular	Persons	383	126	115	109	683
Employee ethics training (domestic)[1]	Total domestic trainees	Persons	11,592	8,127	8,160	8,177	12,053
	Directors	Persons	3	3	3	3	3
	Executives	Persons	51	57	60	60	60
	Managers[2]	Persons	4,897	5,141	5,287	5,382	5,628
	Staff	Persons	6,281	2,819	2,710	2,636	5,699
	Non-regular	Persons	360	107	100	96	663
Employee ethics training (overseas)[1]	Total overseas training participants	Persons	23,590	22,665	22,222	23,239	23,757
	Directors	Persons	0	0	0	0	0
	Executives	Persons	9	6	4	6	7
	Managers[2]	Persons	1,091	1,107	1,296	1,475	1,626
	Staff	Persons	22,467	21,533	20,907	21,745	22,104
	Non-regular	Persons	23	19	15	13	20
Ethical management reports	Number of ethical management reports	Cases	29	42	69	68	68
	Number of misconduct reports	Cases	21	29	28	31	17
	Number of consumer complaints	Cases	8	13	41	37	51
	Others	Cases	0	0	0	0	0
	Rate of disciplinary actions and measures	%	100	100	100	100	100
Environmental pollution violations	Number of violations[3]	Cases	0	0	0	0	0

1) Five-year data was recalculated due to a data aggregation error.
2) Managers: Middle Management (CL3-4)
3) Limited to fines of USD 10,000 or more.

GRI

Global Reporting Initiative

GRI 1: Foundation 2021

Statement of Use	Samsung Electro-Mechanics has prepared this report in accordance with the GRI Standards 2021, for the reporting period (fromJanuary 1, 2025 to December 31, 2025).
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable Sector Standards as of the publication date

GRI 2: General Disclosures 2021

Standard	Disclosure	Disclosure Title	Page	Remarks
The organi-zation and its reporting practices	2-1	Organizational details	6	
	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	124	Restated information is indicated in the relevant sections as footnotes.
	2-5	External assurance	154	
Activities and workers	2-6	Activities, value chain and other business relationships	9, 59	
	2-7	Employees	129	
	2-8	Workers who are not employees	-	[Information unavailable/incomplete] Workers who are not employees [dispatched workers (interpreters/ translators, secretaries), in-house subcontractors, etc.] exist, but as they are managed on a task basis, some information, including the headcount, is incomplete.
Gover-nance	2-9	Governance structure and composition	103	
	2-10	Nomination and selection of the highest governance body	107	
	2-11	Chair of the highest governance body	103	
	2-12	Role of the highest governance body in impact management	21	
	2-13	Delegation of Responsibility for Managing Impacts	21	
	2-14	Role of the Highest Governance Body in Sustainability Reporting	16	
	2-15	Conflicts of Interest	106	
	2-16	Communication of Critical Concerns	104	
	2-17	Collective Knowledge of the Highest Governance Body	103, 104, 105	
	2-18	Evaluation of the Performance of the Highest Governance Body	108	
	2-19	Remuneration Policies	108	
	2-20	Process to Determine Remuneration	108	
	2-21	Annual Total Compensation Ratio	138	

GRI 2: General Disclosures 2021

Standard	Disclosure	Disclosure Title	Page	Remarks
Strategy, Policies and Practices	2-22	Statement on Sustainable Development Strategy	5	
	2-23	Policy Commitments	62, 84	
	2-24	Embedding Policy Commitments	62-64, 69, 71	
	2-25	Processes to Remediate Negative Impacts	71, 84, 85, 88	
	2-26	Mechanisms for Seeking Advice and Raising Concerns	63-64, 85, 106	
	2-27	Compliance with Laws and Regulations	2025 Business Report 327p	
	2-28	Membership Associations	136	
Stakeholder Engagement	2-29	Approach to Stakeholder Engagement	19	
	2-30	Collective Bargaining Agreements	88	

GRI 3: Material Topics 2021

Standard	Disclosure	Disclosure Title	Page	Remarks
Disclosure of Material Issues	3-1	Process to Determine Material Issues	18	
	3-2	List of Material Issues	18	

Material Topics

Standard	Disclosure	Disclosure Title	Page	Remarks
Response to Climate Change	3-3	Management of Material Issues		
GRI 302: Energy	302-1	Energy consumption within the organization	125	
	302-2	Energy consumption outside of the organization	125	[Information unavailable/ incomplete]
	302-3	Energy intensity	125	
	302-4	Reduction of energy consumption	26, 125	
	302-5	Reductions in energy requirements of products and services	27	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	34	
	305-2	Indirect (Scope 2) GHG emissions	34	
	305-3	Other indirect (Scope 3) GHG emissions	34	
	305-4	GHG emissions intensity	34	
	305-5	Reduction of GHG emissions	34	

GRI

Global Reporting Initiative

| Material Topics

Standard	Disclosure	Disclosure Title	Page	Remarks
Waste Management	3-3	Management of Material Issues		
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	37	
	306-2	Management of significant waste-related impacts	39	
	306-3	Waste generated	37,128	
	306-4	Waste recycled	128	
	306-5	Waste directed to disposal	128	
Human Resources Management	3-3	Management of Material Issues		
GRI 401: Employment	401-1	New employee hires and employee turnover	131	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	45	
	401-3	Parental leave	131	
GRI 404: Training and Education	404-1	Average hours of training per year per employee	44	
	404-2	Job training and lifelong learning programs	43-44, 46	
	404-3	Percentage of employees receiving regular performance and career development reviews	48-49, 132	
Safety and Health	3-3	Management of Material Issues		
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	51, 56	
	403-2	Hazard identification, risk assessment, and incident investigation	53, 56	
	403-3	Occupational health services	55	
	403-4	Worker participation, consultation, and communication on occupational health and safety	52	
	403-5	Worker training on occupational health and safety	54	
	403-6	Promotion of worker health	45, 55	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	55	
	403-8	Workers covered by an occupational health and safety management system	135	
	403-9	Work-related injuries	58, 135	
	403-10	Work-related ill health	58	Due to work-related ill health Number of fatalities or serious Zero cases of ill health

Standard	Disclosure	Disclosure Title	Page	Remarks
Supply Chain Management	3-3	Management of Material Issues		
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	134	
	308-2	Negative environmental impacts in the supply chain and actions taken	64, 134	
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	134	
	414-2	Negative social impacts in the supply chain and actions taken	63	
Ethical management	3-3	Management of Material Issues		
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	-	Insufficient / Future corruption risks at operations Assessment system establishment and response Activities in phases Will be implemented
	205-2	Communication and training about anti-corruption policies and procedures	61, 132, 133	
	205-3	Confirmed incidents of corruption and actions taken	-	
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2025 Business Report 327p	

| Non-Material Topics

Standard	Disclosure	Disclosure Title	Page	Remarks
GRI 101: Biodiversity	101-1	Policies to halt and reverse biodiversity loss	79	
	101-2	Management of biodiversity impacts	80	
	101-4	Identification of biodiversity impacts	79-80	
	101-5	Locations with biodiversity impacts	79	
	101-6	Direct drivers of biodiversity loss	79	

GRI

Global Reporting Initiative

| Non-Material Topics

Standard	Disclosure	Disclosure Title	Page	Remarks
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	136	
	201-2	Financial implications and other risks and opportunities due to climate change	22-23,29	
	201-3	Defined benefit plan obligations and other retirement plans	131	
	201-4	Financial assistance received from government	136	
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	88-89, 131	
	202-2	Proportion of senior management hired from the local community	129	
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	96	
	203-2	Significant indirect economic impacts	27, 55, 60, 65, 94-97	
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	59	
GRI 207: Tax	207-1	Approach to tax	111	
	207-2	Tax governance, control, and risk management	110, 111	
	207-3	Stakeholder engagement and management of concerns related to tax	111	
	207-4	Country-by-country reporting	136	
GRI 303: Water and Effluents	303-1	Water as a shared resource and its impacts	76	
	303-2	Management of water discharge-related impacts	76	
	303-3	Water withdrawal	126	
	303-4	Water discharge	76, 126	
	303-5	Water consumption	76, 126	
GRI 305: Emissions	305-6	Emissions of ozone-depleting substances	-	No emissions
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	127	

Standard	Disclosure	Disclosure Title	Page	Remarks
GRI 402: Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	84, 88	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	89, 129, 137	
	405-2	Ratio of basic salary and remuneration of women to men	131	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	-	[Confidentiality constraints] The Company Due to internal confidentiality, disclosure is restricted.
GRI 407: Freedom of Association and Collective Bargaining	407-1	In which workers' rights to exercise freedom of association or collective bargaining may be at risk Operations and suppliers	87	
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	87	
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	87	
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	132	
GRI 411: Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	-	No incidents of violations
GRI 413: Local Communities	413-1	Percentage of operations with local community engagement, impact assessments, and development programs	96, 134	
	413-2	Operations with significant actual and potential negative impacts on local communities Operations	-	0 Operations
GRI 415: Public Policy	415-1	Political contributions	136	
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of products and services	81, 82, 134	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	No violations
GRI 417: Marketing and Labeling	417-1	Requirements for product and service information and labeling	-	[Not applicable] The Company provides basic product information on its labels, and upon customer request, attaches labels that reflect these specific requirements.
	417-2	Incidents of non-compliance concerning product and service information and labeling	-	No violations
	417-3	Incidents of non-compliance concerning marketing communications	-	No violations
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data Cases	-	No violations

SASB

Sustainability Accounting Standards Board

| Industry - Hardware

Topic	SASB Code	Metric	Samsung Electro-Mechanics' Response
Sustainability Disclosure Topics & Accounting Metrics			
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	p. 115-117 Samsung Electro-Mechanics proactively identifies risks through regular inspections and operates a rapid response system to prevent further damage in the event of a data breach
Employee diversity & inclusion	TC-HW-330a.1	Percentage of (1) gender and (2) diversity representation among: (a) Executive Management (b) General Managers (c) Technical Professionals (d) All Other Employees	p. 89-90, p. 107 Samsung Electro-Mechanics provides equal opportunities to all individuals regardless of their personal backgrounds. In addition, the Company appoints executives and Independent Directors with diverse expertise.
Product lifecycle management	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled	Samsung Electro-Mechanics manufactures ultra-small, ultra-thin high-tech components that serve as parts within finished goods. Due to their nature as intermediate products with minimal weight, recovery at the product level is not feasible. For example, chip components, circuit boards, and camera modules are embedded in finished products such as mobile phones, making individual recovery infeasible. Although Samsung Electro-Mechanics is not subject to the obligations of the Waste Electrical and Electronic Equipment (WEEE) Directive, which applies to finished goods manufacturers, we provide necessary product information to such manufacturers and actively promote internal environmental initiatives through LCA certification and the development of environmentally conscious products.
Supply Chain Management	TC-HW-430a.1	Provide the percentage of first-tier suppliers audited according to the RBA certification audit process (VAP) or an equivalent procedure for (a) all facilities and (b) high-risk facilities.	p.65-66 Samsung Electro-Mechanics conducts comprehensive evaluations and sustainability assessments of its suppliers annually to manage supply chain risks.In 2025, the Company evaluated 95% of its suppliers, with 74% receiving an excellent rating.
	TC-HW-430a.2	Percentage of Tier 1 suppliers that received non-conformance findings according to (1) the RBA Validated Audit Process (VAP) or equivalent standards, and (2) the associated corrective action rate, categorized by (a) priority non-conformances and (b) other non-conformances	p.64 Samsung Electro-Mechanics operates a monthly Check-In Day to address non-conformances identified at each supplier during inspections, ensuring the continuous improvement of these issues.
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical minerals	p.100-101 Samsung Electro-Mechanics requires the use of RMAP-certified smelters for conflict minerals (3TG), cobalt, and mica. It annually investigates the responsible mineral usage of its suppliers. By 2025, all suppliers have been confirmed to source through certified smelters.
Activity Metrics			
Activity Indicators	TC-HW-000.A	Production Volume by Product	p.9-11 In 2025, Samsung Electro-Mechanics' sales by sector are: Components 5.1985 trillion KRW (45.95%), Optical Solutions 3.8142 trillion KRW (33.71%), and Package Solutions 2.3018 trillion KRW (20.34%).
	TC-HW-000.B	Area of manufacturing sites	p.7 Samsung Electro-Mechanics operates two R&D centers in Suwon and Bengaluru, along with production bases in Sejong, Busan, China (Gaoxin and Tianjin), the Philippines, Mexico and Vietnam.
	TC-HW-000.C	Percentage of products manufactured in company-owned production facilities	Business Report p.16 Components account for 94%, Package Solutions for 5%, and Optics Solutions for 1%.

UN SDGs

UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) are specific goals and indicators adopted by the UN for sustainable development, comprising 17 goals and 169 targets across economic, social, and environmental sectors. Samsung Electro-Mechanics supports the UN SDGs and practices Sustainability Management by implementing activities aligned with each goal. The Company plans to carry out various initiatives to achieve these goals moving forward.

UN SDGs	Samsung Electro-Mechanics Activities	Page
Goal 1. No Poverty	· Providing economic resources to vulnerable groups through contactless donations and volunteer activities	95-96
Goal 2.Zero Hunger	· Promotion of Mutual Prosperity for Cities and Villages	96
Goal 3. Good Health and Well-being	· Conducting regular health checkups · Supporting medical expenses for three major critical illnesses for employees and their children · Maternity protection programs (parental leave, breastfeeding facilities, etc.)	45
Goal 4. Quality Education	· Samsung Software Academy for Youth · Dream Class · Expanding youth education support (Blue Elephant Campaign)	94-96
Goal 5. Gender Equality	· Ensuring equal pay for men and women · Increasing the proportion of women in management	90-91
Goal 6. Clean Water and Sanitation	· Achieving a water reuse rate of 33.9% in 2025 · Striving to achieve a water reuse rate of 41.8% by 2030	76
Goal 7. Affordable and Clean Energy	· Annual increase in savings from energy reduction projects · Striving to transition to 100% renewable energy by 2050 · Enhancing energy efficiency through the Energy Savings Task Force and work environment improvements	26
Goal 8. Decent Work and Economic Growth	· Talent development and customized capacity-building programs · Operating a fair employee evaluation and compensation system · Samsung Software and AI Academy for Youth (SSAFY) · Hope Stepping Stones	42-44, 48-49, 95

UN SDGs	Samsung Electro-Mechanics Activities	Page
Goal 9. Industry, Innovation and Infrastructure	· Mass production of Korea's first high-performance semiconductor package substrates (FCBGA) for servers · Development of eco-friendly products and technologies · Mass production of the industry's first thin-film coupled Power Inductors · Mi-RAE Project	118-121
Goal 10. Reduced Inequalities	· Dream Class · Hope Stepping Stones	95
Goal 11. Sustainable Cities and Communities	· Maintained air and water pollutant emissions below 30% of legal limits on average · Supporting Supplier Sustainability Management	61, 76
Goal 12. Responsible Consumption and Production	· Achieving a 99% waste recycling rate by 2025 · Implementing initiatives to reduce waste and the use of disposable products · Achieved Zero Waste to Landfill (ZWTL) Platinum certification at all domestic and overseas sites in 2025	37
Goal 13. Climate Action	· Actively responding to climate change by obtaining the industry's first carbon footprint certification	82
Goal 15. Life on Land	· Conservation activities for coastal and ecological landscape areas · River clean-up and ecological improvement activities near business sites	79-80
Goal 16. Peace, Justice and Strong Institutions	· Strengthening transparency by operating an independent Audit Committee · Managing compliance risks by operating a compliance management program	70-71, 106
Goal 17. Partnerships for the Goals	· Nanum Kiosk · Nanum Store · Community Support	96

Samsung Electro-Mechanics Code of Conduct

We at Samsung Electro-Mechanics are committed to becoming an innovative and respected company loved by our customers.

Every day, we leverage the best talent, resources, and latest technologies to create products and services that help humanity enjoy a better life.

Guided by Samsung's Core Values (People First, Excellence, Change, Integrity, and Co-prosperity) and the principles that embody them, we will continue to grow as an innovative company loved and respected by our customers, shareholders, employees, business partners, and local communities.

Accordingly, this Code of Conduct establishes the principles that embody Samsung'

If the Code of Conduct does not provide an answer for a specific situation, it is essential to uphold the spirit of compliance embedded in Samsung's Core Values and the Code of Conduct based on sound common sense and reasonable judgment within the boundaries of relevant laws.

Each of you is the core of Samsung Electro-Mechanics. Your words and actions matter regardless of your position, location, or the tasks you perform. Please prioritize the Samsung Electro-Mechanics Code of Conduct and embody the principles embedded in Samsung's Core Values every day.

Principle 1. We comply with laws and ethical standards.

| 1-1. Samsung Electro-Mechanics complies with relevant laws and regulations

- The Company is committed to complying with domestic laws and local regulations in the countries where it operates, and all employees are responsible for familiarizing themselves with the laws, company policies, and procedures related to their duties. Employees must act within the boundaries permitted by law. They must comply not only with the explicit text of the laws and company policies but also with their underlying intent.
- Regardless of their position, employees must not violate this Code of Conduct or relevant laws, nor may they direct, approve, aid, or condone violations by other employees. Employees must comply with the Code of Conduct and company policies. Do not overlook any known or suspected violations of the Code of Conduct. Excuses claiming that violating laws or the Code of Conduct was inevitable for business purposes will not be tolerated.

| 1-2. Samsung Electro-Mechanics respects individual dignity and diversity

- The Company complies with the labor laws of the countries where it operates.
- The Company strives to protect the fundamental human rights of every individual and treat workers with dignity and respect, as agreed upon by the international community.
- The Company does not discriminate in employment or work performance based on race, ethnicity, nationality, gender, religion, place of birth, disability, marital status, pregnancy, childbirth, political affiliation, sexual identity, or union membership, and it recognizes individual diversity and provides equal opportunities.
- The Company does not employ child labor.
- The Company treats all relevant stakeholders without discrimination, including job applicants and all workers such as temporary, migrant, student, contract, and direct employees. It complies with anti-discrimination laws and regulations by fairly establishing wages and other conditions of employment.
- To maintain and develop a cooperative labor-management relationship based on mutual trust and integrity, the Company respects employees' rights to freedom of association, collective bargaining, and collective action in accordance with local labor laws in South Korea and the countries where it operates.
- The Company provides a healthy work environment and complies with laws, policies, and standards related to working conditions, including observing maximum working hours, guaranteeing minimum wages, and providing social insurance.

Samsung Electro-Mechanics Code of Conduct

Principle 1. We comply with laws and ethical standards.

| 1-3. Samsung Electro-Mechanics always competes fairly and ethically within the boundaries of competition laws.

- The Company competes fairly by complying with the fair trade laws and regulations of each country and does not enter into agreements with competitors or business partners regarding prices, production volumes, bids, sales territories, or sales conditions that unfairly restrict competition.
- The Company complies with all laws and policies related to export controls and economic sanctions that regulate international trade.
- Employees must not accept anything of economic value, such as money, goods, or entertainment, from external stakeholders, including clients, suppliers, and those seeking to do business with the Company, and must not engage in any practices that undermine fair trade.
- Employees must not solicit external stakeholders for unfair business advantages, nor may they directly or indirectly offer, promise, or provide money or goods to obtain such advantages.
- The Company respects third-party trade secrets and obtains information about or from third parties only through legal and ethical means.
- The Company does not coerce business partners or suppliers into taking actions that disadvantage competitors.

| 1-4. Samsung Electro-Mechanics maintains accounting transparency through accurate financial reporting and disclosure.

- The Company accurately records and manages all transactions based on facts in accordance with international standards, national accounting laws, and internal regulations, and undergoes regular financial audits by external auditors.
- The company complies with laws related to anti-money laundering, anti-corruption, and prohibitions on support for terrorist organizations. It avoids transactions with parties whose identity is uncertain or whose trading practices lack transparency, and engages exclusively with suppliers that operate using legally sourced funds. The company neither participates in nor facilitates illegal, fraudulent, or irregular transactions.
- The Company complies with the disclosure regulations of the countries where it is listed and discloses material information in accordance with relevant laws and regulations.

| 1-5. Samsung Electro-Mechanics maintains political neutrality and does not intervene in politics.

- The Company respects the political views of individual employees and their right to express them through voting and other means. However, the Company does not permit employees to engage in political activities on company premises during working hours without authorization. Employees must ensure that their personal political views or activities do not interfere with their work.
- While the Company respects the right of individual employees to participate in politics, employees must engage in such activities based on their own decisions, using their personal time and at their own expense, independently of their work duties.
- The Company respects the exercise of civil rights by individual employees. If an employee legitimately requests time off to exercise their civil rights, the Company grants it in accordance with relevant laws.
- Employees must not use company funds, personnel, or facilities for political purposes.
- The Company respects and complies with national laws and regulations regarding government relations. Employees must not use company funds to make illegal donations or engage in inappropriate transactions when interacting with government entities.

| 1-6. Samsung Electro-Mechanics protects the information of individuals and business partners.

- The Company complies with relevant laws, regulations, and internal policies when processing the personal information of customers, employees, business partners, and visitors.
- Employees handling personal information must carefully manage it to prevent loss, theft, leakage, forgery, alteration, or damage, and must always comply with relevant laws and regulations.
- The Company must collect and use personal information only for designated business purposes and, if third parties have access to such information, manage it in accordance with relevant laws and contracts to prevent unauthorized disclosure.

Samsung Electro-Mechanics Code of Conduct

Principle 2. Maintain a Clean Organizational Culture

| 2-1. Samsung Electro-Mechanics strictly separates professional and personal matters across all business activities.

- As employees of Samsung Electro-Mechanics, you must not engage in any fraudulent activities to pursue personal gain using your position or duties, such as misappropriating, embezzling, or stealing corporate funds or assets, or manipulating expenses.
- Employees must not use undisclosed internal information acquired during their duties to trade stocks, securities, or real estate, either directly or through a third party. Furthermore, employees must not use such information to pursue personal gain or engage in any activities that damage the Company's reputation.
- In the event of a conflict of interest between the Company and an individual employee, the employee must prioritize the legitimate interests of the Company. Employees must ensure that all business decisions and actions reflect these legitimate interests. Furthermore, employees must make objective judgments that consider the Company's interests in all business relationships with customers, business partners, and competitors.
- Corporate assets and facilities must only be used for conducting business or for approved purposes.

| 2-2. Samsung Electro-Mechanics respects the intellectual property of the Company and others.

- Employees must take care to protect the Company's intellectual property and confidential information from unauthorized external disclosure.
- Employees must accurately record and report critical information acquired during business activities based on facts, and store and manage this information with the same level of care as other intellectual property.
- Employees must report any intellectual property invented in connection with their duties to the Company, both during and after their employment, and must file patents through the Company.
- The Company respects the intellectual property rights of others, including patents, trademarks, and copyrights, and does not intentionally infringe upon or use them without authorization.

| 2-3. Samsung Electro-Mechanics fosters a sound organizational culture.

- The Company provides a healthy work environment for its employees and does not tolerate any direct or indirect behavior that could constitute workplace harassment. Such behavior includes all forms of harassment, including sexual harassment, physical violence, insults, posting or transmitting explicitly sexual or offensive materials via email or text messages, misuse of personal information, creating a hostile or intimidating environment, bullying, and spreading malicious rumors.
- The Company respects and treats its employees fairly, and strives to maintain and develop an organizational culture of mutual cooperation and co-prosperity based on trust and integrity.

| 2-4. Employees must conduct themselves professionally in all activities as members of Samsung Electro-Mechanics.

- In principle, employees are prohibited from holding outside employment, dual jobs, or side businesses during their employment. However, exceptions may be granted with prior approval.
- Employees must obtain official approval before disclosing any of the Company's confidential information to external parties.
- During their employment, employees may not serve on the board of directors of a company with conflicting interests or engage in business activities that compete with the Company.
- The Company respects employees' personal views and their right to express them externally. However, when expressing their views on social media or other platforms, employees must state that the opinions are their own and clarify that they do not represent the Company.

Samsung Electro-Mechanics Code of Conduct

Principle 3. Respect for Customers, Shareholders, and Employees

| 3-1. Samsung Electro-Mechanics prioritizes customer satisfaction in its business activities.

- The Company focuses on developing technologies and producing products and services from the customer's perspective. It also fully accommodates customer requests and suggestions, prioritizing them in improvement activities such as product design and services.
- Guided by the belief that "Samsung Electro-Mechanics exists because of its customers," the Company values its relationships with customers and treats them with respect.
- The Company competes based on its products and services. Employees must compete actively without resorting to deception. Communication with customers must be truthful and accurate.
- The Company prioritizes customer satisfaction through customer-centric management. Based on respect for customers, it resolves customer complaints promptly and transparently.

| 3-2. Samsung Electro-Mechanics is committed to shareholder value-driven management.

- The Company operates for the benefit of its shareholders. It actively seeks to enhance shareholder rights and interests by increasing shareholder value through transparent and ethical management.
- The Company has a responsibility to its shareholders. Timely disclosure of accurate information is part of this responsibility. Employees must maintain truthful and accurate business records to ensure the Company can properly provide key management information, including financial information.
- The Company values shareholder opinions. Legitimate expressions of shareholder opinions will be carefully reviewed and considered in accordance with relevant laws.

| 3-3. Samsung Electro-Mechanics strives to improve the quality of life for its employees.

- The Company provides equal opportunities to all employees and treats them fairly in recruitment and promotion based on individual qualifications, expertise, capabilities, and performance.
- The Company actively supports activities aimed at enhancing the skills employees need to perform their duties.
- The Company fosters a work environment where employees can work autonomously and creatively.
- The Company complies with the labor laws of the countries where it operates and respects the guaranteed rights of all types of workers, including temporary, migrant, student, and dispatched workers.

Principle 4. Prioritizing the Environment, Safety, and Health

| 4-1. Samsung Electro-Mechanics pursues eco-friendly management.

- The Company complies with environmental laws, international standards, and internal regulations. Employees must also comply with all applicable laws and regulations regarding the environment, health, and safety.
- The Company is committed to developing cleaner, safer, more convenient, and eco-friendly products and technologies. Across all stages of its business activities—including product planning, design, development, production, sales, and disposal—it continuously strives to minimize harmful environmental impacts and provide a variety of eco-friendly products.
- The Company strives to consistently practice environmentally friendly management by minimizing the use of hazardous substances, utilizing resources efficiently, and pursuing the recycling of end-of-life products.
- The Company establishes eco-friendly manufacturing processes by introducing clean technology to minimize greenhouse gas and pollutant emissions and reduce the use of chemicals, energy, and water resources.

| 4-2. Samsung Electro-Mechanics prioritizes the health and safety of its employees and customers.

- The Company is committed to providing a safe environment for employees, employees of suppliers and business partners visiting our sites, and visitors. To this end, the Company complies with health and safety laws, international standards, and internal policies.
- The Company fosters a safety culture that engages all employees. Employees are encouraged to actively participate in the Company's policies to minimize and eliminate environmental hazards, helping to create a safe working environment.
- The Company establishes and manages emergency response procedures to maintain business continuity in the event of external risk factors, such as natural disasters, fires, and infectious diseases.
- The Company prioritizes customer health and safety across all stages of its business activities, including product planning, design, development, production, sales, and disposal.
- The Company provides customers with clear information on the safe use and management of its products and services.

Samsung Electro-Mechanics Code of Conduct

Principle 5. Fulfill Social Responsibilities as a Global Corporate Citizen

| 5-1. Samsung Electro-Mechanics faithfully fulfills its fundamental responsibilities as a corporate citizen.

- The Company strives daily to build a better future not only for itself, but also for its customers, shareholders, business partners, local communities, and the world.
- The Company strives to create stable employment and faithfully fulfills its tax and legal obligations within the community.
- Employees must act with integrity. They must perform their duties based on sound common sense and rational judgment, keeping in mind that their individual conduct directly impacts the Company's image as a responsible and trusted corporate citizen.
- The Company actively encourages all employees to build trust in local communities by acting ethically and honorably with good faith and honesty.

| 5-2. Samsung Electro-Mechanics respects local social and cultural characteristics and practices shared growth.

- The Company strictly complies with local laws and regulations and respects local cultures and values. The Company contributes to improving the quality of life of local residents and encourages employees to actively support this policy.
- The Company contributes to local communities by creating employment opportunities and developing human resources in the regions where it operates.
- The Company contributes to the development of local culture, including academia, arts, and sports, and fulfills its role as an exemplary corporate citizen through related philanthropic activities.
- As a member of the local community, the Company proactively seeks out and engages in community outreach activities, such as volunteering and disaster relief, to give back to society. The Company encourages all employees to actively participate in both company-sponsored and personal volunteer activities.

| 5-3. Samsung Electro-Mechanics builds mutually beneficial relationships with its suppliers.

- Recognizing that it grows with the support of its suppliers, the Company is committed to shared growth. The Company recognizes its suppliers as strategic partners in pursuing the shared value of customer satisfaction based on mutual trust, and establishes a sound, mutually beneficial cooperation system.
- The Company applies fair and non-discriminatory criteria when selecting suppliers.
- The Company requires its suppliers to comply with laws and international standards regarding human rights, child labor, working hours, forced labor, discrimination, and the environment, and incorporates their compliance into comprehensive supplier evaluations.

| 5-4. Samsung Electro-Mechanics pursues technological innovation and improved IT accessibility.

- The Company is committed to developing innovative products that contribute to humanity through continuous investment in research and development.
- The Company strives to improve accessibility so that everyone, regardless of social class, can equally enjoy the benefits of advanced technology.
- The Company recognizes that enhancing accessibility through technology development provides users with physical limitations more convenient opportunities to use its products, and strives to reflect this in the product planning, design, and development stages.

| 5-5. Samsung Electro-Mechanics pursues world-class quality to deliver customer value and happiness

- The Company bases its business activities on a customer-first mindset, and all employees must do their utmost to enhance customer value by delivering world-class product quality.
- The Company develops products through the highest level of quality control to achieve customer satisfaction, and strictly complies with quality-related laws, international standards, and internal regulations. Employees must also take special care to avoid any actions that violate these standards.
- The Company is dedicated to quality innovation, working closely with suppliers to establish a zero-defect component quality system.

Samsung Electro-Mechanics Code of Conduct

Obligation to Comply with the Code of Conduct

Samsung Electro-Mechanics employees must be fully aware of and comply with all relevant laws and internal regulations applicable to their duties. Employees must always act within the boundaries of the law, adhering not only to the letter of the laws and regulations but also to their underlying intent.
While it may be practically impossible to know every law applicable to your duties, you must at least familiarize yourself with the fundamental regulations. Because the application and interpretation of laws can be complex depending on the factual context, please do not hesitate to seek advice from the Compliance Team or the Legal Team if you have any questions.

Scope of Application

This Code of Conduct applies to Samsung Electro-Mechanics and its employees, as well as its domestic and overseas subsidiaries in which the Company holds a majority stake, and their employees. Business partners working for Samsung Electro-Mechanics must also comply with this Code of Conduct when performing work related to the Company.

Reporting Violations

Upon identifying any actual or potential violations of the Code of Conduct, employees must immediately report them through the reporting channels within the Samsung Electro-Mechanics compliance management system, the Compliance Team email (compliance.semco@samsung.com), the misconduct reporting section on the Ethical management website, or the Management Audit Team email (audit.semco@samsung.com). Speak up if you discover any actual or suspected violations of the Code of Conduct. The Company operates company-wide communication channels to address employee grievances. To ensure employees can raise concerns without fear of retaliation, the Company protects the identities of informants and does not tolerate any acts of discrimination, harassment, or threats against them.

Disciplinary Actions for Violations and Managerial Responsibilities

Employees who violate this Code of Conduct may be subject to disciplinary action in accordance with the Rules of Employment and other relevant regulations, depending on the nature of the case. Executives and managers must remain vigilant to detect any situations or actions that may violate the Code of Conduct, internal policies, or business processes. They are responsible for immediately addressing the issue or reporting it to the appropriate personnel in the event of an actual or suspected violation.

Financial Statements

| Consolidated Statement of Financial Position

(Unit: KRW thousand)

Category	2023	2024	2025
Assets			
I. Current Assets	5,208,418,321	5,891,746,488	7,097,622,667
Cash and Cash Equivalents	1,669,189,597	2,013,326,032	2,701,205,916
Other financial assets	65,119,675	21,665,274	31,816,882
Trade and Other Receivables	1,235,009,441	1,484,142,850	1,855,270,443
Short-Term Loans	121,487	171,704	4,269,530
Advance Payments	22,667,419	25,537,835	11,561,245
Prepaid Expenses	48,240,193	53,011,843	59,678,580
Current Income Tax Assets	25,421,553	24,804,622	5,143,037
Inventories	2,119,538,129	2,250,799,629	2,412,996,843
Right to recover returned products	23,110,826	18,286,700	15,680,192
Assets held for sale	-	-	-
II. Non-current assets	6,449,453,281	6,900,656,433	7,498,272,588
Investments accounted for using the equity method	66,479,378	64,797,100	62,167,548
Financial assets measured at fair value	210,783,749	272,406,342	503,571,231
Long-term loans	4,159,968	4,884,230	5,085,200
Property, plant and equipment	5,603,337,561	5,933,216,999	6,221,642,022
Right-of-use assets	107,155,092	115,073,555	119,543,508
Intangible assets	151,368,146	145,642,952	152,388,329
Net defined benefit assets	125,719,440	189,691,166	280,753,880
Other financial assets	14,162,946	75,886,212	72,334,132
Long-term advance payments and prepaid expenses	40,144,644	49,845,359	48,231,678
Deferred tax assets	126,142,356	49,212,517	32,555,063
Total assets	11,657,871,602	12,792,402,921	14,595,895,255

(Unit: KRW thousand)

Category	2023	2024	2025
Liabilities			
I. Current Liabilities	2,900,459,629	3,056,860,858	3,819,497,360
Trade and Other Payables	1,283,198,829	1,156,563,947	1,412,015,464
Short-Term Borrowings	1,067,870,754	1,313,774,795	2,003,354,615
Advances Received	196,206,367	200,572,952	206,822,056
Current Tax Liabilities	18,151,193	32,607,131	82,823,784
Current Portion of Long-Term Borrowings	237,120,413	244,127,399	-
Current Lease Liabilities	24,904,226	22,246,263	24,700,071
Provisions	1,184,997	3,749,485	6,040,251
Refund liabilities	26,315,440	20,259,308	20,075,101
Other current liabilities	45,507,410	62,959,578	63,666,018
II. Non-current liabilities	727,086,997	719,688,031	979,054,013
Long-term borrowings	216,522,310	-	188,444,339
Long-term other payables	79,828,943	84,335,247	137,381,549
Net defined benefit liabilities	20,872,781	26,358,068	40,496,039
Long-term advances received	358,469,093	551,428,052	525,827,839
Long-term lease liabilities	50,095,397	55,859,009	60,691,855
Deferred tax liabilities	1,298,473	1,707,655	26,212,393
Total liabilities	3,627,546,626	3,776,548,889	4,798,551,373
Equity			
I. Equity attributable to owners of the parent	7,847,712,344	8,789,160,639	9,541,761,554
Capital stock	388,003,400	388,003,400	388,003,400
Capital surplus	1,053,516,215	1,053,516,215	1,053,516,215
Other capital	-146,701,456	-146,701,456	-146,701,456
Accumulated other comprehensive income	679,817,804	1,003,947,273	1,181,945,955
Reserves	3,842,665,257	3,965,465,257	4,282,765,257
Retained earnings	2,030,411,123	2,524,929,948	2,782,232,182
II. Non-controlling interests	182,612,631	226,693,393	255,582,329
Total equity	8,030,324,975	9,015,854,032	9,797,343,883
Total liabilities and equity	11,657,871,602	12,792,402,921	14,595,895,255

Financial Statements

| Consolidated Statement of Comprehensive Income

(Unit: KRW thousand)

Category	2023	2024	2025
I. Revenue	8,892,411,943	10,294,102,976	11,314,459,238
II. Cost of Sales	7,173,051,969	8,334,880,175	9,037,090,944
III. Gross Profit	1,719,359,974	1,959,222,801	2,277,368,294
IV. Selling and Administrative Expenses	1,058,815,519	1,224,216,944	1,364,037,116
V. Operating Profit	660,544,455	735,005,857	913,331,179
VI. Non-operating Income and Expenses			
Finance Income	52,727,910	72,006,051	72,464,556
Finance Costs	67,685,475	72,690,316	76,417,738
Gains (Losses) on Equity Method Investments	-4,742,266	-952,115	689,918
Other Income	340,189,952	417,051,369	298,419,227
Other Expenses	417,797,019	353,124,800	312,655,769
VII. Profit Before Income Tax	563,237,557	797,296,046	895,831,373
Income Tax Expense from Continuing Operations	85,855,396	132,345,905	163,599,365
Profit from Continuing Operations	477,382,160	664,950,141	732,232,007
Income (Loss) from Discontinued Operations	-26,900,035	38,265,496	-1,242,490
VIII. Net Income	450,482,125	703,215,637	730,989,517
IX. Other Comprehensive Income	46,706,948	370,893,003	188,208,560
Items That Will Not Be Reclassified Subsequently to Profit or Loss			
Gain (Loss) on Valuation of Financial Assets at Fair Value Through Other Comprehensive Income	-24,380,241	49,663,521	173,185,109
Gains (Losses) on Disposal of Financial Assets at Fair Value Through Other Comprehensive Income	71,922,189	-	-
Remeasurements of Net Defined Benefit Assets	-11,600,504	25,210,771	4,616,796
Changes in Equity Under the Equity Method	99,372	-547,623	-2,287,777
Items That May Be Reclassified Subsequently to Profit or Loss			
Exchange differences on translation of foreign operations	10,666,132	296,566,335	12,694,432

(Unit: KRW thousand)

Category	2023	2024	2025
X. Total comprehensive income	497,189,073	1,074,108,641	919,198,077
Profit from continuing operations attributable to			
Owners of the parent	449,856,742	640,864,574	707,355,656
Non-controlling interests	27,525,419	24,085,567	24,876,352
Profit attributable to			
Owners of the parent	422,956,707	679,130,070	706,113,165
Non-controlling interests	27,525,419	24,085,567	24,876,352
Total comprehensive income attributable to			
Owners of the parent	468,010,274	1,028,470,310	888,728,643
Non-controlling interests	29,178,800	45,638,331	30,469,434
XI. Earnings per share			
Basic and diluted earnings per common share	6	9	9
Basic and diluted earnings per preferred share	6	9	9
Basic and diluted earnings per common share from continuing operations	6	8	9
Basic and diluted earnings per preferred share from continuing operations	6	9	9

GHG Emissions Verification Statement

Samsung Electro-Mechanics Co., Ltd.

| Organization (Responsible party) address

150 Maeyeong-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea

| Verification Objective

This verification objectives to fairly reflect greenhouse gas data and information to ensure accuracy and without material discrepancies to provide a third-party verification opinion on SAMSUNG ELECTRO-MECHANICS CO., LTD.'s 2021~2025 greenhouse gas emissions statement.

| Verification Scope

2021~2025 Scope 1 & 2 Direct and Indirect Greenhouse Gas Emissions from Worldwide Sites

- Reporting and Verification Period: The annual greenhouse gas emissions for 2021, 2022, 2023, 2024, 2025
- Organizational Boundary: Domestic sites (Suwon, Sejong, Busan), Daejeon Warehouse, Seoul Office and Overseas sites (China Gaoxin, China Tianjin, China Shenzhen Logistic Ctr., Philippines, Thailand Bangpakong, Vietnam)
- Reporting Boundary: Direct GHG Emissions (Scope 1), Indirect GHG Emissions (Scope 2)
- Excluded Sources: None.

| Materiality Level

A level of 5% of total emissions is applied for material discrepancies (errors, omissions, or miss statements)

| Reporting and Verification Criteria

ISO 14064-1:2018 / ISO 14064-3:2019 / GHG Protocol / Guidelines for Reporting and Verification of GHG Emissions in the Emissions Trading System (K-ETS) / BSI verification Manual

| Level of Assurance

Limited Level of Assurance

| Verification Process and Limitations

Verification activities were conducted on the greenhouse gas emission information and data provided by the organization, including document review, risk analysis and interviews with responsible personnel, evaluation of monitoring and control systems through observation and investigation, and data verification through sampling recalculation, tracking, cross-checking, and adjustment. This verification process may be affected by limiting factors such as the limitations of the provided data and sampling and carries an inevitable risk that material discrepancies may go undetected due to these limitations.

- Samsung Electro-Mechanics Co., Ltd. is responsible for the preparation and fair presentation of the GHG statement and report in accordance with the agreed criteria. BSI Group Korea is responsible for expressing an opinion on the GHG statement based on the verification.

| Verification Data

The results of verifying the data in the organization's GHG Report, which includes the greenhouse gas statement, are as follows. Details, including the boundary, method, limitations, and assumptions for estimating emissions by scope and category, are described in the verification report

[Unit: tCO_2eq]

Country	Site	2021	2022	2023	2024	2025
Korea	Suwon	81,942	82,971	77,017	74,539	71,454
	Sejong	113,473	123,961	120,348	117,493	124,273
	Busan	263,129	267,532	253,497	264,378	277,232
	Others	179	345	238	242	223
China	Gaoxin	41,939	37,419	37,490	32,681	31,224
	Tianjin	646,143	603,737	575,575	571,582	575,239
	Shenzhen Logistic Ctr.	394	418	573	564	517
Philippines	Philippines	203,574	161,807	160,438	185,016	191,810
Thailand	Bangpakong	6,839	-	-	-	-
Vietnam	Vietnam	103,926	64,378	96,214	96,038	124,500
Total emissions		1,461,538	1,342,568	1,321,390	1,342,533	1,396,472

(Note: Market-based emissions are calculated including the use of renewable energy at plants in Busan, Tianjin, China, the Philippines, and Vietnam. Renewable energy consumption was 5,305 tCO2eq in 2021, 3,311 tCO2eq in 2022, 86,645 tCO2eq in 2023, 151,125 tCO2eq in 2024, and 211,098 tCO2eq in 2025. and offset emissions are not reflected. Each emission is rounded up.)

| Verification Result: Verified as Satisfactory

- As a result of conducting verification at a limited assurance level in accordance with verification processes and procedures, no material discrepancies were found that could be included in the greenhouse gas reports and statements prepared by SAMSUNG ELECTRO-MECHANICS CO., LTD., and no evidence could be found that the greenhouse gas data and information were unfair.
- BSI Group Korea is independent and has no financial interest in SAMSUNG ELECTRO-MECHANICS CO., LTD. This 3rd party Verification Opinion has been prepared for SAMSUNG ELECTRO-MECHANICS CO., LTD. solely for the purposes of verifying its statement relating to its GHG emissions, more particularly described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Group Korea has assumed that all information provided to it by SAMSUNG ELECTRO-MECHANICS CO., LTD. is true, accurate and complete. BSI Group Korea accepts no liability to any third party who place reliance on this statement.

For and on behalf of BSI: Head of Operation, NEA,
Issue Date: 18/06/2026 SeongHwan Lim

National Institute of Environmental Research

GHG Emissions Verification Statement

Samsung Electro-Mechanics Co., Ltd.

| Organization (Responsible party) address

150 Maeyeong-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea

| Verification Objective

This verification objectives to fairly reflect greenhouse gas data and information to ensure accuracy and without material discrepancies to provide a third-party verification opinion on SAMSUNG ELECTRO-MECHANICS CO., LTD.'s 2024~2025 greenhouse gas emissions statement.

| Verification Scope

2024~2025 Scope 3 Other Indirect Greenhouse Gas Emissions from Worldwide Sites

- Reporting and Verification Period: The annual Greenhouse gas emissions for 2024, 2025
- Organizational Boundary: Domestic sites (Suwon, Sejong, Busan), Daejeon Warehouse, Seoul Office and Overseas sites (China Gaoxin, China Tianjin, China Shenzhen Logistic Ctr., Philippines, Thailand Bangpakong, Vietnam)
- Reporting Boundary: Other Indirect greenhouse gas emissions(Scope 3) from the corporate value chain. Category 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15
- Excluded Sources: Category 14 are excluded from calculation.

| Reporting and Verification Criteria

ISO 14064-1:2018 / ISO 14064-3:2019 / GHG Protocol / BSI verification Manual

| Materiality Level

A level of 5% of total emissions is applied for material discrepancies (errors, omissions, or miss statements)

| Level of Assurance

Limited Level of Assurance

| Verification Process and Limitations

Verification activities were conducted on the greenhouse gas emission information and data provided by the organization, including document review, risk analysis and interviews with responsible personnel, evaluation of monitoring and control systems through observation and investigation, and data verification through sampling recalculation, tracking, cross-checking, and adjustment. This verification process may be affected by limiting factors such as the limitations of the provided data and sampling and carries an inevitable risk that material discrepancies may go undetected due to these limitations.

- Samsung Electro-Mechanics Co., Ltd. is responsible for the preparation and fair presentation of the GHG statement and report in accordance with the agreed criteria. BSI Group Korea is responsible for expressing an opinion on the GHG statement based on the verification.

| Verification Data

The results of verifying the data in the organization's GHG Report, which includes the greenhouse gas statement, are as follows. Details, including the boundary, method, limitations, and assumptions for estimating emissions by scope and category, are described in the verification report

[Unit: tCO_2eq]

Category		2024	2025
Category 1	Purchased goods and service	302,191	255,305
Category 2	Capital goods	2,133	3,492
Category 3	Fuel and energy related activities not included in scope 1&2	39,707	58,674
Category 4	Upstream transportation and distribution	33,119	79,339
Category 5	Waste generated in operations	20,642	23,570
Category 6	Business travel	5,247	7,656
Category 7	Employee commuting	14,453	14,340
Category 8	Upstream leased assets	1,772	1,936
Category 9	Downstream transportation and distribution	-	16,511
Category 10	Processing of sold products	53	64
Category 11	Use of sold products	56,056	67,092
Category 12	End-of -life treatment of sold products	2,562	8,745
Category 13	Downstream leased assets	0	0
Category 15	Investments	25,770	23,288
Total emissions		503,705	560,012

(Note: Categories were classified according to the GHG Protocol. Emissions for each category are rounded up.)

| Verification Result: Verified as Satisfactory

- As a result of conducting verification at a limited assurance level in accordance with verification processes and procedures, no material discrepancies were found that could be included in the greenhouse gas reports and statements prepared by Samsung Electro-Mechanics Co., Ltd., and no evidence could be found that the greenhouse gas data and information were unfair.
- BSI Group Korea is independent and has no financial interest in Samsung Electro-Mechanics Co., Ltd. This 3rd party Verification Opinion has been prepared for Samsung Electro-Mechanics Co., Ltd., solely for the purposes of verifying its statement relating to its GHG emissions, more particularly described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Group Korea has assumed that all information provided to it by Samsung Electro-Mechanics Co., Ltd. is true, accurate and complete. BSI Group Korea accepts no liability to any third party who place reliance on this statement.

For and on behalf of BSI: Head of Operation, NEA,
Issue Date: 18/06/2026 SeongHwan Lim

National Institute of Environmental Research

Independent Assurance Statement GRI 2-5

To readers of Samsung Electro-Mechanics 2025-2026 Sustainability Report

| Introduction

Korea Management Registrar (KMR) was engaged to conduct an independent assurance of Samsung Electro-Mechanics 2025-2026 Sustainability Report for the year ending December 31, 2025. The preparation, information and internal control of the report are the sole responsibility of Samsung Electro-Mechanics's the management. KMR's responsibility is to comply with the agreed engagement and express an opinion to Samsung Electro-Mechanics's management.

| Subject Matter

The reporting boundaries included the performance and activities of sustainability-related organizations as described in Samsung Electro-Mechanics's report:

- Samsung Electro-Mechanics 2025-2026 Sustainability Report

| Reference Standard

- GRI Standards 2021

| Assurance criteria

KMR applied the quality management system in accordance with ISO 17029 and KMR EDV 01, and carried out the verification in accordance with the assurance criteria of AA1000AS v3 and KMR's proprietary SRV1000. Under AA1000AS v3, we assessed the adherence to the four principles presented in AA1000AP:2018—Inclusivity, Materiality, Responsiveness, and Impact—and evaluated the reliability and quality of the data and information using. Under SRV1000, we conducted a multidimensional review aimed at zero data errors, applying expert judgment to determine the materiality criteria.

- ISO 17029 : 2019, ISO 14065 : 2020, AA1000AS v3 : 2020 (AccountAbility), AA1000AP : 2018 (AccountAbility), SRV 1000 : 2022 (KMR), KMR EDV 01 : 2024 (KMR)
- Levels of assurance/materiality: AA1000AS v3 – Type 2/moderate, limited/ not set

| Scope of assurance

The information subject to verification in the sustainability report is as follows.

- GRI Standards 2021 reporting principles
- Universal Standards
  - GRI 2 General Disclosures 2021
  - GRI 3 Material Topics 2021
- Topic Specific Standards
  - GRI 101: Biodiversity(101-1, 101-2, 101-4, 101-5, 101-6),
  - GRI 201: Economic Performance, GRI 202: Market Presence, GRI 203: Indirect Economic Impacts, GRI 204: Procurement Practices, GRI 205: Anti-corruption(205-1, 205-2), GRI 206: Anti-competitive Behavior, GRI 207: Tax,
  - GRI 302: Energy, GRI 303: Water and Effluents, GRI 305: Emissions, GRI 306: Waste, GRI 308: Supplier Environmental Assessment,
  - GRI 401: Employment, GRI 402: Labor/Management Relations, GRI 403: Occupational Health and Safety, GRI 404: Training and Education, GRI 405: Diversity and Equal Opportunity, GRI 406: Non-discrimination, GRI 407: Freedom of Association and Collective Bargaining, GRI 408: Child Labor, GRI 409: Forced or Compulsory Labor, GRI 410: Security Practices, GRI 411: Rights of Indigenous Peoples, GRI 413: Local Communities, GRI 414: Supplier Social Assessment, GRI 415: Public Policy, GRI 416: Customer Health and Safety, GRI 417: Marketing and Labeling, GRI 418: Customer Privacy

As for the reporting boundary, information external to the organization was excluded from the scope of assurance.

| KMR's Approach

Our Assurance Team undertook the following activities for the agreed scope of assurance using the standard outlined above:

- Evaluating the appropriateness of the reference standard used as a basis for preparing sustainability information and the reliability of the materiality assessment process and its findings;
- Conducting inquiries to understand the data management and control environment, processes, and information systems (the effectiveness of controls was not tested);
- Evaluating the appropriateness and consistency of the methodology for estimation (note that the underlying data was not tested and KMR has not made any estimates);
- Visiting the headquarters, determining visit sites based on the site's contribution to sustainability and the possibility of unexpected changes since the previous period and sampling data, and carrying out due diligence on a limited number of source records at the sites visited;
- Interviewing people in charge of preparing the report;
- Considering whether the presentation and disclosures of sustainability information are accurate and clearly defined;
- Identifying errors through comparison and check against underlying information, recalculation, analyses, and backtracking; and
- Evaluating the reliability and balance of information based on independent external sources, public databases, and press releases.

Independent Assurance Statement

| Limitations and Recommendations

The absence of generally accepted reporting frameworks or well-established practices on which to draw to evaluate and measure non-financial information allows for different measures and measuring techniques, which can affect comparability between entities. Therefore, our assurance team relied on professional judgment. In a limited assurance engagement, the scope of the risk assessment procedures and the subsequent procedures performed in response to the assessed risks are limited than in a reasonable assurance engagement. Our assurance team conducted our work to a limited extent through inquiries, analysis, and limited sampling based on the assumption that the data and information provided by Samsung Electro-Mechanics are complete and sufficient. To overcome these limitations, we confirmed the quality and reliability of the information by referring to independent external sources and public databases, such as DART and the National GHGs Management System (NGMS)

| Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with Samsung Electro-Mechanics on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. We found that the report was prepared in accordance with the criteria presented by Samsung Electro-Mechanics, and nothing comes to our attention to suggest that the evidence obtained regarding its content is insufficient to provide a basis for our opinion. Our opinion on the principles is as follows:

Inclusivity
Samsung Electro-Mechanics has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality
Samsung Electro-Mechanics has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness
Samsung Electro-Mechanics prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of Samsung Electro-Mechanics's actions.

Impact
Samsung Electro-Mechanics identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information
In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of sustainability performance data, including economic, environmental, and social performance data. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

| KMR's Competence, Independence, and Quality Control

Korea Management Registrar (KMR) is a verification body for the Republic of Korea Emissions Trading Scheme (K-ETS), accredited to ISO/IEC 17029:2019 (Conformity Assessment - General principles and requirements for validation and verification bodies), ISO 14067, the additional accreditation criteria ISO 14065, and ISO/IEC 17021:2015 (Requirements for bodies providing audit and certification of management systems). Additionally, KMR maintains a comprehensive quality control system that includes documented policies and procedures of the KMR EDV 01:2024 (ESG Disclosure Assurance System) based on ISO/IEC 17029 requirements and compliant with IAASB ISQM1:2022 (International Standard on Quality Management 1 by the International Auditing and Assurance Standards Board). Furthermore, KMR adheres to the ethical requirements of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior in accordance with the IESBA Code:2023 (International Code of Ethics for Professional Accountants). Our assurance team consists of sustainability experts. Other than providing an independent assurance, KMR has no other contract with Samsung Electro-Mechanics and did not provide any services to Samsung Electro-Mechanics that could compromise the independence of our work.

| Limitations of Use

This assurance statement is made solely for the management of Samsung Electro-Mechanics for the purpose of enhancing an understanding of the organization's sustainability performance and activities. We assume no liability or responsibility for its use by third parties other than the management of Samsung Electro-Mechanics. As this assurance statement may be subject to revision after the assurance date below, we recommend verifying whether this is the latest version.

June 25, 2026
CEO EunJu Hwang

E. J Hwang

KMR SRV SRV1000 Sustainability Committee Assurance
AA1000 Licensed Report 000-129/V3-POMSG

Additional Information

With the objective of transparently providing information for investors and stakeholders, we regularly disclose our management-related materials on our website. For additional data regarding the report, you can refer to our homepage, Sales Report, Audit Report, as well as the Financial Supervisory Service's disclosure site.

- 2025 Audit Report (consolidated)
- 2025 Audit Report (separate)(KOR)
- 2025 Business Report(KOR)
- 2025 Corporate Report(KOR)
- 2025 Corporate Governance Report(KOR)
- Articles of Incorporation
- Corporate Governance Charter

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https://www.samsungsem.com
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