

HANSAE YES24 HOLDINGS

SUSTAINABILITY REPORT

HANSAE YES24 Group ESG Report 2023

HANSAE YES24
HOLDINGS

HANSAE
fashion worldwide

HANSAE MK

About This Report

About This Report

HANSAE YES24 Group is striving to improve its non-financial performance by establishing a group wide ESG strategy and internalizing it across the company. This year, HANSAE YES24 Group has published its second ESG Report to share these achievements and performance with various stakeholders. In particular, this year's report focuses on the analysis of both the environmental and social impact of corporate activities and the financial implications resulting from these issues from various angles, based on double materiality assessment, identifying critical issues for sustainable management.

Reporting Period and Scope

The reporting period is from January 1, 2022 to December 31, 2022 (including some performance data for the first half of 2023), and to view the trend in quantitative performance, we reported a total of three years of data from 2020 to 2022. Additionally, the report also covers economic, environmental, and social topics that have significant impacts on HANSAE YES24 Group.

Reporting Boundary

In this report, the term, "HANSAE YES24 Group," includes HANSAE YES24 HOLDINGS Co., Ltd, HANSAE CO., LTD. and HANSAEMK CO.,LTD. while individual companies are referred to by their names, such as HANSAE YES24 HOLDINGS, HANSAE CO., LTD., and HANSAEMK CO.,LTD.(from the following pages HANSAE YES24 HOLDINGS, HANSAE CO., LTD. and HANSAEMK CO.,LTD.).

The reporting boundaries for each area are as follows.

- Environmental: HANSAE YES24 HOLDINGS' domestic operations, HANSAE CO., LTD.'s domestic and overseas operations, and HANSAEMK CO.,LTD.'s domestic operations.
- Social: HANSAE YES24 HOLDINGS' domestic operations, HANSAE CO., LTD.'s domestic and overseas operations, and HANSAEMK CO.,LTD.'s domestic and overseas operations.
- Governance: Domestic business sites of HANSAE YES24 HOLDINGS, HANSAE CO., LTD. and HANSAEMK CO.,LTD.

Assurance

In order to enhance the credibility of the report content internally and externally, third-party verification was conducted by an independent verification organization, BSI (British Standards Institution). The assurance statement is presented in Appendix.

Reporting Standards

This report was prepared in accordance with the Global Reporting Initiative(GRI) Standards 2021, a global reporting guideline, and meets the four principles of the AA1000AP (inclusivity, materiality, responsiveness, and impact) for sustainable management verification. In Addition, it reflects the United Nations' key global indexes on social responsibility, the UN Sustainable Development Goals (UN SDGs). Financial data was presented on a consolidated basis in line with K-IFRS, and non-financial data was prepared following our disclosure procedures for the fiscal year (December 31, 2022).

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HANSAE YES24 HOLDINGS External Relations Team

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Management Information Posted on Websites

HANSAE YES24 Group transparently discloses management-related data for investors and stakeholders on the websites of each subsidiary every year. Additional information related to this report can be found on the homepage, the Financial Supervisory Service disclosure site, etc.

HANSAE YES24 HOLDINGS Website:
<http://www.hansaeyes24.com/>

HANSAE CO., LTD. Website:
<https://www.hansae.com/>

HANSAEMK CO.,LTD. Website:
<http://www.hansaemk.com/>

2022 Corporate Governance Report (HANSAE YES24 HOLDINGS)

2022 Corporate Governance Report (HANSAE CO., LTD.)

2022 Business Report (HANSAE YES24 HOLDINGS)

2022 Business Report (HANSAE CO., LTD.)

2022 Business Report (HANSAEMK CO.,LTD.)

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CEO Message



Through constant reflection and introspection, We will move forward as a responsible global company.

HANSAE YES24 Group, which began as a small garment company in 1982, has grown into a global fashion, culture and distribution company with HANSAE CO., LTD., which makes clothes worn by one out of every three Americans; HANSAEMK CO.,LTD., which manages nine fashion brands including PGA TOUR & LPGA Golf wear and NBA; YES24 CO.,LTD, Korea's leading online bookstore; and Dong-A publishing co., Ltd, an education publishing company with 78 years of history and experience. This year, HANSAE YES24 Group has established a vision for sustainable management called "Toward Sustainable Future" based on the 40 years of history to provide the highest value to customers and to become a company that strives for a better future in the social and environmental fields. "Toward Sustainable Future" goes beyond a mere declaration. It embodies our goal to develop systems and products to respond to the global climate crisis with our goods and resources (Towards Eco-Green), to create a culture and environment where not only employees but also partner companies, local communities, and future generations can grow together (Towards Inclusivity), and to build a management foundation that all stakeholders can trust by establishing transparent and fair governance (Towards Transparency). Even before ESG management became a hot topic in Korea, HANSAE YES24 Group has received many requests for ESG management from global fashion brands and overseas social groups, ranging from the human rights of employees in overseas factories to the establishment of eco-friendly systems. Based on these experiences and challenges, we will align our business strategies with ESG goals, closely communicate with key stakeholders such as customers, employees, partner companies, and local communities, and move forward as a responsible global company through constant reflection and introspection. We ask for your unwavering support as we continue to grow as a responsible leading global company in fashion and cultural content platform business that provides the highest value to our stakeholders in the future.

Thank you.

HANSAE YES24 HOLDINGS

Chairman DONG NYUNG KIM

김동녕

CEO Message

We will strive to become a company trusted by all stakeholders by practicing transparent corporate management.

In recent years, ESG management has become a hot topic in corporate management, and companies are now expected to create environmental and social performance in non-financial areas as well as sales and operating income. In line with this trend, HANSAE YES24 Group has been making efforts to achieve sustainable ESG performance through transparent decision-making at the management level, following the publication of the Group's first Sustainable Management Report in 2022. In particular, in 2022, we newly formed Sustainable Management Committees within the boards of directors of our major affiliates to establish a system to integrate business strategies and ESG strategies, and to monitor the implementation and performance of company-wide ESG projects. Furthermore, by joining the United Nations Global Compact (UNGC), the world's largest sustainability initiative, HANSAE YES24 HOLDINGS aims to upgrade its ESG strategy and practice ESG management that meets global standards. Moving forward, HANSAE YES24 Group will continue to contribute to sustainable growth in both society and the environment based on a transparent and trustworthy management system. We will run our business with the happiness of all stakeholders as a top priority.

HANSAE YES24 HOLDINGS
Vice Chairman SUK HWAN KIM



CEO Message



We seek to establish a circular system in the fashion industry through a global network.

In recent years, environmental issues such as the climate crisis due to global warming and the waste issue caused by the indiscriminate use of plastics have emerged as global issues, and at this point, companies also need to make fundamental changes to the system of producing goods and commodities. Since 2019, HANSAE CO., LTD. has been making efforts to build a sustainable fashion industry by launching the 10% for Good Initiative, where 10% of the net profit from environmentally friendly fabric products is donated to support global environmental organizations and technology ventures. Additionally, this year, we have formed a business partnership with Vinatex, a Vietnamese state-owned company, to pave the way for the establishment of a circular system for garment production by creating a value chain for recycled fibers.

Amid the growing interest in sustainable fashion and circular economy across the globe, HANSAE CO., LTD. is committed to contributing to the sustainable growth of the environment and society by establishing a circular system in the fashion industry through our global network

HANSAE CO., LTD.
Vice Chairman IK WHAN KIM



We will strive to promote happiness for all including employees, customers, and local communities.

Recently, customers' consumption standards have become diverse and are changing rapidly. Customers who used to prefer high quality products at a reasonable price are now purchasing products not only based on the quality of the product, but on the labor environment and environmental impact of the production process. In line with the changing needs of customers, HANSAEMK CO.,LTD. has been continuously expanding the development of products using eco-friendly materials and supporting customers' value-based consumption through various customer campaigns. Since 2022, we have organized an Environmental Management Committee within the company to enhance the sustainability of our brands. This year, we have officially hired the "Ujuwana Ensemble," an art group consisting of disabled individuals, to fulfill our corporate social responsibility in hiring people with disabilities. Through the power of art, we aim to enhance awareness and create a culture where people from all walks of life can actively participate in society and embrace one another. HANSAEMK CO.,LTD., as a representative fashion company in Korea, will continue to strive to go beyond customer satisfaction and ensure that all stakeholders, such as customers, employees, and local communities, can live happily in society.

HANSAEMK CO.,LTD.
CEO JI WON KIM

HANSAE YES24 Group Vision

HANSAE YES24 Group, centered on its holding company, HANSAE YES24 HOLDINGS, is expanding Korea's economic territory to the global sphere through the fashion and culture industries. In the fashion sector, the Group has two subsidiaries: HANSAE CO., LTD., an ODM-based garment exporter and HANSAEMK CO.,LTD., a global fashion company. In the cultural content sector, the Group has Yes24, Korea's leading cultural content platform, and Dong-A publishing co, ltd, a 78-year-old educational publishing company. In the future, HANSAE YES24 Group will continue to work tirelessly to become a global company that is loved around the world by discovering the best values in the fashion and culture fields.

VISION

To become a global company specializing in fashion, culture distribution that offers the best value

Fashion Worldwide - Fashion Sector

Culture Contents Provider - Cultural Content Sector



Apparel ODM*

HANSAE CO., LTD., a Global Leading Fashion Company to Bridge Korea and the World

HANSAE CO., LTD. is a global fashion company that manufactures and exports about 400 million items of garments a year as a strategic partner of global fashion brands such as GAP, OLD NAVY, H&M, and TARGET.



Brand Retail

K-fashion Company Leading the Global Fashion Market

HANSAEMK CO.,LTD. operates nine brands, including global fashion brands PGA TOUR & LPGA GOLF WEAR, NBA, etc., and is leading K-fashion in Korea as well as overseas.



Cultural Contents

YES24 CO.,LTD. is evolving from Korea's first online bookstore to a cultural content platform

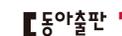
YES24 CO.,LTD is Korea's leading online bookstore and cultural content platform with more than 10 million members, providing inspiration and motivation for people's lives.



Education/Publishing

Dong-A publishing co., ltd the No. 1 company in education and culture with 78 years of history

Based on its know-how accumulated over the past 78 years, Dong-A publishing co., ltd provides the best educational contents and services by developing various educational contents including Dong-A workbook.



*ODM(Original Design Manufacturing)

Business Areas

HANSAE YES24 HOLDINGS

About HANSAE YES24 HOLDINGS

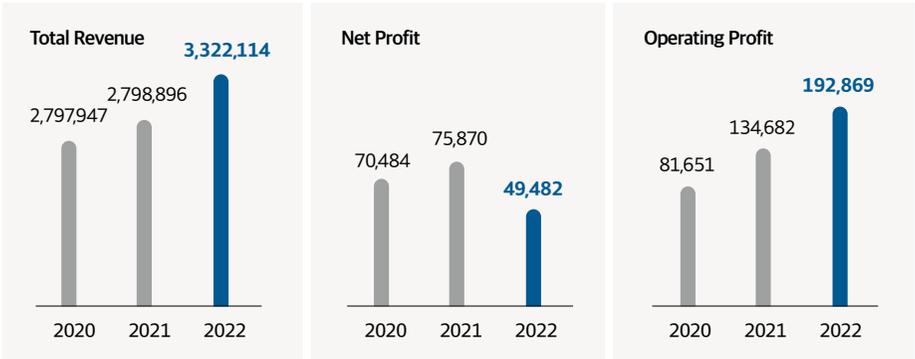
HANSAE YES24 HOLDINGS is a holding company established to enhance the business competitiveness of its subsidiaries that lead the fashion, culture and education business areas. As the holding company of the Group, HANSAE YES24 HOLDINGS presents a direction for the business strategies of its subsidiaries and offers management advice and identifies growth engines for the Group.

Corporate Profile

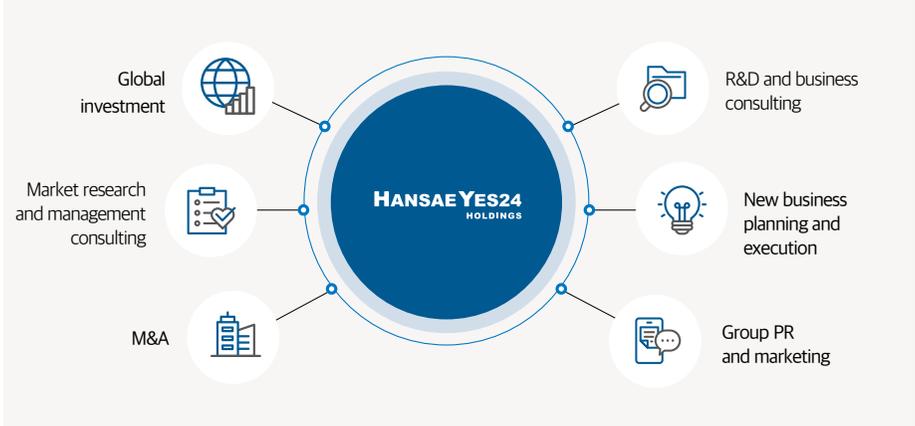
Name	HANSAE YES24 HOLDINGS
Foundation date	<ul style="list-style-type: none"> Established Hansae in November 1982 Separated HANSAE YES24 HOLDINGS (surviving corporation) from HANSAE CO., LTD. (new corporation) as a corporate spin-off in January 2009
CEO	DONG NYUNG KIM, SUK HWAN KIM
Employees	24 (As of December 2022)
Total asset	1,239,211 (Unit: KRW million)
Address	6F, Korea Federation of SMEs, 30, Eunhaeng-ro, Yeongdeungpo-gu, Seoul, ROK
Subsidiaries	HANSAE CO., LTD., HANSAEMK CO.,LTD., YES24 CO.,LTD, Dong-A publishing co., ltd

Financial Performance

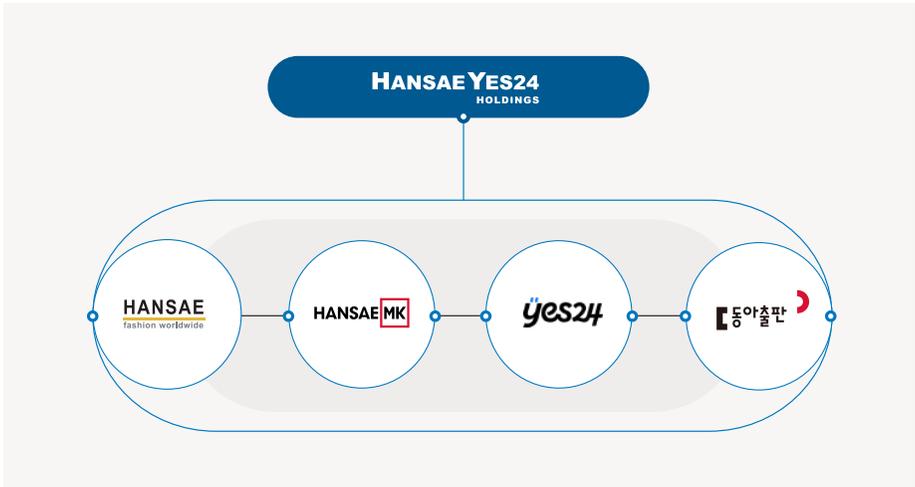
(Unit: KRW million)



Business Areas



Major Subsidiaries of HANSAE YES24 Group



Business Areas

HANSAE CO., LTD.



About HANSAE CO., LTD.

Since its establishment in 1982, HANSAE CO., LTD. has been a leading garment manufacturer and exporter, engaging in the production business through OEM (Original Equipment Manufacturing) and ODM (Original Design Manufacturing) methods, in strategic partnership with global garment brands. Currently, the company has established a global production network across six countries in Southeast Asia (Vietnam, Indonesia and Myanmar) and Central America (Nicaragua, Guatemala and Haiti). Recently, through research and development of design and new materials, HANSAE CO., LTD. is transforming itself from an OEM & ODM-based supplier into a “global fashion company” armed with creativity.

1. OEM(Original Equipment Manufacturing)
2. ODM (Original Development Manufacturing)

Corporate Profile

Name	HANSAE CO., LTD.
Foundation date	January 1, 2009 (Separation from HANSAE YES24 HOLDINGS)
CEO	IK WHAN KIM, KYUNG KIM
Employees	23,967 (As of December 2022)
Address	5F, 29, Eunhaeng-ro, Yeongdeungpo-gu, Seoul, Republic of Korea

About Its Business

Garment Production and Manufacturing

HANSAE CO., LTD. produces garments to be sold around the world through 12 overseas production corporations in 6 countries. Each overseas production corporation follows a production strategy that reflects local characteristics, ensuring the production of the highest quality products while maintaining cost competitiveness.

High-quality Fabric Production

Through the acquisition of C&T VINA in 2013, HANSAE CO., LTD. has been striving to establish a competitive fabric business. Currently, the company continues to invest in C&T VINA to strengthen its capabilities in fabric dyeing and to develop new technologies such as synthetic fibers and print washing, which are increasingly in demand, to enhance the competitiveness of its fabric business.

Quality Control

To ensure high quality and on-time delivery, HANSAE CO., LTD. employs a manager for quality control at each overseas corporation, and conducts systematic training and inspections to control and improve product quality. Such efforts help us to build trust with international buyers.



HANSAE CO., LTD. has partnerships with renowned apparel brands and SPA brands in the US, Europe, and Asia, as well as large discount stores worldwide that sell their own label (PB) clothing. Finished garments produced by the 12 local subsidiaries in Vietnam, Indonesia, Nicaragua, Guatemala, Myanmar, and Haiti are exported and sold globally, including the largest clothing consumer market, the United States.

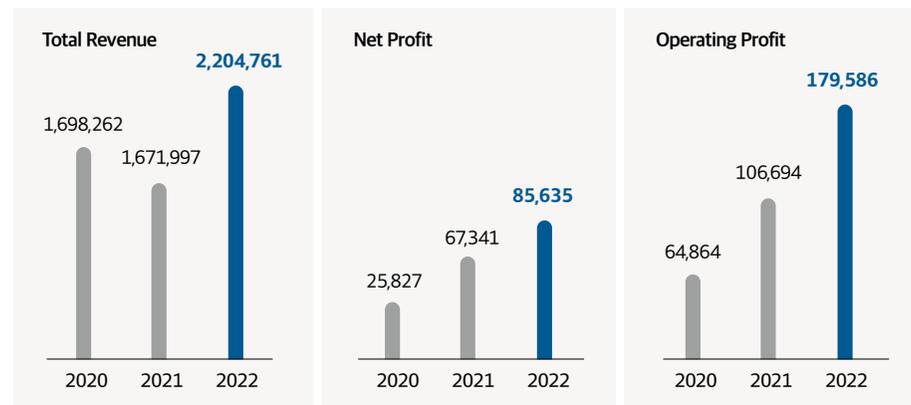
The R&D centers in Seoul and New York are dedicated to design and material development, enhancing the company's capabilities as a global garment manufacturer, and establishing itself as a company that quickly captures fashion trends worldwide.

Design Center (New York & L.A.)

The New York Design Center strengthens the design area by collaborating with the company's R&D headquarters and the local market in the United States, increase our responsiveness to buyers, thereby maximizing synergistic effects.

Financial Performance

(Unit: KRW million)



Business Areas

HANSAE CO., LTD.'s Overseas Subsidiaries



GUATEMALA

- HANSAE PINULA, S.A.
- HS APPAREL, S.A.
- HANSAE GSN, S.A.
- THE GLOBAL GUATEMALA MICHATOYA, S.A.



U.S.A.

- HANSAE NEW YORK DESIGN CENTER
- HANSAE BENTONVILLE OFFICE
- HANSAE CALIFORNIA OFFICE
- APPAREL MANUFACTURING PARTNERS INC



HAITI

- HANSAE HAITI, S.A.



NICARAGUA

- HANSAE INTERNATIONAL, S.A.



SPAIN

- HANSAE-EUROPE, SUCURSAL EN ESPAÑA



INDONESIA

- PT. HANSAE INDONESIA UTAMA
- PT. HANSAE INDONESIA UTAMA - MAJALENGKA
- PT. BOMIN PERMATA ABADI
- PT. HANSAE INDONESIA SUKSES
- HANSAE SEMARANG OFFICE
- HANSAE SOLO OFFICE



MYANMAR

- HANSAE MYANMAR CO., LTD.
- MYANMAR AYEYARWADDY MFG CO., LTD.
- HANSAE BAGO CO., LTD.



VIETNAM

- HANSAE VIETNAM CO., LTD.
- HANSAE TN CO., LTD.
- HANSAE TG CO., LTD.
- C&T VINA CO., LTD.
- C&T G-TECH CO., LTD.
- HANSAE HOCHIMINH
- HANSAE HANOI
- HANSAE DANANG OFFICE
- HANSAE CAN THO OFFICE
- HANSAE THANH HOA OFFICE



Business Areas

HANSAEMK CO.,LTD.



About HANSAEMK CO.,LTD.

HANSAEMK CO.,LTD. operates global sports brands PGA TOUR and LPGA GOLFWEAR, original vintage casual brand BUCKAROO, and street casual wear NBA and NBA kids. In July 2022, HANSAEMK CO.,LTD. amalgamated Hansae Dreams to expand its business into the baby and children's wear market, including Moimoln, Curlysue, Levis-kids, etc.

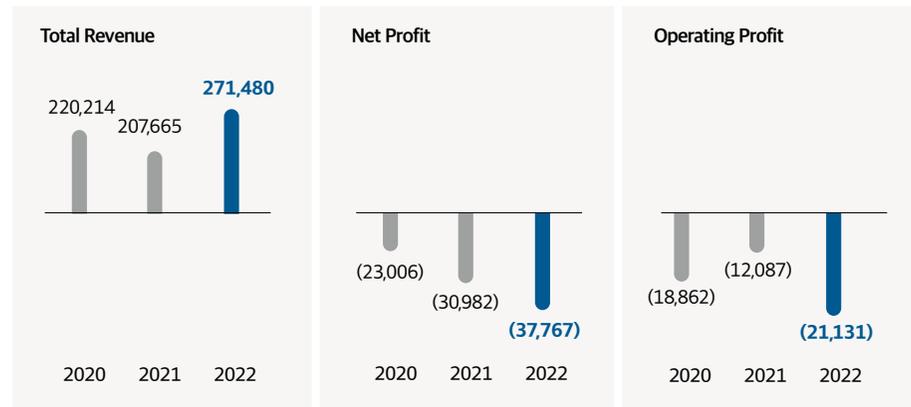
In particular, by introducing wireless electronic tags (RFID) systems and real-time location tracking systems (RTLS) for the first time among Korean fashion company, we are transforming into a fashion-tech company that combines IT technology and fashion. We are also building a consumer-centric business by introducing services such as super-fast delivery.

Corporate Profile

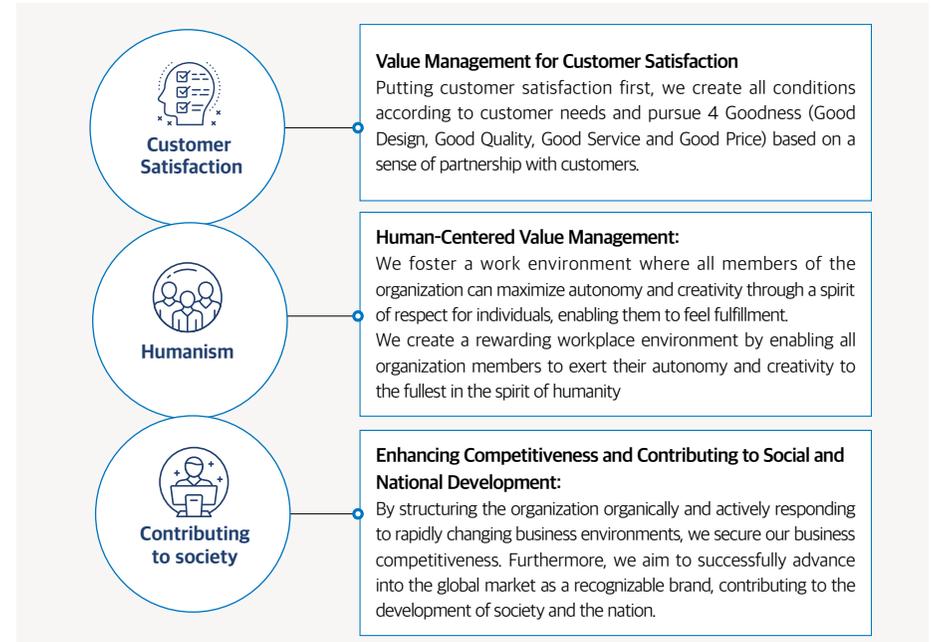
Name	HANSAEMK CO.,LTD.
Foundation date	March 1995
CEO	DONG NYUNG KIM, JI WON KIM, DONG HWAN LIM
Employees	384 (As of December 2022)
Address	MK Building, 633 Nonhyeon-ro, Gangnam-gu, Seoul, ROK

Financial Performance

(Unit: KRW million)



Management Philosophy



About Brands



Business Areas

About YES24 CO.,LTD



YES24 CO.,LTD, the first online bookstore in Korea, has maintained its No. 1 position since its inception in 1999, pioneering the market with its customized, super-fast delivery services based on the country's largest logistics center. In the future, leveraging its membership base of over ten million users, YES24 CO.,LTD plans to expand its business scope from an online book distribution company to a culture & content platform.

Corporate Profile

Name	YES24 CO.,LTD.
Foundation date	June 1998
CEO	SUK HWAN KIM, SERA CHOI
Employees	426 (as of December 2022)
Address	5th and 6th floors, 11 Eunhaeng-ro, Yeongdeungpo-gu, Seoul, Korea

Business Areas

VISION

Life motivator that presents diverse possibilities in life through cultural contents

Corporate Profile

Category	Businesses
Books	Sales and brokerage of books, including new and used books
Digital Services	Publication of e-books and launching of dedicated devices. Web novel/comic content services.
Entertainment Business	Performance ticketing services, Sales and brokerage of music albums, DVDs, etc.
Performance Hall	Performance facility rental service

About Dong-A publishing co., ltd



Dong-A publishing co., ltd, the No. 1 company in education and culture with 78 years of history Based on its know-how accumulated over the past 78 years, Dong-A publishing co., ltd has developed various educational contents, including Dong-A workbook, Korea's leading reference book brand. Currently, Dong-A publishing co., ltd is exerting its best efforts to develop various types of contents and services in line with the changes in the digital era based on quality educational contents.

Corporate Profile

Name	Dong-A publishing co., ltd
Foundation date	October 2008
CEO	WOOK SANG LEE
Employees	320 (as of December 2022)
Address	30 Eunhaeng-ro (Yeouido-dong), Yeongdeungpo-gu, Seoul, Korea

Business Areas

VISION

We strive to create a future where students, parents, and teachers can all grow together by providing contents with righteous values.

Corporate Profile

Category	Businesses
Education/ Publishing	Dong-A publishing co., ltd takes the lead in publishing textbooks and reference books with the publication of Korea's first textbook.
Digital Services	We provide various services to ensure that quality content is available online in the digital era.

About Color&Touch Co.,Ltd



Color&Touch Co.,Ltd was established with the aim of carrying out the most competitive fabric business. Currently, the company is creating new value in the fabric business by stably supplying high-quality fabric products through continuous investment and technology development.

Corporate Profile

Name	Color&Touch Co.,Ltd
Foundation date	February 2014
CEO	IK WHAN KIM
Employees	37 (at domestic business sites as of December 2022)
Address	25 Eunhaeng-ro, Yeongdeungpo-gu, Seoul (3rd floor, Anwon Building, Yeouido-dong)



Global Network

HANSAE YES24 Group started as a small clothing factory in 1982 and has now grown into a leading global fashion and culture company. Currently, the Group is operating 46 business sites in 11 countries around the world, including Asia, the United States, and Europe, expanding Korea's economic territory in the fashion and culture sector.

CHINA

- DREAMSCO FASHION CHINA CO
- MKTREND (SHANGHAI) CO.,LTD

KOREA

- HANSAE YES24 HOLDINGS
- HANSAE CO., LTD.
- HANSAEMK CO.,LTD.
- COLOR&TOUCH CO.,LTD
- YES24 CO.,LTD
- YES24 Live Hall
- YNK MEDIA
- Bukpal
- Atipao
- Dong-A publishing co., ltd
- Studio Yes One
- HANSAE YES24 Rising
- Star Investment Association

JAPAN

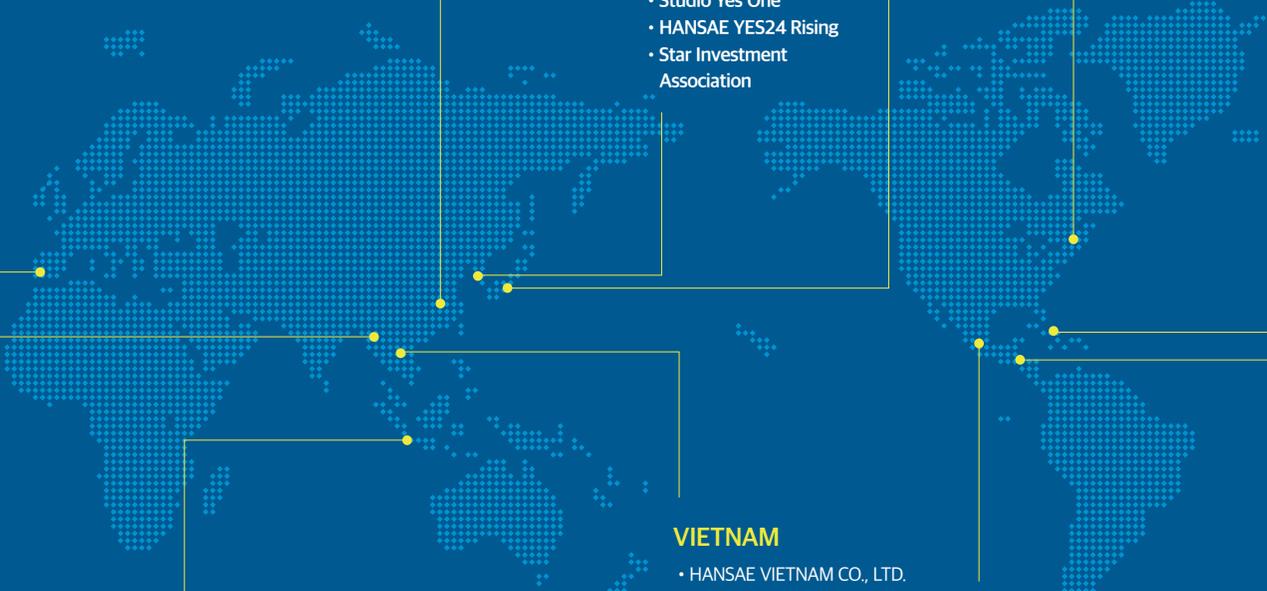
- HANSAE Dreams Japan

USA

- HANSAE NEW YORK DESIGN CENTER
- HANSAE BENTONVILLE OFFICE
- HANSAE CALIFORNIA OFFICE
- APPAREL MANUFACTURING PARTNERS INC

HAITI

- HANSAE HAITI, S.A.



SPAIN

- HANSAE-EUROPE, SUCURSAL EN ESPAÑA

MYANMAR

- HANSAE MYANMAR CO., LTD.
- MYANMAR AYEYARWADDY MFG CO., LTD.
- HANSAE BAGO CO., LTD.

INDONESIA

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- PT. HANSAE INDONESIA UTAMA - MAJALENGKA
- PT. BOMIN PERMATA ABADI
- PT. HANSAE INDONESIA SUKSES
- HANSAE SEMARANG OFFICE
- HANSAE SOLO OFFICE

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- HANSAE TG CO., LTD.
- C&T VINA CO., LTD.
- C&T G-TECH CO., LTD.
- HANSAE HOCHIMINH
- HANSAE HANOI
- HANSAE DANANG OFFICE
- HANSAE CAN THO OFFICE
- HANSAE THANH HOA OFFICE

GUATEMALA

- HANSAE PINULA, S.A.
- HS APPAREL, S.A.
- HANSAE GSN, S.A.
- THE GLOBAL GUATEMALA MICHA TOYA, S.A.

NICARAGUA

- HANSAE INTERNATIONAL, S.A.

Future of Fashion Industry

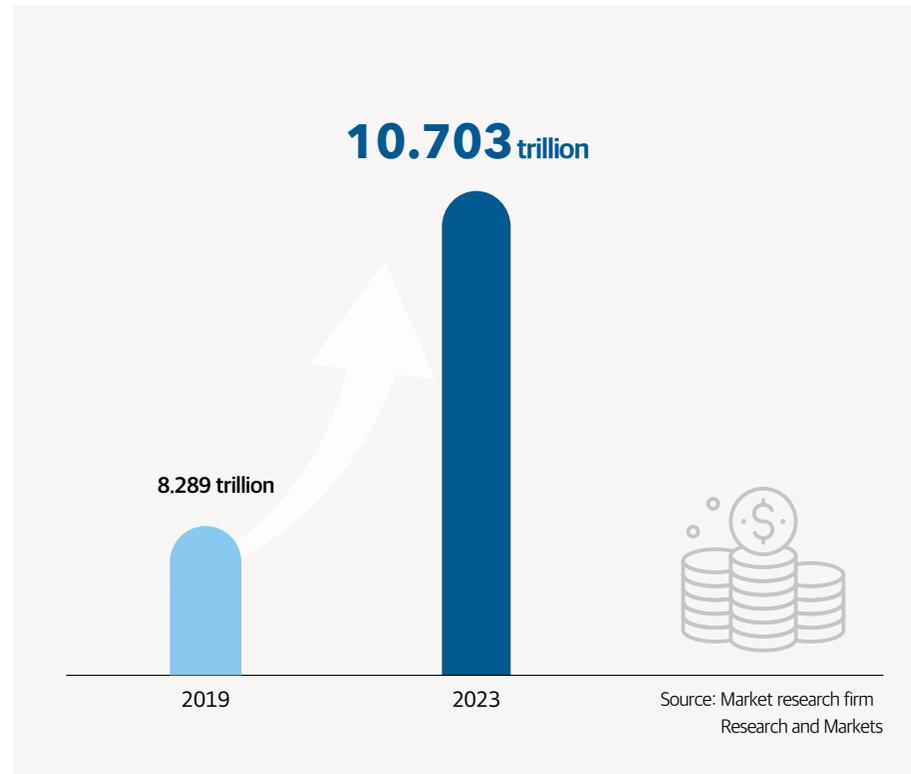
Mega Trends in the Fashion Market

As social and environmental problems caused by climate change intensify around the globe, and the Millennials and Gen Z, which pursues value consumption, is emerging as a major customer group, the trends in the fashion market are also changing rapidly. To emphasize, as the fashion paradigm has shifted from fast fashion¹ to conscious fashion², the latter has emerged as a mega trend in the fashion market. HANSAE CO., LTD. and HANSAEMK CO.,LTD., the fashion divisions of HANSAE YES24 Group, are preparing to keep up with such industry changes through proactive ESG management and digitalization to lead the future fashion market.

1. Fast fashion: A design, manufacturing, and marketing method focused on quickly supplying fashionable clothing by minimizing the time required from production to distribution
2. Conscious fashion: A term that combines the words, "conscious" and "fashion" and refers to fashion items produced using ethical and eco-friendly practices from material selection to manufacturing process

Conscious Fashion Market Size

(Unit: KRW)



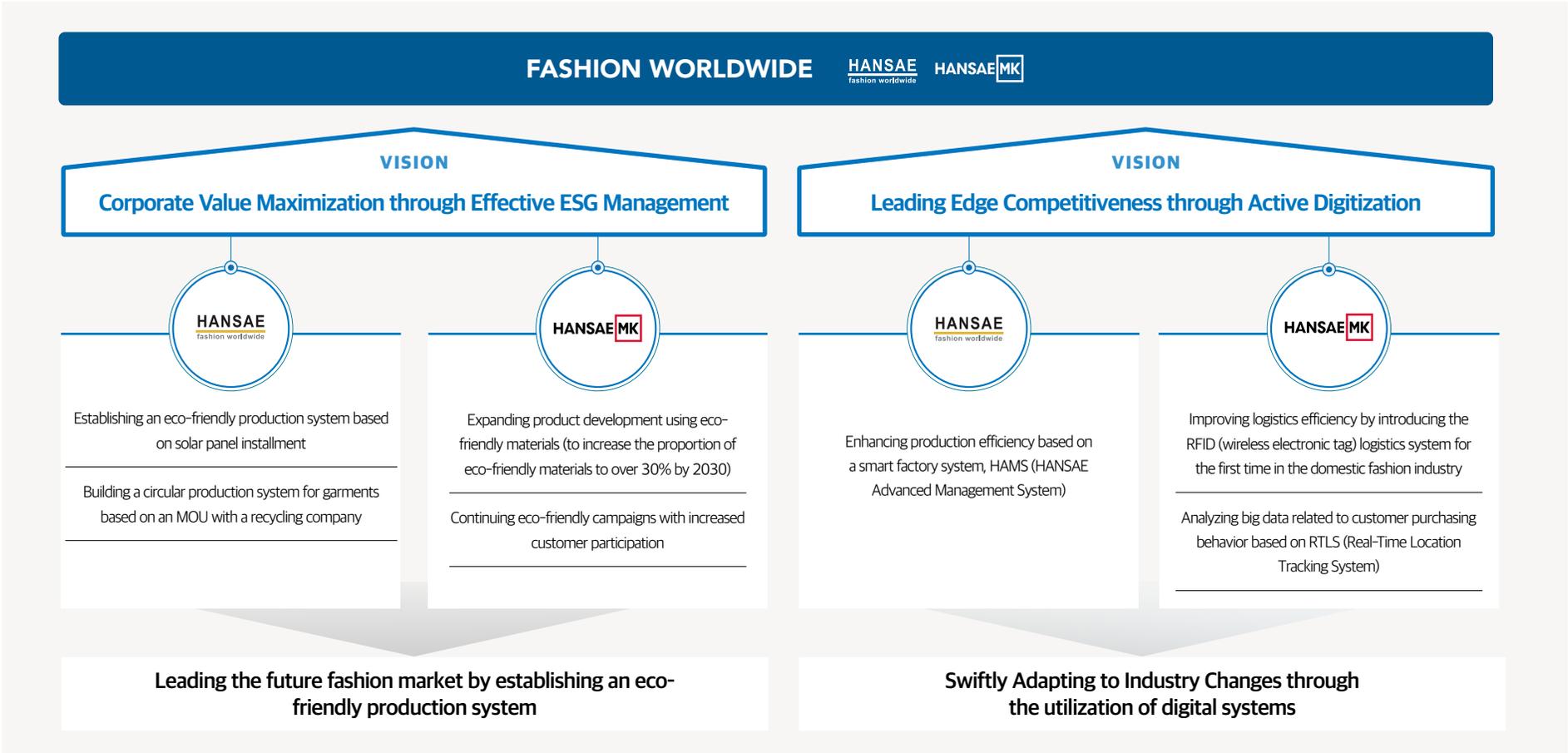
Factors Driving the Shift to Conscious Fashion

Changes in Government Polices and Market Trends	Consumer Changes	Changes in Fashion Brands
<p>By 2030, the European Commission is set to enforce regulations on the fashion industry, necessitating a specific percentage of recycled materials and prohibiting the disposal of these materials.</p> <p>The U.S. Securities and Exchange Commission (SEC) mandates that publicly traded companies disclose climate-related information to promote the reduction of greenhouse gas emissions.</p>	<p>The rise of the Millennials and Gen Z as the main consumer group in the global consumer market (accounting for 30% of all spending in the U.S.) highlights the importance of reflecting the needs of this new consumer generation.</p> <p>78% of the Millennials and Gen Z consider sustainability as a consumption criterion, emphasizing the link between companies' sustainable activities and their business.</p>	<p>The development of digital technology has increased consumer access to information, leading to expanded demands for and monitoring of fashion brands.</p> <p>The number of fashion brands that consider environmental impact in the entire process of product production, including product planning, material selection, and production stages, continues to increase.</p>

Future of Fashion Industry

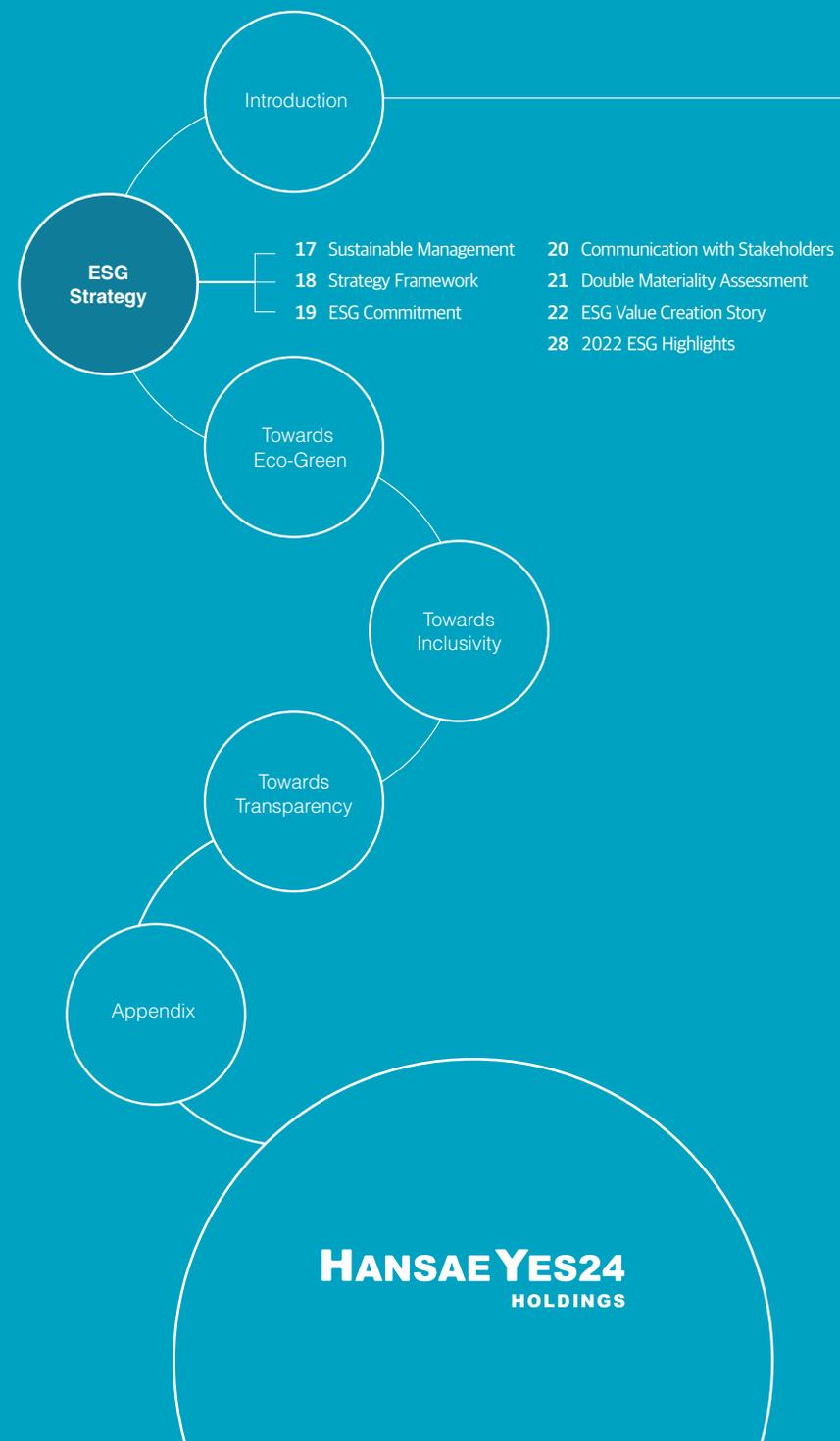
Future Growth Strategy of HANSAE YES24 Group

HANSAE CO., LTD. and HANSAEMK CO.,LTD., the fashion divisions of HANSAE YES24 Group, are continuing their investment and efforts to secure future competitiveness and grow into sustainable businesses. HANSAE CO., LTD. is building an eco-friendly production system based on solar power facilities, and HANSAEMK CO.,LTD. is strengthening ESG management by expanding product development using eco-friendly materials. Furthermore, both HANSAE CO., LTD. and HANSAEMK CO.,LTD. are actively introducing IT technologies in their production and logistics systems to adapt to industry changes with agility.



ESG

STRATEGY



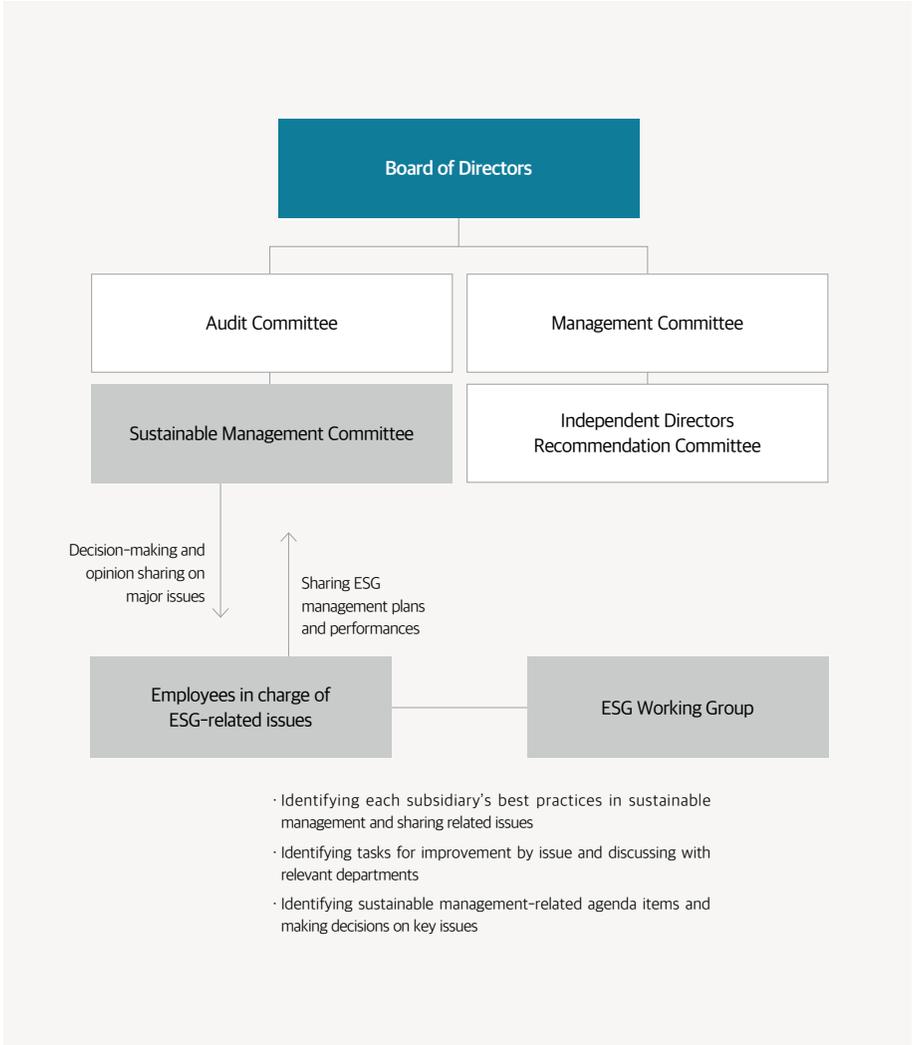
Sustainable Management

ESG Governance

HANSAE YES24 Group has advanced sustainable management at the group level by establishing the “Sustainable Management Committee” within the Board of Directors in 2022. HANSAE YES24 HOLDINGS, the holding company of the Group, has dedicated ESG professionals who lead the group’s ESG vision, strategy, and governance establishment and has led the overall ESG management of the Group. By holding a regular council meeting, they work closely with key executives and working-level employees from ESG-related organizations at each subsidiary to manage subsidiary-specific risks and support the implementation of ESG management. In 2022, we set a vision and strategic direction for sustainable management based on the Group’s business strategy, clarified strategic tasks for each area, and aligned business strategies with ESG strategies. Furthermore, we will discuss major agendas and issues related to sustainable management through the ‘Sustainability Management Committee’ to spur the promotion of group-wide sustainability management.



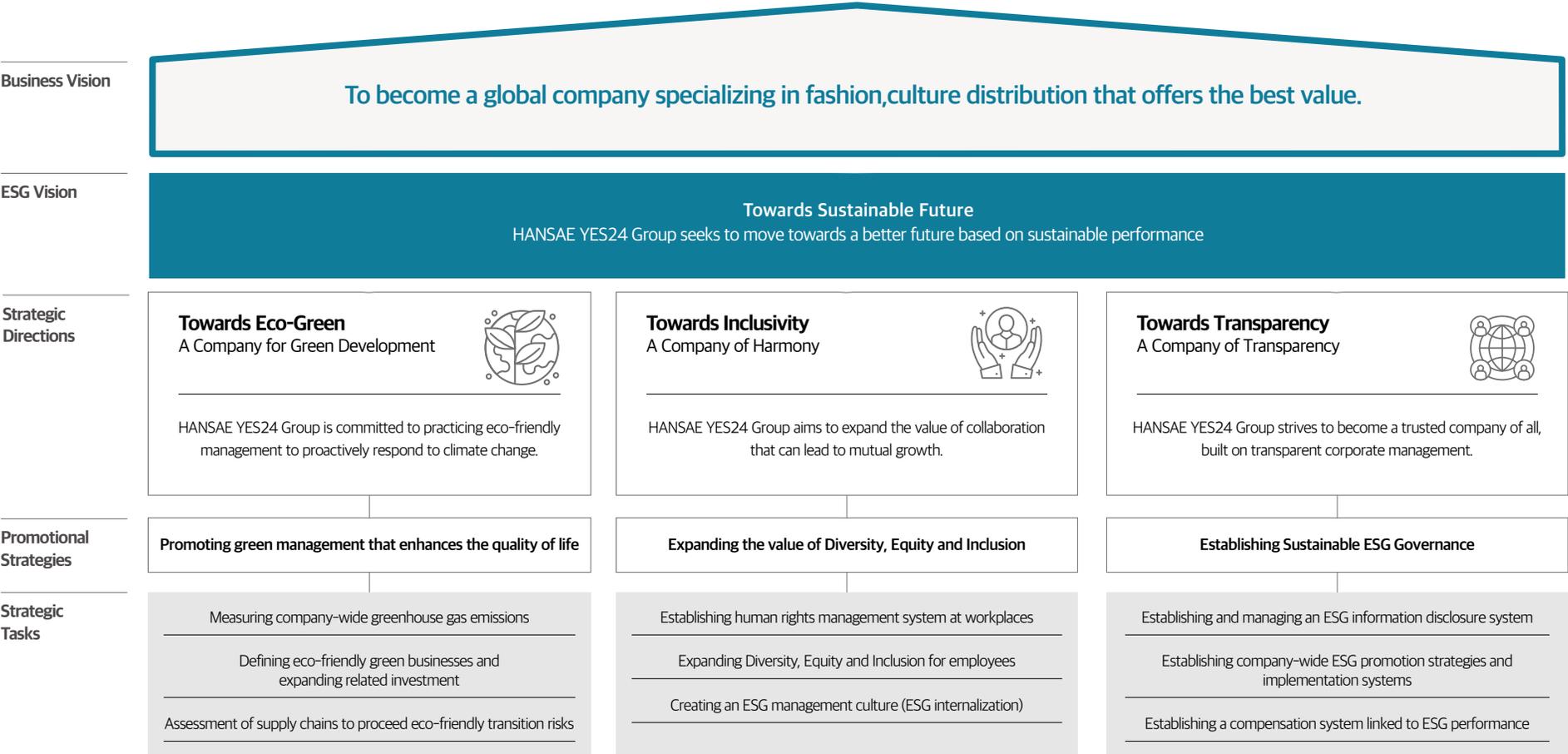
Sustainable Management Operating System



Strategy Framework

ESG Vision

HANSAE YES24 Group has established an ESG vision of "Towards Sustainable Future" and set three strategies: "Green Management," "Expanding Diversity, Equity, and Inclusion," and "Building Sustainable ESG Governance." Under each strategic direction, specific tasks have been defined to lead each business unit to achieve their ESG management goals. The Sustainable Management Committee, under the BoD of HANSAE YES24 Group, monitors the progress in each task, and makes final decisions on significant ESG issues through a resolution process.



ESG Commitment

In order to promote ESG management from the mid- to long- term perspective and achieve the goals emphasized by the UN SDGs, HANSAE YES24 Group has identified eight key areas and established specific objectives for each area.

Category	Key areas	Specific objectives	Related UN SDG
E (Environmental) TOWARDS ECO-GREEN A Company for Green Development 	Achieving carbon neutrality (Net-zero) by 2050	HANSAE CO., LTD. seeks to achieve carbon neutrality in 2050 by reducing the oil usage by 50%, carbon emissions by 25%, water usage by 20%, electricity consumption by 5%, and waste discharge by 3.5% (annually 0.5%) by 2029.	
	Practicing a sustainable lifestyle with eco-friendly products	HANSAEMK CO.,LTD.: HANSAEMK CO.,LTD. will increase the proportion of eco-friendly materials in products by over 30% by 2030, facilitate product upcycling, and minimize overproduction/inventory by utilizing IT technologies.	
	Establishing a circular economy system for garments	HANSAE CO., LTD.: Establishing a system for garment production from textile waste in collaboration with Recover (partly introduced in Vietnam as of 2023 and to be expanded in Central America by 2030) HANSAEMK CO.,LTD.: Continuing to expand the proportion of clothes made from recycled materials	
S (Social) TOWARDS INCLUSIVITY A Company of Harmony 	Creating a safe working environment for employees	Establishing a working environment where safety, labor rights, and human rights are observed for all the executives and employees of HANSAE YES24 Group. Goal by 2025: To advance the standards of human rights management, HANSAE YES24 Group will develop the company-wide human rights management policy and expand channels for reporting human rights issues and grievances in the workplace. Goal by 2030: Implementing due diligence on company-wide human rights guidelines and continuing monitoring efforts through partnership with external organizations.	
	Enhancing Diversity, Equity, and Inclusion of employees	Promoting a work culture in which factors such as gender, age, or nationality do not affect employee recruitment. 1. Supporting the growth of female managers: Improving work culture and welfare in accordance with women's life cycles and expanding supports to strengthen the capabilities of female employees. 2. Increasing the number of employees with disabilities: Securing diversity within the company by hiring employees with disabilities	
	Community Engagement	Continuing CSR activities for sustainable development of local communities domestically and globally 1. Domestic activities: Providing living support to families with financial constraints and disaster relief, supporting cultural exchange projects among Asian countries etc. 2. Overseas activities: Initiation of local CSR activities where overseas operations are located.	
G (Governance) TOWARDS TRANSPARENCY A Company of Transparency 	Practicing proactive responsible/ethical management	Potential risk management by building a transparent governance structure 1. Managing potential risks based on ethical management. 2. Continuous creation of operating profits through responsible management by the executives.	
	Achieving coexistence and responsible management	Achieving mutual growth of the company and society through continuous communication with key stakeholders 1. Advancing communication channels to utilize with the key stakeholders. 2. Continuing communication with customers and maximize customer satisfaction by creating new values.	

Communication with Stakeholders

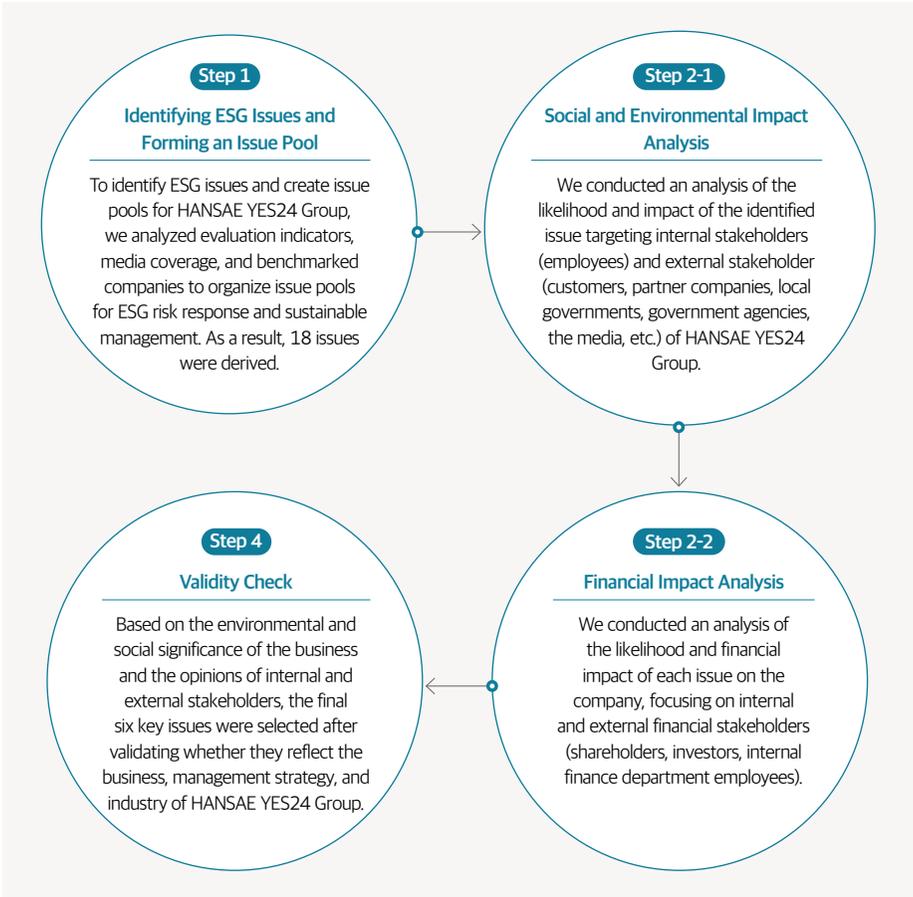
HANSAE YES24 Group puts a high importance on communication with internal and external stakeholders to promote sustainable growth based on trust throughout its management activities. We categorize our key stakeholders into customers, shareholders and investors, suppliers, subsidiaries, employees, the government, and local communities, and respond to major issues through various communication channels. Moving forward, we will continue to create sustainable values through responsible management and expand communication channels in various ways to become a beloved company in the global market.

Stakeholders group	Key interests	Participation and Communication channels	Main activities
Customers 	<ul style="list-style-type: none"> • Enhancing customer satisfaction and values • Providing the best products and services • Protecting customer information and interests 	<ul style="list-style-type: none"> • Website • Customer service • Social Media • Application • PR Booklet 	<ul style="list-style-type: none"> • Marketing and Sales Activities • Responding to customer complaints
Shareholders and Investors 	<ul style="list-style-type: none"> • Enhancing shareholder values • Efficient and transparent management • Managing corporate risks and securing corporate growth engines 	<ul style="list-style-type: none"> • Shareholder's meeting • IR activities • Management disclosure 	<ul style="list-style-type: none"> • Transparent announcement of financial performances through management disclosure • Transparent decision-making through regular shareholder meetings • Posting corporate performance through corporate briefings
Supply Chain 	<ul style="list-style-type: none"> • Establishing transparent and fair business transactions • Shared growth based on mutual trust and cooperation 	<ul style="list-style-type: none"> • Meeting with supply chains • Grievance reporting system 	<ul style="list-style-type: none"> • Grievance handling channel • Code of conduct for supply chains
Subsidiaries 	<ul style="list-style-type: none"> • Enhancing group-wide operational alignment • Sharing information within subsidiaries • Conducting fair business transactions 	<ul style="list-style-type: none"> • Regular meeting • Operating ESG Working Group Council • Group Code of Conduct 	<ul style="list-style-type: none"> • Holding a town hall meeting • Sustainable Management Committee activities
Employees 	<ul style="list-style-type: none"> • Building a safe working environment • Providing opportunities of growth and development to employees • Fair evaluation and compensation 	<ul style="list-style-type: none"> • Groupware • Corporate newsletter, HANSAE:IN • Labor-management council • Grievance handling mechanism 	<ul style="list-style-type: none"> • Supporting trainings for employee growth • Applying fair evaluation and compensation system • Implementing various welfare programs
Government 	<ul style="list-style-type: none"> • Practicing ethical management through legal compliance • Creating jobs • Fulfilling tax obligations 	<ul style="list-style-type: none"> • Policy conferences and seminars • Website • Management disclosure 	<ul style="list-style-type: none"> • Fulfilling taxation obligations • Contributing to job creation by creating high quality jobs
Local Communities 	<ul style="list-style-type: none"> • Contributing to communication and development of local communities • Sharing profits through CSR activities 	<ul style="list-style-type: none"> • Website • Press releases • Relevant councils and meetings 	<ul style="list-style-type: none"> • Investment and cooperation for local community development

Double Materiality Assessment

Every year, HANSAE YES24 Group identifies key issues that are essential for sustainable management. A total of 18 ESG issue pools were derived from the Materiality Assessment 2022, based on global disclosure requirements (GRI Standards, SASB, etc.) and media coverage, industry, and investment group perception analysis, etc. This year, a double materiality assessment was conducted, considering both the impact of the company's business activities on the environment and society (Inside-out perspective) and the impact of sustainability issues on the company's finance and business (Outside-in perspective). Based on such assessment, the Group aims to set the sustainable growth direction by considering the actual and potential impact of ESG issues on the organization.

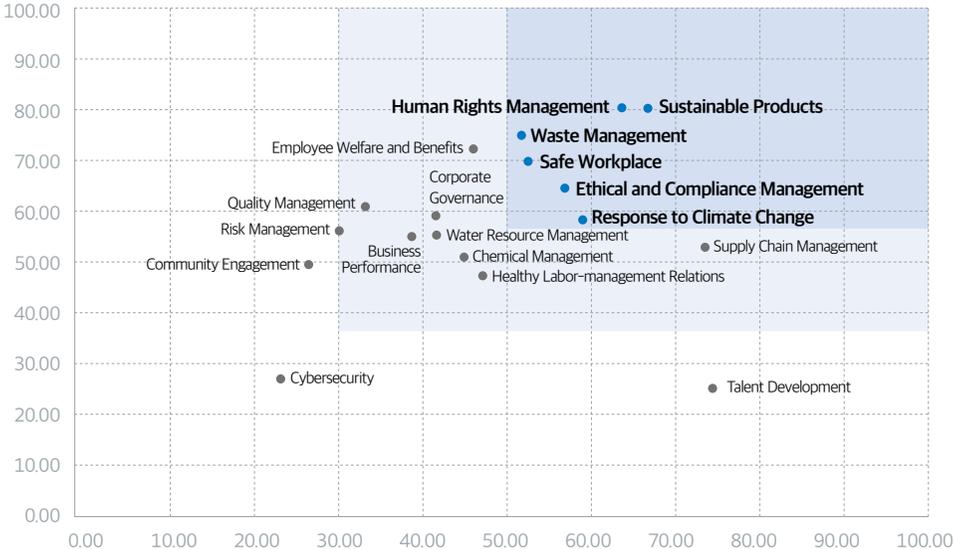
Double Materiality Assessment Process



Key Issues and Reporting Boundaries

Ranking	2022 Key ESG Issues	2023 Key ESG Issues	GRI	Relevant Page
1	GHG emissions management and reduction	Sustainable products (new)	Non-GRI	36
2	Waste management and circular economy	Human rights management (▲6)	406	47
3	Reinforcement in CSR activities	Waste management (▼1)	306	42
4	Prevention of unfair acts and corruption	Ethics and compliance management (-)	206	74
5	Health, Safety and Welfare of Employees	Safe workplaces (new)	403	50
6	Water usage management and reduction	Response to Climate change(▼5)	305	31

Double Materiality Assessment Matrix



Building a Sustainable Fashion Ecosystem through the Circular Economy



According to the World Economic Forum (WEF), approximately 150 billion garments are produced worldwide every year, and 73% of these clothes are either incinerated or buried in landfills in the same year. Additionally, if the fashion industry does not change its practices, it will have a significant impact on environmental pollution, being accountable for 25% of global carbon emissions by 2050. Since 2019, HANSAE CO., LTD. has been supporting global NGOs and technology venture companies in various areas of environment and fashion through the 10% for Good Initiative to solve environmental problems in the fashion industry. In particular, in 2021, HANSAE CO., LTD. signed an MOU with Recover, a recycled fiber producer based in Spain, to take the first step towards building a circular economy in the fashion industry. In 2023, HANSAE CO., LTD. is planning to install Recover's production system in some factories in Vietnam to prepare to produce recycled fiber products. With the European Commission's recent decision to enforce the use of recycled fiber above a certain ratio by 2030, sustainable fashion is becoming the global standard. Against such backdrop, HANSAE CO., LTD. will do its best to proactively respond to the future trends in the fashion industry through the Recover Project and build a circular economy in fashion.

About Recover



Recover™ is a recycled fiber producer based in Spain. Recover is striving to build a circular fashion system through the production of innovative and cost-competitive recycled fibers. For 75 years since 1947, the company has been making efforts to develop technologies for the treatment of textile waste and the production of high-quality recycled fibers.

Recover website <https://recoverfiber.com/>

Recover Project Roadmap



Introduction Phase (2021 ~ 2022)

MOU with Recover as a part of 10% for Good Campaign (2021)

MOU with Hanosimex for Spinning and Weaving Recycled Fiber (2022)



Stabilizing Phase (2023 ~ 2024)

Recover production system will be established in factory in Vietnam(2023)

The expansion of the eco-friendly production system using Recover technology(2024)

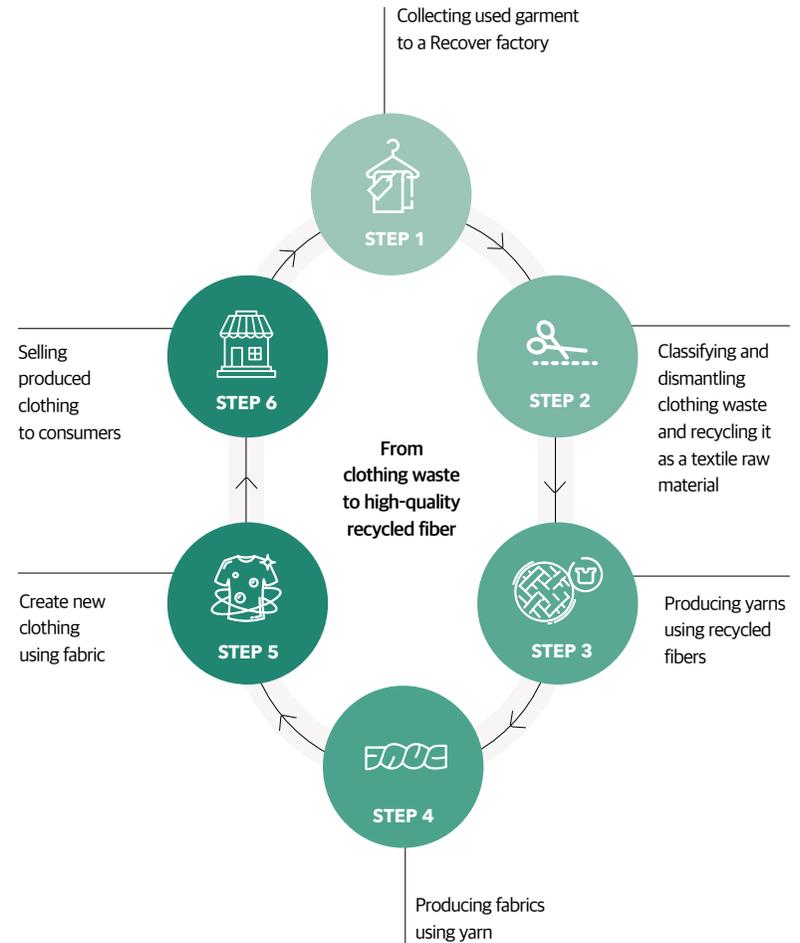


Expansion Phase (2025 ~)

Target use of upcycle raw materials above 20% of Garment production

Establishing a Differentiated ESG Ecosystem of Hansae

From Waste to Garment



Fostering a mutually prosperous relationship going beyond economic cooperation through cultural exchanges with Southeast Asia



Most of the production sites of HANSAE CO., LTD., the origin of HANSAE YES24 Group, are located in Southeast Asia, including Vietnam, Indonesia, and Myanmar. In 2014, Chairman DONG NYUNG KIM of HANSAE YES24 Group established the HANSAE YES24 Foundation with his private contribution to build a mutually prosperous relationship beyond economic cooperation with Southeast Asian countries based on deep understanding of each other's culture.

Until now, the HANSAE YES24 Foundation has served as a bridge between Korea and other Asian countries. Particularly, the Southeast Asian Literature Series project is the first project to translate and publish literature from Southeast Asia into Korean. And the Global Culture Exchange, which discovers and introduces young ASEAN artists every year, has provided opportunities to introduce the relatively new Southeast Asian culture to the Korean society. HANSAE YES24 Group will continue to introduce the culture of Southeast Asian countries to Korea through the foundation and help the Korean society move towards a more inclusive society through cultural exchange.

2023 Global Culture Exchange Exhibition, 'Embrace Malaysia'

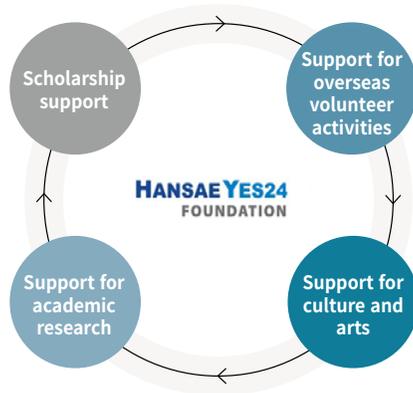


The HANSAE YES24 Foundation holds the 'Global Culture Exchange Exhibition' every year, which introduces various art works from Southeast Asian countries to Korea. The Global Culture Exchange Exhibition first started with 'Aura of Vietnam' in 2015, 'Batik, the Spirit of Indonesia' in 2016, 'Spirit of the Thai People' in 2017, 'Myanmar, the Land of Smiles, Developing the Aesthetics of Relationships' in 2018, and 'The Hybridity and Dynamism of the Contemporary Art of the Philippines' in 2019. During this period, a total of 250 art pieces from 5 countries have been introduced in Korea, and this year, the 'Embrace Malaysia' art exhibition was held at the Insa Art Center in Seoul to introduce Malaysian artwork for the first time in about 3 years since COVID-19.

HANSAE YES24 Foundation

VISION

To expand cultural exchanges between Korea and Asian countries



Major Programs

Support for overseas volunteer activities

University student volunteers from Korea and Vietnam conducted volunteer and cultural exchange activities in Ho Chi Minh City, Vietnam, for 10 days.

Support for culture and arts (Southeast Asian Literature Series)

Selected and introduced highly acclaimed modern literature from Southeast Asian countries.

Support for Academic Research (Ewha-Yale Conference Sponsorship)

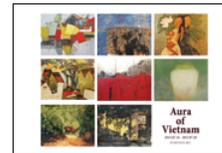
Sponsored an academic conference co-organized by Ewha Womans University and Yale University to provide a forum for discussion and research exchange among Southeast Asian scholars.

Scholarship support

Supporting foreign national graduate students studying in Korea and operating the Udang Scholarship Program that grants scholarships for outstanding students in the Eumbong-myeon area.

History of International Cultural Exchange Exhibition:

1 2015: Vietnam



2 2016: Indonesia



3 2017: Thailand



4 2018: Myanmar



5 2019: Philippines



6 2023: Malaysia



ESG Value Creation Story

Creating a Working Environment where Women Talents Thrive through a Culture that Respects Employee Diversity



According to the Glass Ceiling Index¹, published annually by the Organization for Economic Cooperation and Development (OECD), continuing from last year, South Korea again ranked 29th out of 29 surveyed countries. Korea has retained its position at the bottom for the 11 years in a row since the index was launched in 2013.

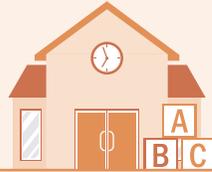
1. Glass Ceiling Index is an index for measuring the environment for working women combining data on labor-force participation, representation in senior jobs, etc.

HANSAE YES24 Group is committed to creating a flexible organizational culture where employees are not discriminated based on gender, age, or other factors, and where all employees can grow with their abilities. Specifically, we operate a staggered system to enable female employees to continue their social activities, and we have operated the “HANSAE YES24 Daycare Center” since 2015, along with free use of annual leave, to create an environment where employees can find a balance between work and

childcare. HANSAE CO., LTD. is dedicated to supporting female employees in overseas subsidiaries by providing nursing rooms within the company and running the P.A.C.E program for the past 11 years. Through this program, we aim to enhance the skills and leadership capabilities of individual female employees.

As a result of these efforts, 50% of all managers at HANSAE YES24 HOLDINGS are women, and as of 2022, the percentage of female employees at HANSAE CO., LTD is 71% and the percentage of female managers is over 56% (including overseas operations). In addition, HANSAE MK CO.,LTD., led by CEO JI WON KIM, supports the development of female talents, with 61% of female employees and 34% of female managers, about twice the national average of women in managerial positions (16.3%). HANSAE YES24 Group will continue to exert efforts to ensure that the company's talented people can enhance their abilities and capabilities without being discriminated based on gender, age, or culture.

HANSAE YES24 Daycare Center



The HANSAE YES24 Daycare Center was the first integrated childcare center established in 2015 to reduce the childcare burden on employees. This facility was awarded the Child Care Commendation from the Seoul Metropolitan Government in 2022 for its excellent facilities using eco-friendly materials and the operation of diverse child care programs.



P.A.C.E Program

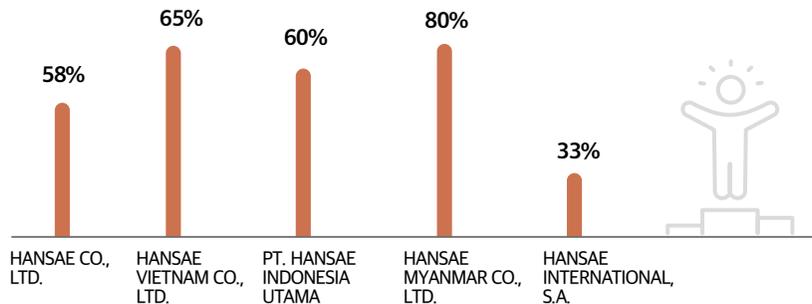


The P.A.C.E. (Personal Advancement & Career Enhancement) is a training program provided by the global fashion brand Gap Inc. for women employees in garment manufacturing factories in developing countries. The program provides lessons on communication skills, gender equity, finance, general and reproductive health, and legal knowledge to enhance the capabilities of female employees. Started in Vietnam in 2013, HANSAE CO., LTD. has provided training to about 14,000 employees in four overseas corporations for 11 years and plans to gradually expand the program in its overseas operations in the future.



Percentage of female managers at HANSAE CO., LTD. business operations worldwide as of 2022

* As of May 30, 2022



2022 WIN Award winner for Gender Equality

CJ Corporation, AMOREPACIFIC CORPORATION, Youngone Corporation, ELAND WORLD LIMITED, KB Life Insurance Co. Ltd., KRAFTON, Inc., Hana Financial Group Inc., Citibank Korea Inc., Hanmi Pharm. Co., Ltd., **HANSAE CO., LTD.**

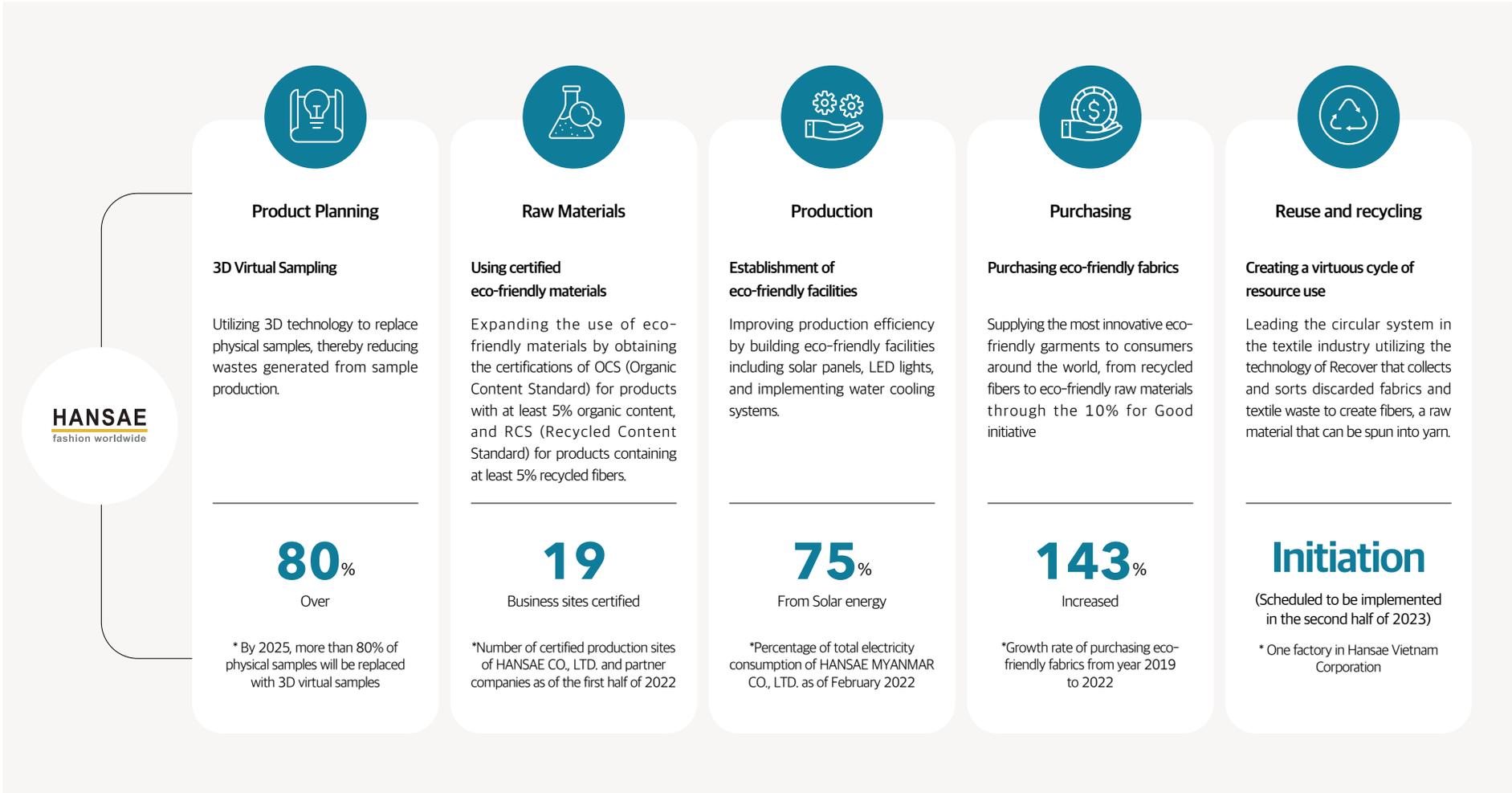


HANSAE CO., LTD. was selected as a 2022 WIN Award winner for Gender Equality.

Parenting classes provided to working parents in May celebrating Family Month.

2022 ESG Highlights

HANSAE YES24 Group strives to minimize the environmental impact of the fashion industry by reducing unnecessary wastes throughout the garment production process and maximizing the efficiency of resource use. To this end, we actively utilize innovative technologies in our processes to improve production efficiency and to build and expand sustainable businesses across all our global networks.



2022 ESG Highlights



1. RFID (Radio Frequency Identification): A system that wirelessly reads stored data on tags, labels, cards, etc. embedded with semiconductor chips
 2. RTLS (Real-Time Location System): A real-time location tracking system that prevents theft and analyzes consumer shopping patterns through tags attached to each product
 3. FSC (Forest Stewardship Council): A forest management certification system established by the Forest Stewardship Council to protect forest resources and spread sustainable forest management

TOWARDS ECO-GREEN



Response to Climate Change

Our Approach

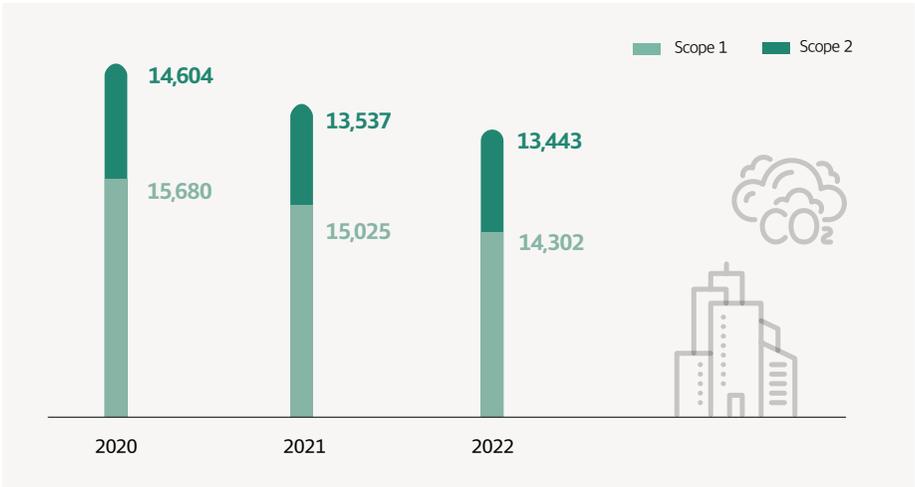
As climate change becomes increasingly severe worldwide, there is a growing global focus on climate crisis response and environmental issues. In line with the goals set forth in the Paris Agreement, governments around the world are coming up with various policies to limit global warming to within 2°C above pre-industrial levels. Korea has enacted the Framework Act on Carbon Neutrality and Green Growth, urging changes in businesses and society in response to climate change.

HANSAE YES24 Group, led by its parent company, HANSAE CO., LTD., has established a mid- to long-term goal of achieving carbon neutrality by 2050. To reach this target, we are reducing carbon emissions with measures such as installing solar facilities, utilizing Renewable Energy Certificates (RECs)¹ and implementing our own smart manufacturing system (Hansae Advanced Manufacturing System, HAMS). Moving forward, we will make utmost efforts to achieve carbon neutrality by managing GHG emissions according to our 2029 carbon emission reduction target, disclosing information transparently through a global initiative such as CDP, and enhancing environmental awareness and capabilities in all employees.

1. Renewable Energy Certificate: A tradable certificate that represents the environmental attributes or benefits of a certain quantity of renewable energy generation.

Greenhouse Gas Emissions of HANSAE CO., LTD.

(Unit: tCO₂eq)



METRICS AND TARGETS

GHG emissions in 2022 compared to 2021

2.8 % Reduced

(in HANSAE CO., LTD. overseas production sites)

HANSAE CO., LTD.'s Reduction Target by 2029 compared to 2019

Greenhouse Gas

25 % Reduction

Oil

50 % Reduction

Electricity

5 % Reduction

31

Response to Climate Change

Governance

Board oversight of climate change-related risks and opportunities

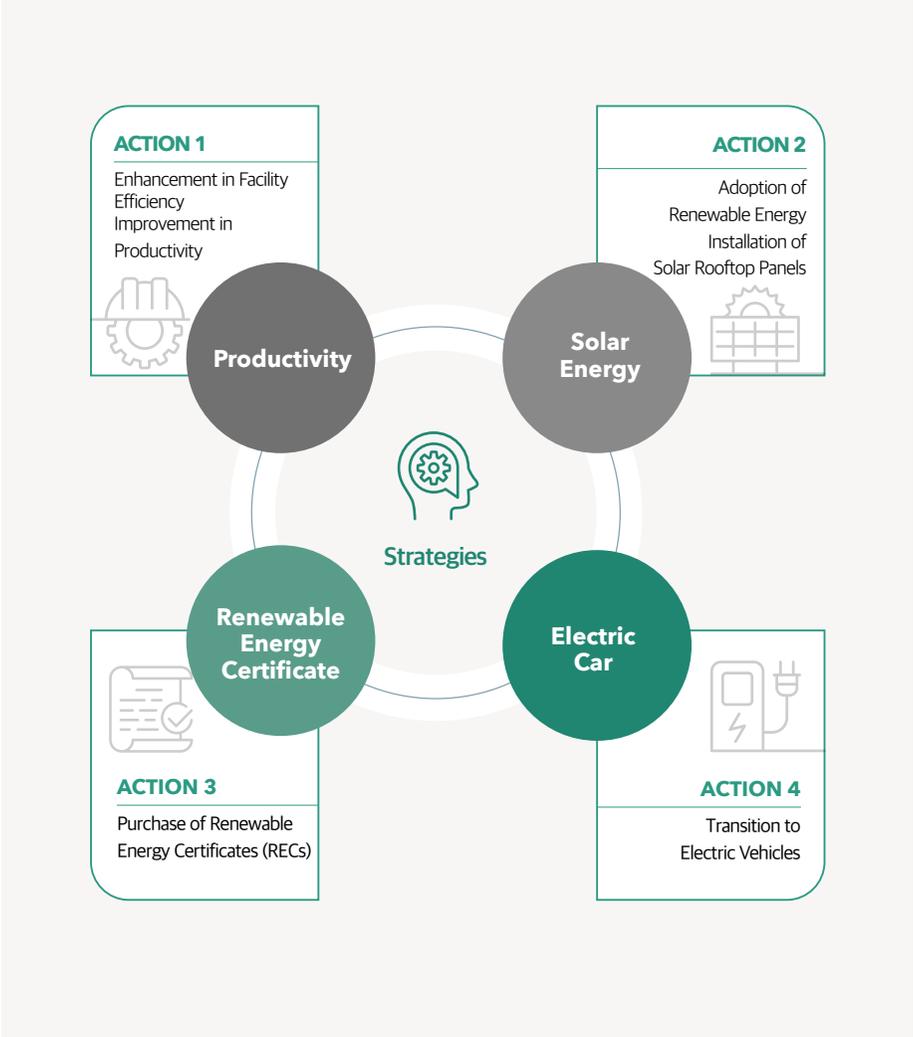
HANSAE YES24 Group has established the Sustainable Management Committee within the board of directors to proactively respond to climate-related risks. HANSAE CO., LTD.'s Compliance Team continuously monitors the GHG emissions of its 12 overseas production corporations around the world, and together with relevant departments, they are seeking various ways to reduce GHG emissions at its business sites. Additionally, to achieve a 25% reduction target in GHG emissions by 2029 compared to the levels in 2019, HANSAE CO., LTD. is responding to climate issues by establishing strategies on the group-level and implementing measures led by the Sustainable Management Committee.

Strategy

HANSAE CO., LTD.'s Journey Towards Carbon Neutrality

In 2022, HANSAE CO., LTD. laid the foundation for achieving carbon neutrality. We have established four strategic measures to reduce carbon emissions across all our business processes to achieve our target by 2050. Additionally, we will proactively address international regulations related to carbon emissions and secure the sustainability of our business. In 2022, we have reduced GHG emissions by 2.8% compared to 2021 at our overseas sewing factories. Going forward, we will continue our efforts to reach carbon neutrality target by implementing the four strategic measures along with the operation of a systematic environmental management system.

HANSAE CO., LTD.'s Carbon Neutrality Strategies



Response to Climate Change

Performance

Carbon Reduction through Transition in Digital System

HANSAE Advanced Management System (HAMS)

HANSAE CO., LTD. is actively reducing carbon emissions and enhancing the efficiency in production processes through its in-house smart factory system called HAMS (HANSAE Advanced Management System). HAMS enables the digitalization of all stages in the product manufacturing process, allowing real-time monitoring of production efficiency, equipment status across its global manufacturing facilities. Moving forward, HANSAE CO., LTD. will quickly respond to the changing trends in the fashion market of producing various products with small quantity production, eliminate inefficiencies within the production process and continue to reduce carbon emissions and energy consumption throughout the production process by utilizing HAMS system.



Utilization of Smart Management System (HAMS)

HANSAEMK CO.,LTD.'s RFID & RTLS System

In 2014, HANSAEMK CO.,LTD. became the first company in the domestic fashion industry to introduce Radio Frequency Identification (RFID) technology, enhancing operational efficiency in stores and warehouses. Since the introduction of the system, we have improved product inspection time by more than 25 times and achieved a 100% inspection rate. Moreover, starting from 2019, we have adopted a Real-Time Location Tracking System (RTLS), using big data for product development to reduce unnecessary production and delivery.

We will continue to reduce carbon emissions generated from our business by improving production and work efficiency based on digital systems.

Transition to Eco-friendly Energy

Utilizing solar energy

Since 2022, we have been expanding investments to attain carbon neutrality by installing solar panels in our corporations in Nicaragua and Myanmar. Starting with the installation of solar panels at HANSAE INTERNATIONAL, S.A. in October 2022, we have also continued its efforts to install more solar panels at HANSAE MYANMAR CO., LTD. in January 2023. As of December 2022, HANSAE INTERNATIONAL, S.A. has replaced 18% of its total electricity consumption with solar energy, while at HANSAE MYANMAR CO., LTD. has achieved a remarkable 75% substitution of its total electricity consumption with solar energy as of February 2023.



Installation of Solar Panels at HANSAE INTERNATIONAL, S.A. in Nicaragua



Image View of Solar Panel Installation at HANSAE MYANMAR CO., LTD.

REC(Renewable Energy Certificate) Procurement

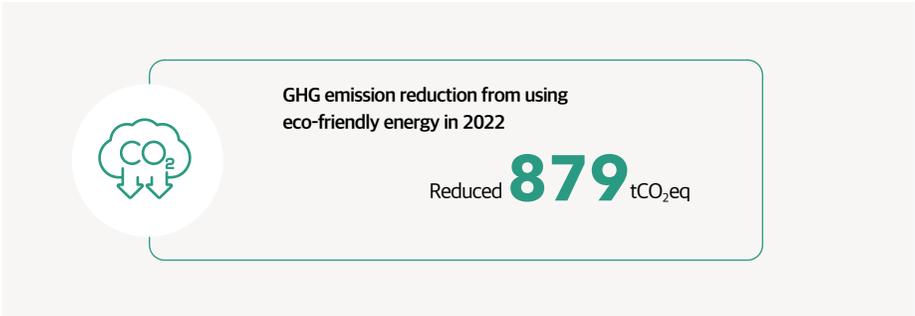
In 2022, HANSAE CO., LTD. has signed a Renewable Energy Certificate (REC) contract and purchased renewable energy to cover 50% of the total electricity used by our manufacturing factories in Indonesia.

Response to Climate Change

Transition to Electric Vehicle

HANSAE CO., LTD. has been actively promoting the transition of using electric vehicles (EVs) starting from corporate vehicles in HQ in 2022. As of June 2023, we have replaced 10% of domestic corporate vehicles with electric cars, and we are planning to replace all corporate vehicles with EVs by 2050.

Achievement in Reducing GHG Emissions



Three-Year GHG Emission Data¹

Data Name	Unit	2020	2021	2022
Total Emissions	tCO ₂ eq	30,284	28,562	27,745
Scope 1 Emissions	tCO ₂ eq	15,680	15,025	14,302
Scope 2 Emissions	tCO ₂ eq	14,604	13,537	13,443

1. Emission data of HANSAE CO., LTD.'s overseas business sites

HANSAE ECO STORY

Actions to Achieve GHG and Energy Reduction Goals

01

Temperature control in the workspace using a water cooling system

02

Replacement of all lighting in production facilities with LED bulbs.

03

Installation of servo motors to improve the efficiency of sewing machines

Response to Climate Change

Internalization of Environmental Management Capabilities

In line with the social trend that emphasizes the importance of eco-friendly management, HANSAE YES24 Group has conducted company-wide education and campaigns related to climate issues targeting all employees. To internalize eco-friendly management, the Group provides employees with specialized and creative training sessions on a regular basis, rather than a one-time training program, to solidify the foundation to become a leading company in environmental management.

Environmental Education for Employees

In April, in celebration of Earth Day, HANSAE YES24 Group conducted education and campaigns for all its employees. Lecturers specializing in climate crisis and energy issues were invited to conduct both online and offline trainings for all employees, and to encourage employee participation in carbon reduction activities. Also, digital posters were displayed on PC standby screens, encouraging employee participation in carbon reduction efforts at the office. Additionally, to commemorate Earth Day, all domestic business sites of the Group turned off the lights for 10 minutes from 8:00 p.m. Also, HANSAE CO., LTD. is actively working to reduce the environmental impact of its production sites by educating employees on environmental protection policies and energy saving measures regularly, led by local Compliance teams. HANSAEMK CO.,LTD. has also implemented eco-friendly measures such as the 10th-day-no-driving system and lights-out campaigns, mainly within their domestic offices.



Employee campaign digital poster



Employee environmental education

Environmental Incident and Regulatory Compliance Management

HANSAE CO., LTD. takes a proactive approach to identify and respond to domestic and international environmental regulations and laws, monitored by Compliance Team. We update our environmental policies and provide employee education and training on a regular basis. Particularly, to enhance employee awareness and coping capabilities in chemical management and environmental accident response, we quickly identify the causes and implement appropriate response measures in the event of emergencies and takes measures to prevent the recurrence of similar incidents in the future.

Participation in International Initiatives to Address Climate Change

HANSAE CO., LTD. has been participating in the international initiative CDP* since 2011. We monitor the environmental impacts of our production processes and strive to mitigate any negative influence by responding to CDP disclosures annually. Going forward, we will continue to disclose environmental impacts of our business to our internal and external stakeholders transparently and strive to proactively respond to the current and future climate change challenges.



* CDP (Carbon Disclosure Project): An international non-profit organization that operates a global disclosure system for investors, companies, regions, etc. to manage their environmental impacts.

Partnership with the Seoul International Eco Film Festival(SIEFF)

In June, HANSAE YES24 Group partnered with the Seoul International Eco Film Festival, Asia's largest environmental film festival, to celebrate Environment Month. We donated a total of KRW 10 million to the festival, hoping to raise awareness of environmental issues through the film festival. We also distributed film festival tickets to our employees, allowing them to enhance their environmental awareness through the films.

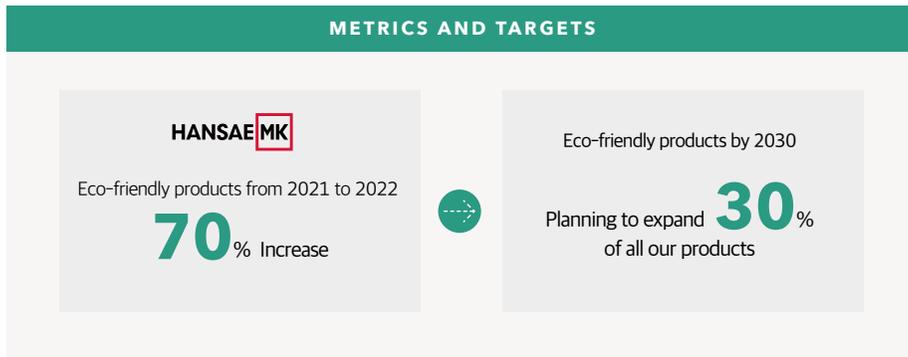
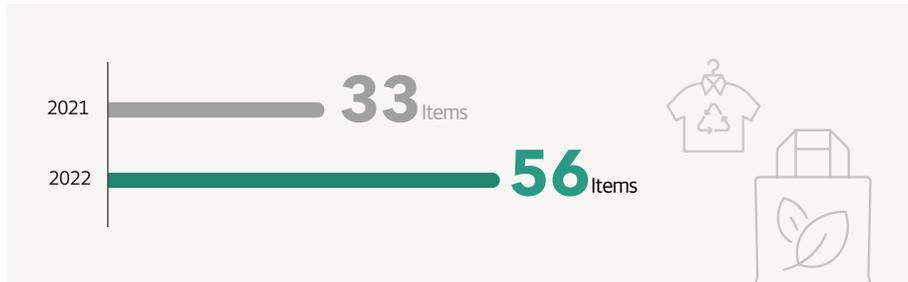


Sustainable Products

Our Approach

As the Millennial and Gen Z generations emerge as a major consumer group in the fashion market, there is a growing demand for eco-friendly performance and business value creation in the fashion industry. Particularly, the rise of green consumers, whose interest in environmental issues leads to consumption, indicates that expanding eco-friendly product lines and reducing environmental impact are key drivers for future growth. HANSAE YES24 Group has increased the sales of sustainable products through sales campaigns for eco-friendly products, centered on HANSAEMK CO.,LTD., which operates a retail business. HANSAE CO., LTD. is also committed to enhancing the sustainability of the fashion industry by using eco-certified materials in its products.

Number of HANSAEMK CO.,LTD.'s Eco-Friendly Products METRICS AND TARGETS



Governance

Transition to a Sustainable Fashion Brand

In 2022, HANSAEMK CO.,LTD. publicly announced its transition to a sustainable fashion brand at the Eco-friendly Fashion Declaration Ceremony organized by the Ministry of Trade, Industry, and Energy. In order to transform into a sustainable brand, HANSAEMK CO.,LTD. plans to expand its product lineup using eco-friendly materials and continue to promote campaigns to establish an eco-friendly fashion culture including product recycling.

Eco-Friendly Initiative, "10% for Good" Campaign

Since 2019, HANSAE CO., LTD. has been investing 10% of the net profit generated from eco-friendly fabric orders in various NGOs and technology ventures in the environmental and fashion sectors. Starting with a donation to a Dutch NGO that collects marine wastes in 2019, the investments have extended to two upcycling NGOs in Canada and Belgium in 2020 and two venture companies with fiber recycling technologies in 2021. Such efforts demonstrate HANSAE CO., LTD.'s commitment to continuous investment in the sustainability of the fashion industry and the planet.

Green Fashion Initiative

친환경 패션 이행 선언서
Green Fashion Initiative

「친환경 패션 이행 선언」에 참여하는 기업은 기후변화로 인한 위기 해소와 지속가능한 미래를 준비하는 자발적이고 능동적인 패션산업 역할의 중요성에 대한 인식을 같이 합니다.

「친환경 패션 이행 선언」에 참여하는 기업은 지속가능한 글로벌 패션산업의 책임있는 주체로서 역할을 수행하기 위해 다음과 같이 노력한다.

1. 기후 변화 위기 해소를 위한 탄소중립 필요성을 인식하고 실천을 위해 적극 참여한다.
1. 친환경 소재 사용을 확대하는 노력을 계속하고 섬유패션 제품의 재활용 방안을 적극 도입하여 추진한다.
* 2025년까지 친환경 소재 사용 비중 30% 이상 확대, 연내재활용 달성치 30% 이상을 위한 기업별 전략 등
1. 지속가능한 미래를 준비하는 목적으로 기업의 ESG 역할을 강화 한다. 이를 위해 소비자 및 소통하고 사회적 가치를 실현하고 지구 환경을 생각하는 선순환 구조의 중요성을 함께 한다.

HANSAE CO., LTD.'s Eco-Friendly Fabric Purchase Ratio

44% of the total fabric in 2021

38% of all fabrics in 2022

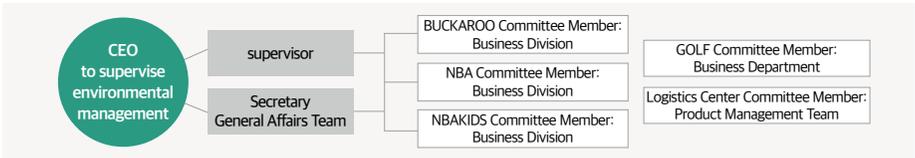
* In 2022, the proportion of orders for eco-friendly fabrics slightly decreased due to the reduction in production in the global fashion market

Sustainable Products

Environmental Management Committee

HANSAEMK CO.,LTD. has established an environmental management committee under the CEO to set the overall directions and establish company-wide environmental policies. The committee is supervised by the CEO and has a supervisor and secretary, along with working group participation from various brand managers such as BUCKAROO, NBA, PGA TOUR & LPGA, and the product management team. Through the Environmental Management Committee, we strive to practice eco-friendly management internally and externally. For instance, we regularly communicate with the Sustainability Management Committee under the Board of Directors, explore various ways to implement eco-friendly management in our business, and provide environmental education for employees.

HANSAEMK CO.,LTD.'s Environmental Management Committee



Eco-friendly Certification

HANSAE CO., LTD.'s production corporations and suppliers have obtained OCS* and RCS** certifications through third-party certification organizations. As the demands for eco-friendly business practices in the fashion industry increase, the demand for sustainable materials has also surged in both domestic and international markets. In response, HANSAE CO., LTD. transparently disclose the environmental information of its products to consumers through credible eco-friendly certification programs and help them identify products that meet environmental standards, thereby encouraging sustainable consumption across the industry.

	OCS/RCS	OCS	RCS
HANSAE CO., LTD. (Headquarters & Overseas Business Sites)	7	3	1
Suppliers	12	6	4
Total	19	9	5

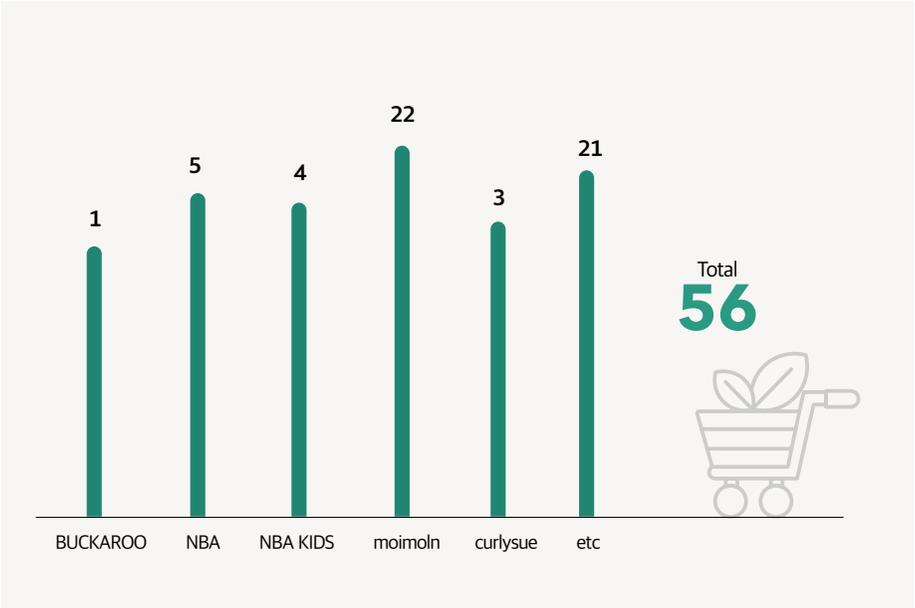
*OCS: An international standard for certification of raw materials and final products made from organic fibers, with a requirement of at least 5% organic fiber content.
 **RCS: International standard for certification of products made from recycled fiber, with a requirement of at least 5% recycled fiber content.

Performance

Development of Eco-Friendly Products

HANSAEMK CO.,LTD. is actively expanding the development and lineup of products using sustainable materials for each of its brands. In 2022, we launched Moimoln's ReRe' line(Reduce waste & Recycle), Levi's-Kids' recycled denim pants and the "Save Animals" T-shirt line for Curlysue, attracting attention from the industry and consumers. To be more specific, in 2023, PLAYKIZ PRO has expanded its product lineup using recycled polyester, NBA Kids has produced new products using recycled plastic, and Curlysue launched T-shirts and dresses made from Sorona fabric. We are committed to producing and developing various eco-friendly products to increase the proportion of eco-friendly products to over 30% of the total products by 2030.

Number of Eco-Friendly Products by HANSAEMK CO.,LTD. Brands as of 2022



Sustainable Products

Green Campaigns



NBA: Green Week Campaign

In April 2022, NBA launched its Green Week Campaign to celebrate Earth Day. Under the slogan "The Coolest Week on Earth," the campaign featured 20 fashion influencers suggesting eco-friendly fashion styles and activities that people can follow in their daily lives. The campaign provided an opportunity to promote a culture of good consumption by showcasing fashion items made from corn yarn and promoting sustainable products.

NBA: Pop-Up Exhibition at a Stadium

NBA collaborated with upcycling artist Yeon Jin-young to host an upcycled art collaboration event under the theme of sustainability. The pop-up exhibition showcased art furniture made from the brand's prototypes and inventory items, including "NBA Stadium" sneakers. The event also provided DIY kits to allow visitors to experience upcycling firsthand, thereby contributing to the promotion of upcycling culture. The exhibition attracted approximately 2,000 visitors over three days, providing them a chance to experience the value and sustainability of the NBA brand.



Levi's-kids: "Give old denim, get new denim" Promotion



For about two weeks in February 2023, Levi's-kids held a promotion called "Give old denim, get new denim" where customers could bring in their old denim and get a discount coupon for new denim purchases. The promotion was held at all Levi's offline stores, and customers were given a 20% discount coupon, encouraging them to experience the brand's eco-friendly values.



Moimoln: "Hi, Cloud!" Campaign



Moimoln run the "Hi, Cloud!" campaign, based on the brand name combining "moi" (hi) and "moln" (cloud) to promote eco-friendliness. In 2022, in line with the launch of the eco-friendly lineup, the ReRe Line, customers who purchased ReRe line items received 2,121 KRW in store credit (the shape of the number resembles the form of word, ReRe) to encourage customers to purchase eco-friendly products.



* Number of customers who participated in HANSAEMK CO.,LTD.'s eco-friendly campaigns

3,971 People

Sustainable Products

Achieving Sustainability in the fashion industry through eco-friendly products

Moimoln's ReRe line

Unique Scandinavian-style brand Moimoln is promoting sustainability in the fashion industry through the ReRe line, which embodies the values of sustainability. The ReRe line stands for 'Reduce waste & Recycle,' promoting the prevention of resource waste and encouraging reuse. Every year, Moimoln launches new products in the ReRe line, and the sales rate has reached over 70% in 2022 due to the positive response from environmentally conscious consumers.

History of Moimoln

2021
Launching
Product

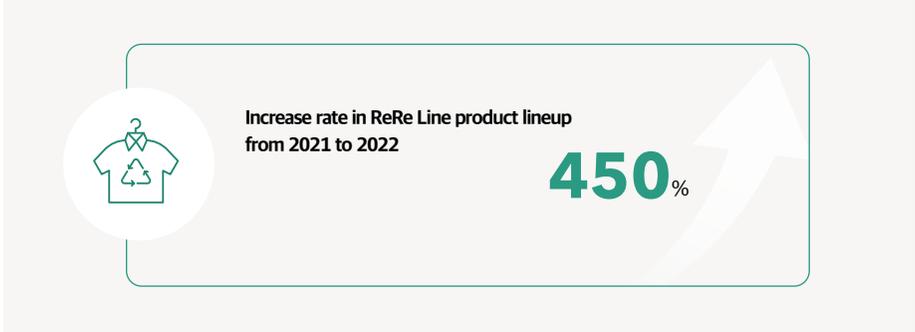
'Reduce waste & Recycle'

In 2021, FW season, Moimoln launched the ReRe line for the first time with four types of "ReRe Down Outerwear". ReRe Down uses recycled materials that are specially processed from discarded by-products during the down harvesting process, thereby increasing the sustainability of the product. The four ReRe down outerwear pieces launched in 2021 achieved a high sell-through rate of over 85%.

2022
Expanding
the lineup

For the 2022 SS season, Moimoln expanded its ReRe Line with the "ReRe Cooling Series" using recycled cooling materials. The ReRe Cooling Series consists of sleeveless T-shirts, cooling wide pants, cardigans, etc. For the FW season, the lineup expanded further with items such as synthetic jackets, jogger pants, and sweatshirts, garnering positive responses from consumers due to their excellent warmth and comfortable wearability.

The ReRe line embodies the sustainability values of Moimoln, and the brand will continue to expand its product lineup to reflect high consumer preference for eco-friendly products. Starting with four items in 2021, the ReRe line expanded to a total of 22 items in 2022, now representing 2% of Moimoln's total product lineup.



Environmental Impact Reduction

Our Approach

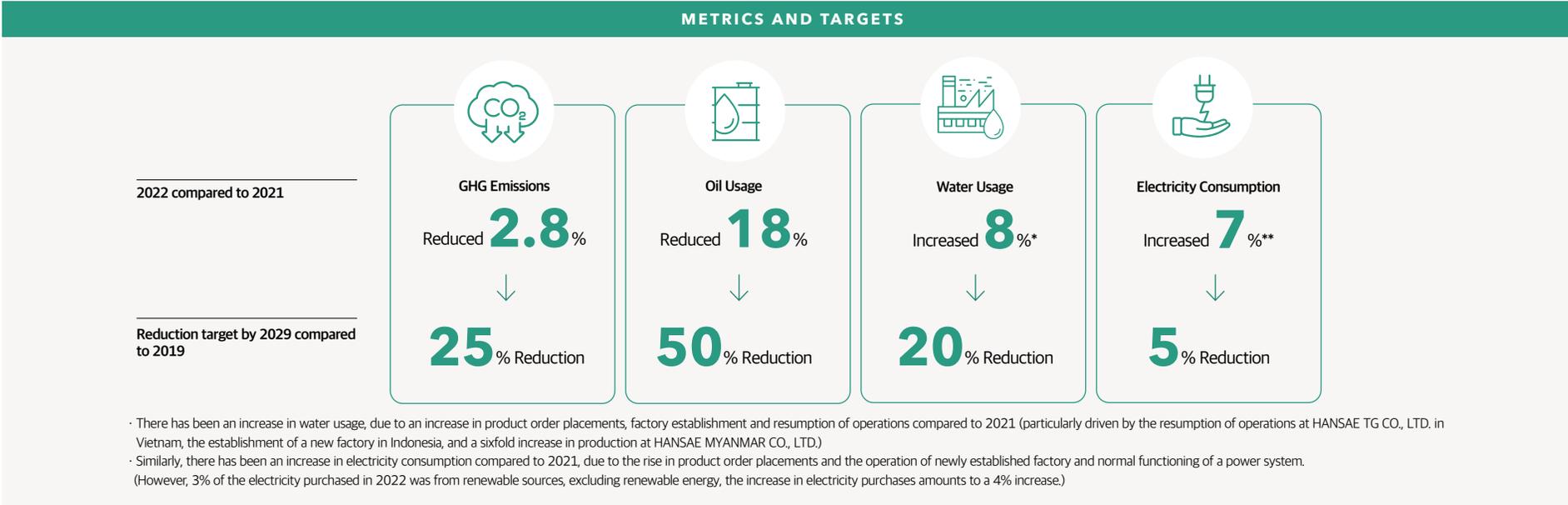
According to the United Nations Environment Program (UNEP), the fashion industry accounts for 10% of global carbon dioxide emissions and 20% of wastewater discharge, and its carbon footprint is higher than that of the aviation and shipping industries combined. As a result, the fashion industry has faced widespread criticism as a major contributor to environmental pollution worldwide.

HANSAE YES24 Group, with HANSAE CO., LTD., a global apparel manufacturing company, at its core, is committed to setting goals for reducing its environmental impact and fulfilling its social responsibility as a global corporation by publicizing them internally and externally. By 2029, the Group has set targets to reduce greenhouse gas emissions by 25%, oil usage by 50%, water usage by 20%, electricity consumption by 5%, and waste discharge by 3.5% compared to 2019, and regularly monitors the environmental performance at business sites to align with these targets. HANSAE YES24 Group will exert its best efforts to minimize the environmental impact of its operations and create a sustainable business.

Governance

Environmental Management Vision and Goals

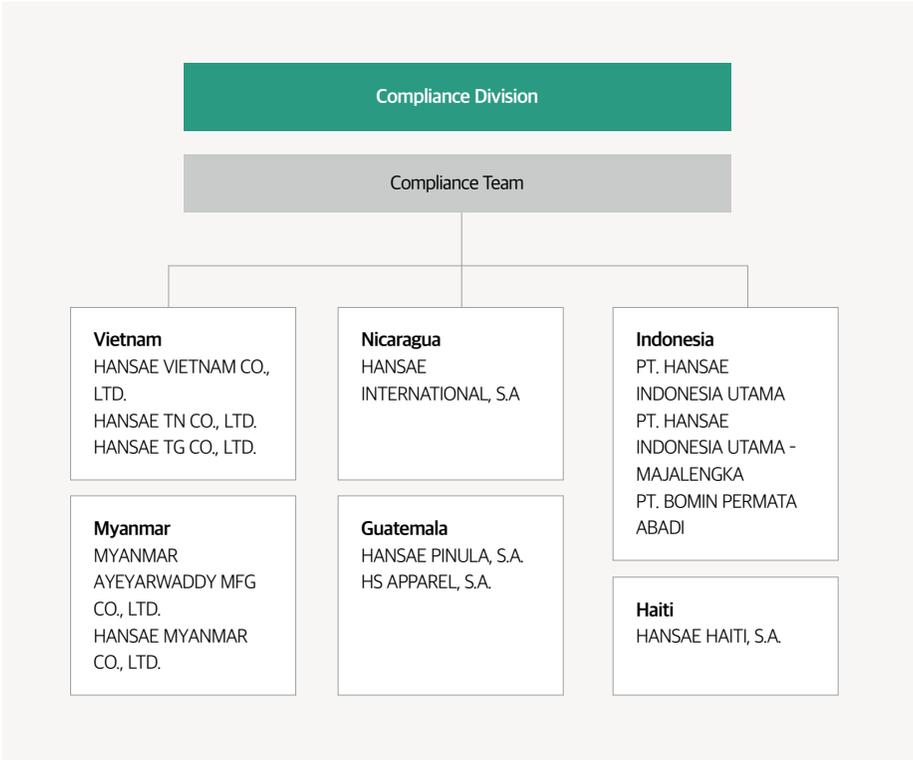
Under the ESG vision of 'Towards Eco-Green', HANSAE YES24 Group strives to build a better future through green growth. In particular, in order to minimize environmental pollution that may occur in overseas production processes, Compliance Team establishes mid- and long-term goals, reviews progress on an annual basis, and promotes activities to achieve the goals.



Environmental Impact Reduction

Environmental Management Promotion Organization

HANSAE CO., LTD. operates Compliance Team as a working-level organization that leads environmental management of the company. Compliance Team collects and manages environmental data from 12 overseas corporations and swiftly responds to and resolves environmental issues within each site. Plus, the Team regularly reports environmental strategies and risks to the Sustainable Management Committee (four times a year) to achieve our environmental goals by 2029 and continues to make endeavors to reduce our environmental impact at the company level.



Environmental Management Policy

HANSAE CO., LTD. discloses its environmental policies to all employees and manages them to reduce environmental impact.

The environmental policies, which are divided into ten areas, include the environmental impacts of the company's business activities and specific measures and management methods to reduce them. Those policies apply not only to employees at all business sites within HANSAE CO., LTD., but also to supply chains.

Compliance with Environmental Regulations 	Establishing plans to comply with environmental laws and regulatory requirements by understanding applicable regulations	Noise and Vibration Management 	Monitoring and controlling sources of noise and vibration, introducing appropriate noise and vibration prevention facilities
Environmental Resource Management 	Implementing policies and procedures to efficiently manage resources, including energy and water	Chemical Management 	Complying with safety procedures and regulations for the use, storage, and disposal of hazardous chemicals
Waste Management 	Developing proper systems for waste treatment, sorting and recycling	Environmental Incident Response 	Establishing appropriate response measures and recovery plans in the event of an environmental incident
Air Emissions Management 	Monitoring air pollutants generated in the factory and implementing and maintaining appropriate air purification systems	Education and Awareness Enhancement 	Operating programs to educate and raise awareness among employees about compliance with environmental regulations
Wastewater Management 	Establishing water quality management policies for building and maintaining wastewater treatment facilities and complying with pollutant discharge limits	Internal Audit and Monitoring 	Monitoring compliance with regulations, operating effective management system and conducting internal audits

Environmental Impact Reduction

Performance

Conducting Environmental Impact Assessment

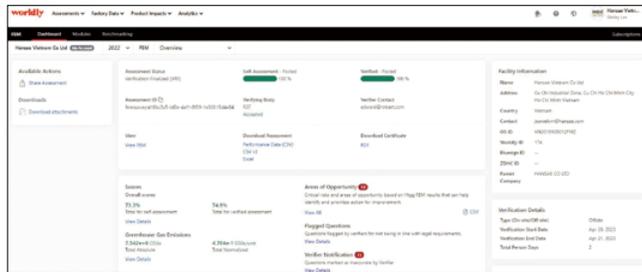
HANSAE CO., LTD. conducts environmental impact assessments for all overseas corporations, production facilities, and suppliers. To enhance these assessments, we carry out internal audit activities and regularly monitor various environmental data. Additionally, when registering new factories, we check whether they comply with environmental laws and regulations in each country and whether they have obtained necessary permits. Furthermore, based on the Higg Index-Facility Environmental Module (FEM)*, we review environmental management systems of our own and our suppliers, and monitor data on energy, water usage, GHG emissions, air and chemical management.

To achieve our environmental goals, we incorporate environmental indicators into the overall evaluation and performance appraisal of individual leaders, including corporate executives in overseas corporations.

* Higg Index-Facility Environmental Module (FEM): A standardized sustainability assessment model for measuring and evaluating the environmental impact of a workplace.

Higg Index Facility Environmental Module (FEM) Evaluation

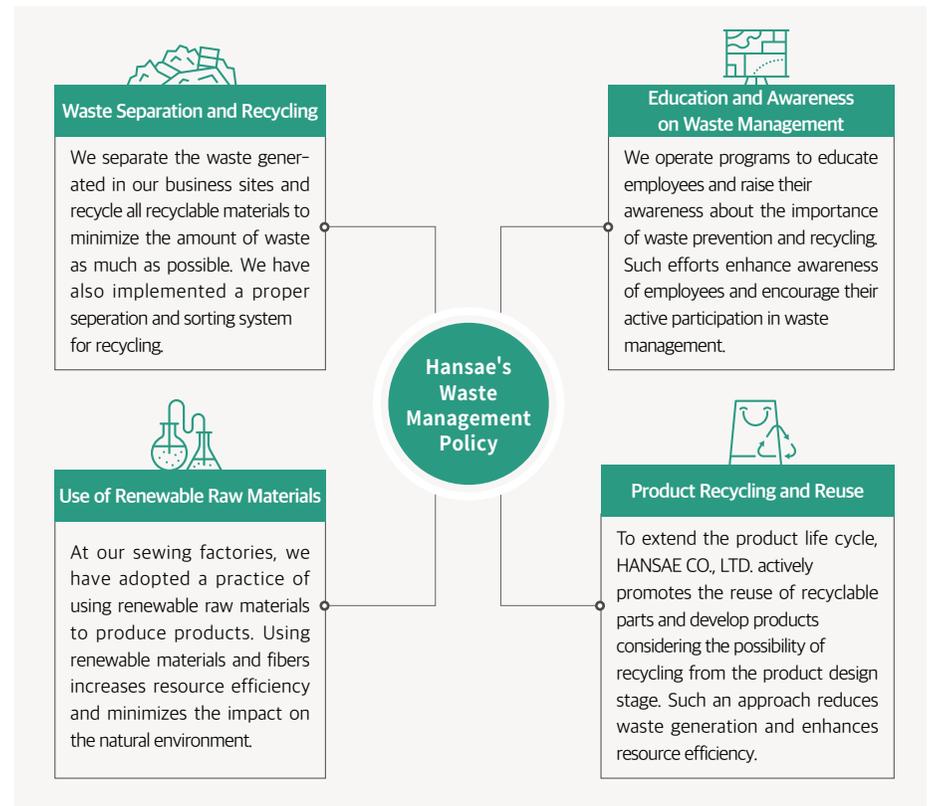
The Higg FEM is a standardized sustainability assessment model for measuring and evaluating the environmental impact of production sites. We have been conducting environmental assessments for our overseas production sites using the Higg Index FEM, and the number of factories participating in the program has been steadily increasing since 2013.



Higg Index-Facility Environmental Module(FEM)

Waste Management

In order to reduce waste generated from the manufacturing process, HANSAE CO., LTD. has established a waste management policy and made efforts to reduce waste by providing training to all employees. We also regularly check the amount of waste generated and recycled at each business site and share exemplary cases across the company to encourage employee participation.



Environmental Impact Reduction

Waste Reduction Activities

To implement practical actions to reduce waste, HANSAE CO., LTD. has set a goal of reducing the total amount of waste by 3.5% from 2022 to 2029. With minimizing fabric waste generated in the production process as a core strategy, we aim to achieve the goal by introducing automated machinery and minimizing the purchase of plastic and disposable products. More specifically, we will promote waste reduction activities by discontinuing the use of disposable plastics and conducting related campaigns among employees, and will make various efforts to ensure that such a move can become part of our corporate culture.

The Goal of HANSAE CO., LTD.'s overseas corporations from 2022 to 2029.
 * Excluding Color&Touch Co.,Ltd

3.5 % Reduction (0.5% annually)

Chemical Management

In accordance with the local laws and regulations of each overseas corporations and the ZDHC MRSL*, HANSAE CO., LTD. has managed chemical generated in the production process of its subsidiary, Color&Touch Co.,Ltd.

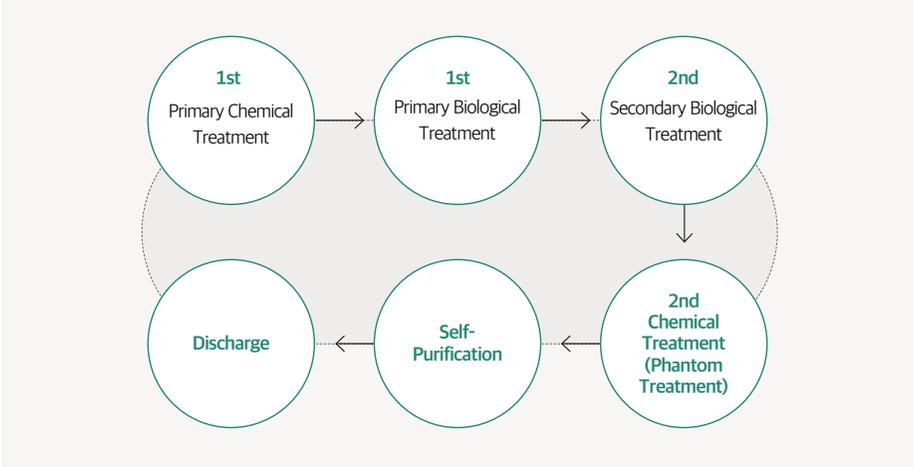
*ZDHC MRSL: An initiative launched to reduce the discharge of hazardous chemicals and promote the substitution of safer materials within the fashion industry's supply chain, including major apparel, leather, and footwear brands. It defines a Manufacturing Restricted Substances List (MRSL) that lists hazardous substances that cannot be used in the manufacturing of apparel, textile raw materials, or auxiliary materials.

Water Management

Approximately 80% of the wastewater generated in our clothing manufacturing process comes from fabric dyeing and finishing. After acquiring C&T Vina, a company specializing in dyeing and washing fabrics, in 2013, we established Color&Touch Co.,Ltd, a company specializing in fabric manufacturing, in 2014. Color&Touch Co.,Ltd, manages its water discharge by utilizing a rainwater storage system that reuses rainwater for industrial purposes, and in 2022, it expanded its wastewater treatment system to increase the amount of recycling. Additionally, an ozone laundering system is introduced to treat wastewater by replacing the water and chemical agents used in the fabric bleaching process with ozone gas.



HANSAE CO., LTD.'s Wastewater Treatment System



Environmental Impact Reduction

Performance

Resource Recycling Activities

HANSAEMK CO.,LTD. has been designated as a mandatory producer for recycling under the Resource Recycling Law¹, which requires the company to collect and recycle waste generated from product manufacturing, imports, packaging of goods, etc. Accordingly, each of our brands utilized reusable shopping bags made of 100% recycled materials in 2022 with the goal of reducing waste discharge. Furthermore, we are preparing to introduce FSC-certified product boxes across the company in 2023. With our share of recycling charges amounting to approximately 9 million KRW as of 2022, we aim to develop our business to reach zero charges through continuous efforts and changes in resource recycling.

1. Act on the Promotion of Saving and Recycling of Resources (Resource recycling act): The purpose of this Act is to contribute to the preservation of the environment and sound development of the national economy by facilitating the use of recycled resources by means of controlling the generation of wastes and facilitating recycling.

Customer Engagement Campaign

To create a recycling culture with customer involvement, HANSAEMK CO.,LTD. produces and distributes shopping bags and products made from recycled materials under each brand. In the first half of 2022, Moimoln conducted an eco-friendly campaign called 'Hi, Cloud!' and rewarded customers who made purchases above a certain amount with a 'Recycled Cooler Bag' made from recycled PET bottles. PLAYKIZ PRO offered 'PLAYKIZ PRO Reusable Shopping Bags,' and Levi's-Kids provided customers with reusable cups with its logo, encouraging customers to actively participate in recycling activities in their daily lives. In addition, in the second half of 2022, to celebrate NBA Kids' store renewal, the brand provided reusable shopping bags to customers visiting the store to encourage them to engage in eco-friendly activities. Moving forward, we will take the lead in establishing a recycling culture by providing recycled novelties² across all brands.

2. Novelty: Practical items provided free of charge to customers for promotional purposes.

HANSAEMK CO.,LTD.'s Roadmap for Resource Circulation

Goal: To achieve a 20% reduction in waste discharge using sustainable materials by 2030 (compared to 2022).	
2022	Development and use of reusable shopping bags made from 100% recycled materials
2023	Development and use of product boxes with FSC certification for some brands *Forest Stewardship Council (FSC) certification: A forest management certification system developed by the Forest Stewardship Council, an international NGO established to promote sustainable forest management
2024	Use of FSC-certified product boxes for all brands (9 brands) of HANSAEMK CO.,LTD.
2025	Switching hangers, some products (bags, shoes), and consumables (polybags) to recyclable materials

HANSAE TOGETHER STORY

Levi's-Kids Denim Upcycling Class:

Levi's-Kids, one of HANSAEMK CO.,LTD.'s representative brands, is making strenuous efforts to promote clothing recycling and establish a recycling culture through denim upcycling classes, collaborating with companies specialized in upcycling. By June 2023, they have provided a total of three classes participated by about 70 people. Notably, this year, they organized an upcycling class using denims collected from customers through a campaign called 'Give old denim, get new denim,' increasing customer participation in the recycling initiative.



Environmental Impact Reduction

Biodiversity and Water Resource Risk Analysis

Recognizing the significant impact of biodiversity and water resources risks in the areas near our business sites, HANSAE CO., LTD. carried out an internal risk analysis for ensuring sustainable business practices. Based on the risk filter tool provided by the World Wide Fund for Nature (WWF), we have analyzed the biodiversity and water stress indices of those areas and identified some areas (classified as 'very high risk') that require management. Moving forward, we aim to introduce effective methods to protect biodiversity and water resources in those areas, and further implement systematic risk management through periodic monitoring to practice sustainable business.



Biodiversity Risk Assessment Results¹

We analyzed the level of risk around our overseas business sites, related to forest and tree depletion, pollution, and contamination. Based on the analysis results, four overseas operations have been classified as requiring urgent management.

Country	Name of Overseas Corporations	Risk Level
VIETNAM	HANSAE VIETNAM CO., LTD.	Very High Risk
	HANSAE TN CO., LTD.	High Risk
	HANSAE TG CO., LTD.	Low Risk
	C&T G-TECH CO., LTD.	Very High Risk
INDONESIA	C&T VINA CO., LTD.	Very High Risk
	PT. HANSAE INDONESIA UTAMA	High Risk
	PT. HANSAE INDONESIA UTAMA-MAJALENGKA	High Risk
NICARAGUA	PT. BOMIN PERMATA ABADI	High Risk
	HANSAE INTERNATIONAL, S.A.	Low Risk
GUATEMALA	HS APPAREL, S.A.	Low Risk
	HANSAE PINULA, S.A.	Low Risk
HAITI	HANSAE HAITI, S.A.	Low Risk
MYANMAR	HANSAE MYANMAR CO., LTD.	Low Risk
	MYANMAR AYEYARWADDY MFG CO., LTD.	High Risk

1. Source: WWF Biodiversity Risk Filter

Water Management Risk Assessment Results²

Based on the risk analysis of water quality suitability and the potential impact of water pollution on business growth and productivity, two overseas operations have been classified as requiring urgent management.

Country	Name of Overseas Corporations	Risk Level
VIETNAM	HANSAE VIETNAM CO., LTD.	Very Low Risk
	HANSAE TN CO., LTD.	Very Low Risk
	HANSAE TG CO., LTD.	Very Low Risk
	C&T G-TECH CO., LTD.	Very Low Risk
INDONESIA	C&T VINA CO., LTD.	Very Low Risk
	PT. HANSAE INDONESIA UTAMA	Very Low Risk
	PT. HANSAE INDONESIA UTAMA-MAJALENGKA	Very Low Risk
NICARAGUA	PT. BOMIN PERMATA ABADI	Very Low Risk
	HANSAE INTERNATIONAL, S.A.	Very Low Risk
GUATEMALA	HS APPAREL, S.A.	Very High Risk
	HANSAE PINULA, S.A.	Very High Risk
HAITI	HANSAE HAITI, S.A.	Very Low Risk
MYANMAR	HANSAE MYANMAR CO., LTD.	Very Low Risk
	MYANMAR AYEYARWADDY MFG CO., LTD.	Very Low Risk

2. Source: WWF Water Risk Filter

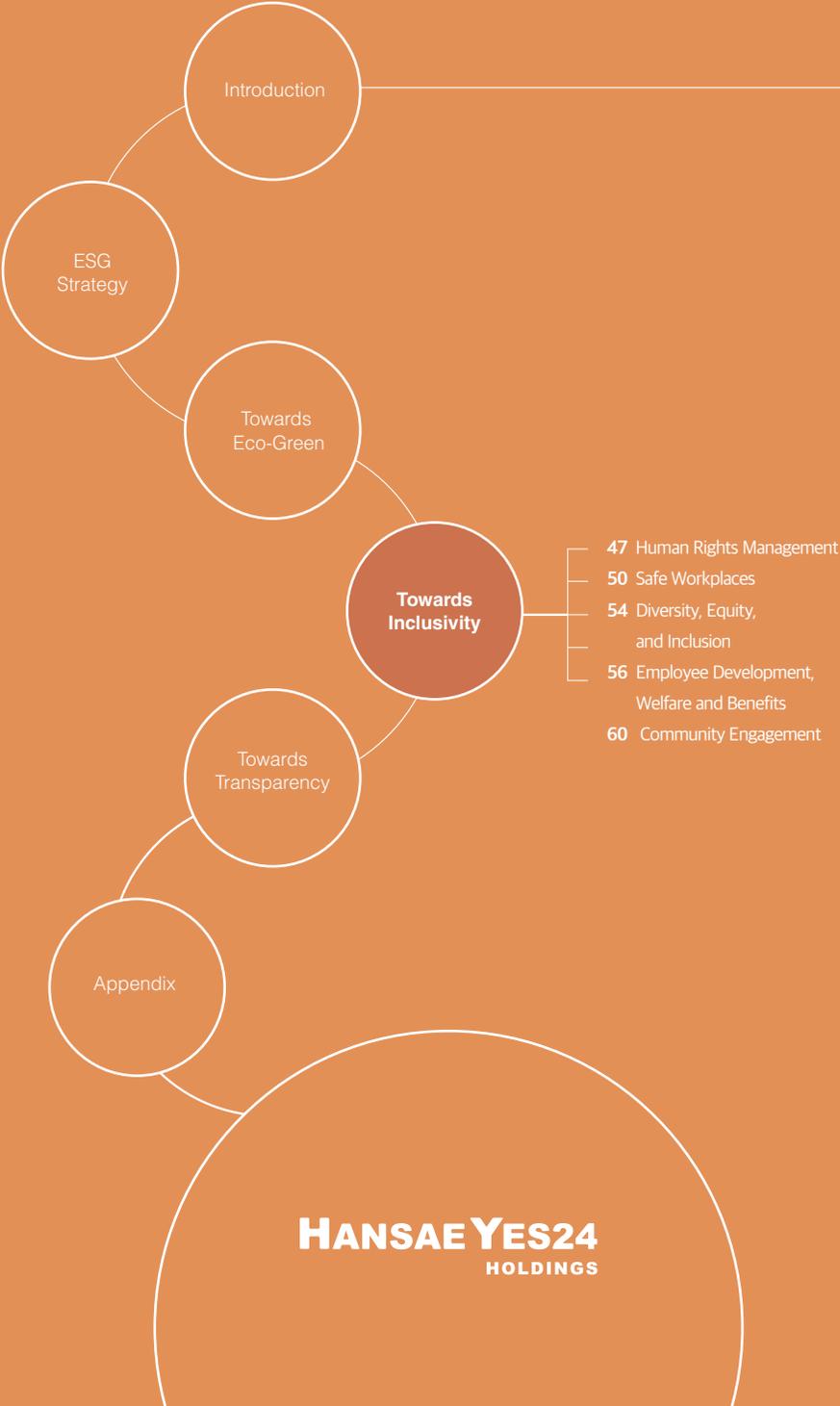
Overall Water Risk Indicators³

Based on the analysis on all water-related risks across 13 sectors, including the Physical Quantity, Quality and Regulatory & Reputational Risk categories, four operations were categorized as areas as requiring management.

Country	Name of Overseas Corporations	Risk Level
VIETNAM	HANSAE VIETNAM CO., LTD.	Very High Risk
	HANSAE TN CO., LTD.	Very High Risk
	HANSAE TG CO., LTD.	Very High Risk
	C&T G-TECH CO., LTD.	Very High Risk
INDONESIA	C&T VINA CO., LTD.	Very High Risk
	PT. HANSAE INDONESIA UTAMA	Very High Risk
	PT. HANSAE INDONESIA UTAMA-MAJALENGKA	Very High Risk
NICARAGUA	PT. BOMIN PERMATA ABADI	Very High Risk
	HANSAE INTERNATIONAL, S.A.	High Risk
GUATEMALA	HS APPAREL, S.A.	Very High Risk
	HANSAE PINULA, S.A.	Very High Risk
HAITI	HANSAE HAITI, S.A.	Very High Risk
MYANMAR	HANSAE MYANMAR CO., LTD.	Very High Risk
	MYANMAR AYEYARWADDY MFG CO., LTD.	Very High Risk

3. Source: <https://www.wri.org/applications/aqueduct/water-risk-atlas/>

TOWARDS INCLUSIVITY

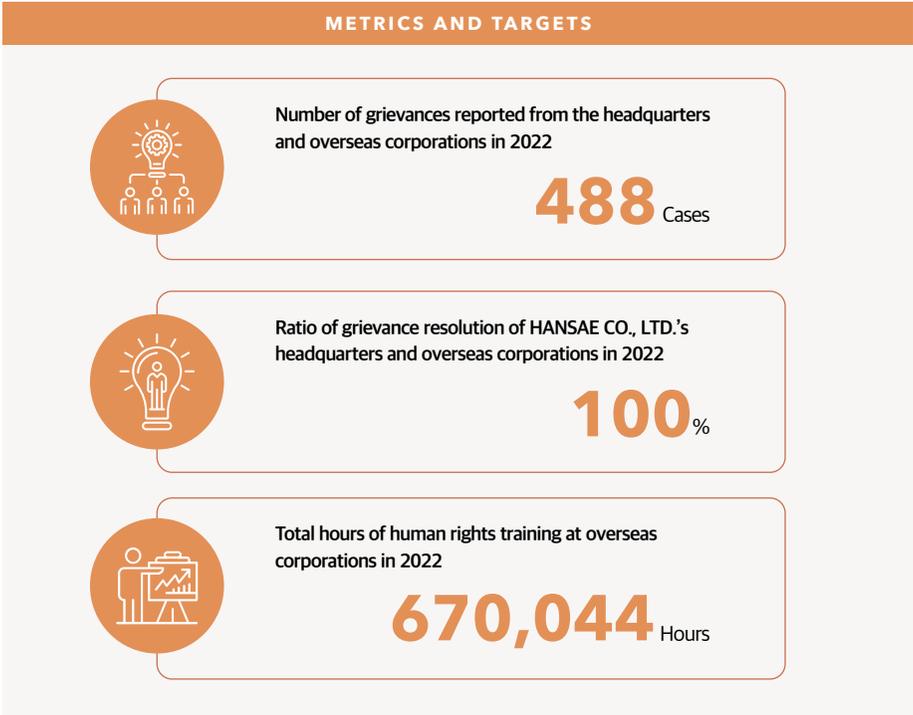


Human Rights Management

Our Approach

Human rights are fundamental rights granted to all people, and everyone has the right to have their human rights respected and to live a life with dignity without being discriminated against under any circumstances.

HANSAE YES24 Group prioritizes 'human rights' as primary value in business management and strives to build a sustainable society by respecting the human rights of its key stakeholders, customers, employees, suppliers, and members of local communities. In particular, HANSAE YES24 Group joined the global initiative called United Nations Global Compact (UNGC), in 2023, committing to comply with Ten Principles regarding human rights, labor, anti-corruption related. HANSAE YES24 Group will make every effort to eliminate any human rights violations that may be raised in future business activities.



Governance

Human Rights Policy

HANSAE CO., LTD. and HANSAEMK CO.,LTD. establish human rights policies based on the principles set forth in the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises, and in accordance with these policies, we strive to operate our business by respecting human rights of our employees, suppliers, and all other business partners.



Joining the United Nations Global Compact (UNGC)

In June 2023, HANSAE YES24 HOLDINGS joined the UN Global Compact (UNGC) to publicly demonstrate its commitment to human rights management to internal and external stakeholders. In accordance with the ten principles of the UNGC, we are committed to fulfilling our corporate social responsibility and obligations not only in the area of human rights but also in labor, environment, and anti-corruption.



Human Rights Risk Management System

HANSAE YES24 Group strives to quickly address issues through human rights risk assessments. Particularly, HANSAE CO., LTD. has established independent compliance department in each overseas subsidiaries and headquarters, to continuously monitor whether workers' rights are respected in accordance with the each local laws.



Human Rights Management

Performance

Human Rights Education

To establish a culture of respecting human rights within the company, HANSAE YES24 Group provides human rights education for all employees on a regular basis. The headquarters subsidiaries, HANSAE YES24 HOLDINGS, HANSAE CO., LTD., and HANSAEMK CO.,LTD. provide mandatory trainings required by law such as educations on disability awareness and sexual harassment prevention to all employees at least once a year. HANSAE CO., LTD. operates eight training programs for all employees at overseas sites, including labor law, and in 2022, a total of 70,345 employees at overseas sites participated in the training, completing a total of 670,044 hours of training.

Human Rights Monitoring

The compliance team at HANSAE CO., LTD. monitors human rights risks associated with overseas corporations and suppliers on a regular basis to manage them. They perform self-assessments using the checklists and report 340 human rights-related items in the ERP system. In case of any risks, the Compliance team immediately takes corrective actions, discussing solutions with local management to promptly identify and implement improvements, followed by continuous monitoring. Moreover, if any non-compliance issues are found during the self-assessment, the Compliance team works on Corrective Action Plans (CAP) to address the issues with overseas corporations and suppliers. For areas where compliance falls short, corrective action plans are submitted to address the issues.

HANSAE TOGETHER STORY

The Compliance team grows business by protecting people

HANSAE CO., LTD.'s Compliance team is an independent organization that acts as an intermediary between local production corporations in countries such as Vietnam and Nicaragua and global fashion buyers. As a global ODM clothing manufacturer, HANSAE CO., LTD. manages dozens of factories in 12 overseas corporations, by complying with the standards required by global brands as well as local laws and regulations. Also, we are dedicated to making a safe workplace by systematically managing employee rights and improving workplace environments through monitoring, education, and other measures. The Compliance team recognizes that human rights are closely connected with the company's core value of protecting people. Moving forward, we will remain committed to closely monitoring human rights issues in each country and strive to fulfill our corporate social responsibilities.



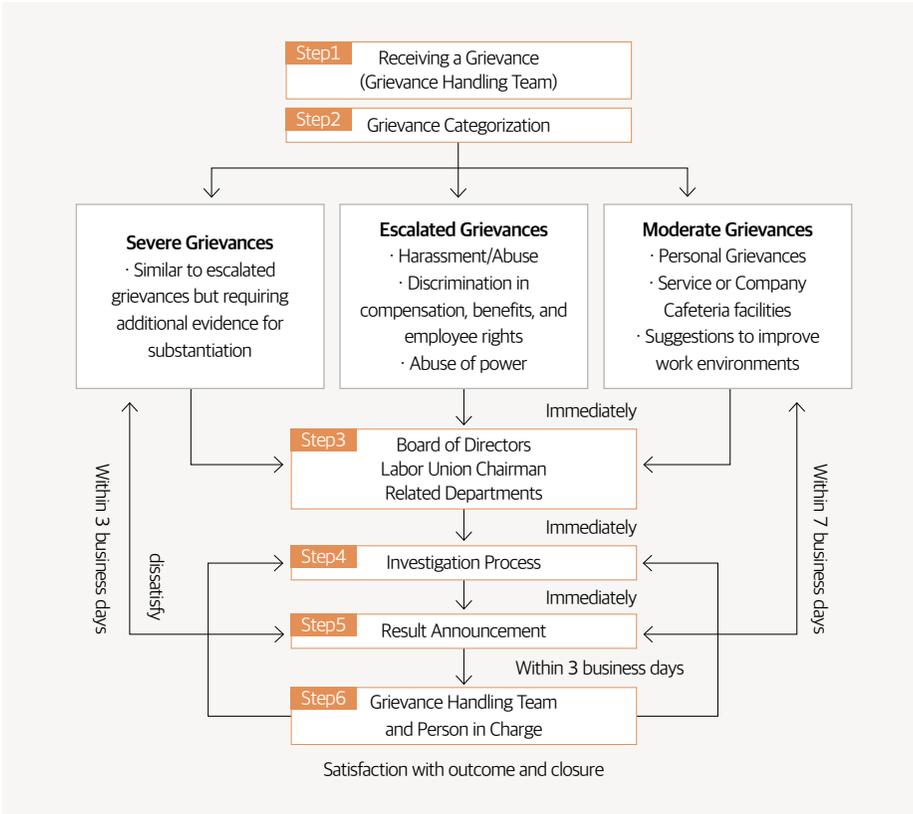
Human Rights Monitoring Process



Human Rights Management

Grievance handling process

HANSAE YES24 Group operates an anonymous grievance handling system to protect the human rights of employees in domestic business operations. The grievance handling process consists of six steps, and the process varies depending on the severity of the grievances. Critical issues are reported to the Board of Directors and the Labor-Management Council's Chairperson, while moderate issues are handled by the relevant teams within a maximum of seven business days from the date of report received. In 2022 a total of 36 cases (HANSAE YES24 HOLDINGS: 0 cases, HANSAE CO., LTD.: 36 cases, HANSAEMK CO.,LTD.: 0 cases) were received through the grievance handling mechanism, all of which have been successfully resolved.



HANSAE TOGETHER STORY

Prohibiting Child Labor and Forced Labor

Companies engaged in global business face human rights risks related to child labor, forced labor and etc. In particular, as the scope of social responsibility for global corporations expands, it has become crucial to manage the risks of child labor and forced labor not only within their owned factories; but also throughout their supply chains, including suppliers.

HANSAE CO., LTD., ODM clothing manufacturer, prioritizes child education and development and focus on creating safe workplace environment. So, HANSAE CO., LTD., strictly prohibits child labor throughout its entire supply chain. Furthermore, we thoroughly conduct audits and monitor suppliers to prevent forced labor which violates individual freedom and dignity.

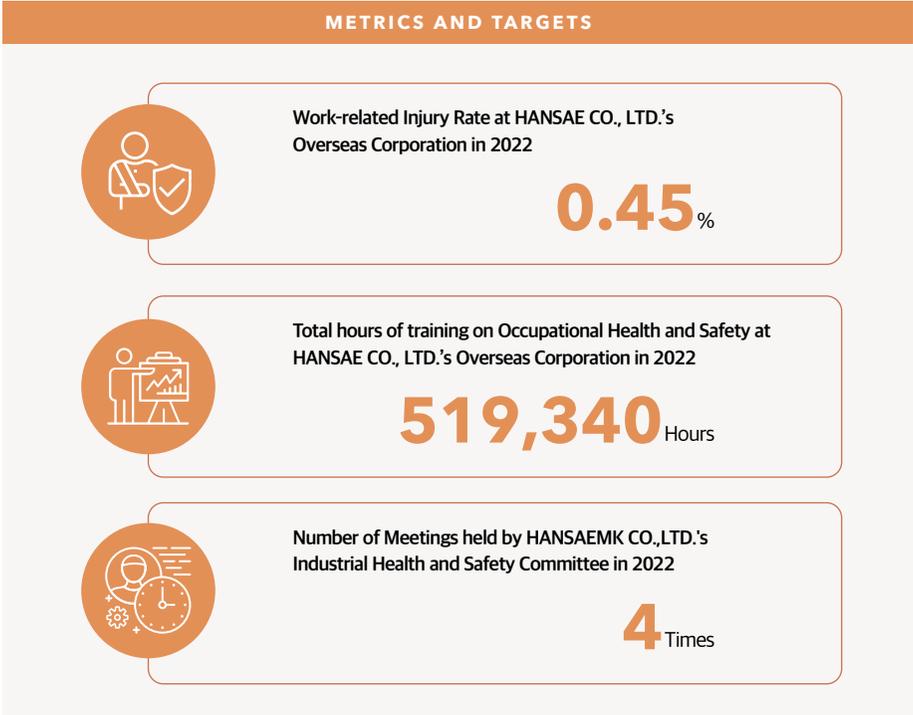
HANSAE CO., LTD.'s production facilities are located in countries with a high risk of child labor, such as Vietnam, Indonesia, Nicaragua, Guatemala, Myanmar, and Haiti. International Labour Organization (ILO) defines a child as a person under the age of 15. To proactively prevent the risk of child labor, HANSAE CO., LTD. adheres to two principles: First, the company has established clear regulations against child labor in the Code of Conduct; second, to enhance monitoring system, HANSAE CO., LTD. has raised the minimum ages of employment to 18 years of age. This allows for through screening of all potential employees from the hiring stage, preventing child labor violation.

As an apparel brand, HANSAEMK CO.,LTD. is also aware that child labor and forced labor pose significant risks to the brand's social credibility. Therefore, we provide clear guidelines on child labor and forced labor to our domestic business sites and suppliers, and manage our supply chain to prevent such mal-practices.

Safe Workplaces

Our Approach

HANSAE YES24 Group strives to create a workplace where all employees can work safely and happily. Specifically, the headquarters is striving to establish a safety management system that complies with the requirements of the Occupational Health and Safety Act, as well as the Serious Accidents Punishment Act which came into effect in January 2022. Overseas corporations participate in the Life and Building Safety (LABS) system to foster a safe working environment for employees. In regions where conducting LABS program is challenging, FB&ES (Fire, Building & Electrical Safety) is proceeded as an alternative and manages occupational safety to internalize systematic processes and systems for safety.



Governance

Safety Risk Review by the Sustainable Management Committee

HANSAE YES24 Group has established Sustainable Management Committees within the boards of directors of its major subsidiaries, and through these committees, the company shares information on various non-financial risks, including occupational health and safety, and develops risk management and response measures across the entire organization.

Major Risk Factors of Health and Safety in HANSAE YES24 Group's Processes

Risk Factors	Work-related Diseases
Respiratory Effects	Respiratory illness, Allergic reactions, Lung diseases, etc.
Chemical Exposure	Skin disorders, Respiratory problems, Poisoning, etc.
Working Environment	Heatstroke, Physical strain, Stress, Hearing loss, etc.
Worker-to-Worker Diseases	Spread of infectious diseases caused by transmission of bacteria, Viruses, Fungi, etc.
Unsafe Working Conditions	Blocked exits, Inadequate sanitary facilities, Improper waste disposal, etc.

Occupational Health and Safety Policy

HANSAE YES24 Group is expanding the scope of its occupational health and safety policy to include all employees at the headquarters and overseas corporations and employees of suppliers. Also, we are establishing our own safety system and continuously monitoring it, and with the support of external expert organizations and associations, we also conduct training and monitoring for some business sites and suppliers' operations with high occupational safety risks.

HANSAE CO., LTD. discloses health and safety policies to stakeholders and overseas employees, and HANSAEMK CO.,LTD. publicly shares such polies on the company's intranet, exerting best efforts in promoting health and safety within the organization.

Safe Workplaces

Performance

HANSAE CO., LTD.'s OSH Committee

HANSAE CO., LTD. has established an occupational health and safety policy to create a safe and clean working environment for all employees. In particular, the company established the OSH¹ Committee to set regulations and procedures to ensure safety and occupational hygiene in the workplace based on consultation and coordination with management. OSH PIC(person-in-charge) conducts monthly self-audits of the factories in accordance with the defined regulations, and suggest risk elimination measures through health and safety risk assessments for employees. What's more, HANSAE CO., LTD. prepares for emergencies by operating a medical room with professional medical staff.

1. OSH: Occupational Health and Safety

HANSAEMK CO.,LTD.'s OSH Committee

HANSAEMK CO.,LTD. operates an Occupational Health and Safety Committee on a quarterly basis in accordance with the Industrial Health and Safety Act to establish the company's Health and Safety policy and make efforts to prevent risks. For systematic safety management, HANSAEMK CO.,LTD. appoints a safety manager within the Health and Safety Committee to actively communicate with the workers. When safety related accidents occur, the committee conducts a thorough investigation and devises improvement measures.

Setting COVID-19 Response Guidelines

In cooperation with the management, HANSAEMK CO.,LTD. set regulations and procedures to ensure workplace safety and hygiene so that employees at overseas sites can work in a safe and clean working environment. In particular, in response to the global pandemic triggered by COVID-19, the company regularly distributed masks to employees and made efforts to establish a workplace system to stay safe from infectious diseases, such as vaccinations. HANSAEMK CO.,LTD. plans to further advance its response system to prevent not only COVID-19, but also other viruses and infectious diseases that can emerge as new health and safety risks.

Participation in the Building Safety Program (LABS)

To create a safe working environment, HANSAE CO., LTD. has joined the LABS (Life and Building Safety) program since 2019 and has been audited and trained by a 3rd party organization. In 2021, 12 factories in total (6 directly owned factories, 6 suppliers' factories) were evaluated by a 3rd party agency. In July 2022, 1 partner factory completed the LABS program. From 2023, the company plans to expand the scope of program to Indonesia to have two more factories added.

Life and Building Safety (LABS)



Life and Building Safety (LABS) is a global initiative established to create a safe working environment for workers in the apparel, footwear and accessories industries. This initiative identifies the most urgent risks related to fire, safety accidents, etc., through safety experts and, supports facility maintenance and training to mitigate health and safety related issues. From 2022, more than 400 factories in India, Vietnam, and Cambodia are establishing a safe working environment through this initiative, and 843,232 workers are working at these factories.

Conducting Fire, Building and Electrical Safety Inspections (FB&ES)

HANSAE CO., LTD. conducts FB&ES (Fire, Building and Electrical Safety) assessments for facilities that do not implement LABS program. Through FB&ES, we prevent all the potential risks of fire and electrical accidents and provide safe work environment for all employees at overseas corporations.

Safe Workplaces

HANSAE CO., LTD.'s Monitoring Program

HANSAE CO., LTD. Compliance team proactively identifies social and environmental risks that may occur at all production sites through internal and external compliance audits and seeks practical improvements and solutions. Compliance team manages all overseas corporations and suppliers by conducting internal regular audits using a checklist which is established based on global compliance regulations and brands standards. All the audit records are uploaded in integrated ERP¹ system and shared through e-mails among the headquarters and overseas corporations. In 2022, after reviewing 121 self-audit results, HANSAE CO., LTD. made efforts to implement the most effective solutions for each criteria. HANSAE CO., LTD. will continue to strengthen its safety capabilities by minimizing health and safety risks at production sites through continuous monitoring and provide a better working environment for employees.

1. ERP: Enterprise Resource Planning

Risk Management Plan in Response to Industrial Accidents

Risk Factors	Actual Cases	Response Measures
Machine Hazards	Injuries caused by accidents or negligence during operation of machinery, contact with rotating equipment, conveyors, belts, automatic equipment, etc., pinched falls by portable tools, etc.	Possession and renewal of professional licenses required to operate machinery, check machine and equipment condition (deterioration, etc.) through regular self-audits, In any event of a machine failure, the work process shall be stopped under the guidance of expert technician and carry out maintenance
Chemical	Exposure to dyestuffs, hazardous chemicals, generated in the dyeing process, solvents, bleaches, etc.	Establish chemical handling procedures according to Material Safety Data Sheet (MSDS)
Work Environment	Risk factors in the work environment, such as loud noise, vibration, temperature, humidity, and dust, ergonomic hazards such as muscle pain, fatigue due to improper working posture	Constant supervision through regular audits and monitoring
Unsafe working conditions	Abnormal blocking of entrances and exits, unsafe electrical systems, slippery floors, inadequate lighting, etc.	
Work tools and equipment	Injury from the use of unsafe work tools and equipment such as sharp tools that are difficult to handle and slippery blades	Health and Safety training for all workers, including chemical handling training, personal protective equipment (PPE) usage training, safe workplace training, first aid training, and emergency response training

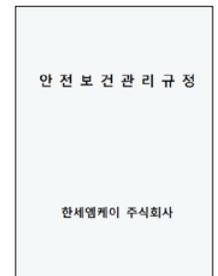
Risk Awareness and Risk Assessment

HANSAE CO., LTD. conducts risk awareness and assessment checks once a month to identify potential risk factors that workers may experience throughout the production processes. This assessment is carried out in 5 different ways and evaluates the safety behaviors that workers can perform on their own with the goal of minimizing risks from materializing.



Health and Safety Training

HANSAE YES24 Group has been making efforts to internalize safety practices so that employees can be guaranteed their rights as workers and happily work by creating a healthy working environment. Accordingly, we support an online system for all employees to take regular occupational health and safety training, and support systems and training tailored to the situation of each subsidiary. HANSAE CO., LTD. communicates company-wide notices and conducts related training so that all employees can raise awareness and participate in health and safety policies. HANSAEMK CO.,LTD. creates a safety manual to oversee the well-being of workers in stores and warehouses and endeavors to prevent and address accidents through consistent safety training. In addition, through a contract agreement with a professional safety management agency, harmful risk factors are identified and removed in the workplace, and regular health and safety training (every quarter) is carried out for in-house employees.



Health and Safety Guidelines
HANSAEMK CO.,LTD.

Safe Workplaces

Health and Safety Activities

The HANSAE YES24 Group is striving to establish a win-win system for both the group and its partners by considering the safety of workers at partner companies. To this end, the company set up a communication channel that guarantees anonymity and is handling health and safety-related complaints through an independent department so that there is no discrimination or disadvantage due to reporting.

Employee Health and Safety Risk Assessment and CAP (Corrective Action Plan)

HANSAE CO., LTD.'s overseas business corporations and suppliers regularly conduct self-audits on health and safety, and share the results with the headquarters to closely monitor and manage.

Comprehensive Emergency Response Drills

HANSAE CO., LTD. conducts comprehensive emergency response drills in which all employees participate 2 times a year (1H and 2H) at each factories in order to ensure timely response in case emergencies occur. In case of accidents such as fire, explosion, earthquake, etc. regular training is carried out so that employees can quickly perform their duties, and the effectiveness of the drills is improved through evaluations.



Frequency of Self-audit	
Scope	Frequency
Own factories	1 time/month
Suppliers (Tier 1,2)	1 time/quarter

Employee Healthcare management

HANSAE YES24 Group manages the health of its employees by supporting and operating a health checkup system that considers the characteristics of each age group. For employees working at the headquarters, we subsidize part of the health checkup expenses for employees through business agreements with specialized health examination centers. At each overseas business sites, HANSAE CO., LTD. operates a medical room with professional medical staff to be prepared for emergencies. Depending on the conditions of the local country where medical facilities are not widely available, simple treatments and vaccinations are provided through health checkups 2 times a year. Additionally, various medical education programs are operated and implemented to detect and prevent occupational diseases caused by repetitive clothing sewing processes at early stages. Lifestyle improvements are encouraged through programs to encourage quitting smoking and drinking, promote exercise and healthy eating habits. Lastly, a mental health counseling program is offered to promote wellness of the body and mind of employees which can lead to workplace safety.

Health Checkups at Overseas Business Sites



Health checkups



Examination by medical staff



Blood Sampling



Vaccinations

Diversity, Equity, and Inclusion

Our Approach

As a global company, HANSAE YES24 Group is built on top of a corporate culture that respects diversity and values mutual trust and cooperation. Therefore, the company is making efforts from various aspects to create an environment where employees from various backgrounds can play an active role in the HANSAE YES24 Group and show their capabilities. Above all, in order to establish a culture in which female talent is not subject to discrimination, various culture activities and systems are being prepared throughout the organization together with the management, and regular training and monitoring activities are carried out to ensure that these policies are equally followed at the headquarters and overseas business sites. In addition, we are continuously developing support programs that try to understand the employees' difficulties so that they can balance work and family. Through such efforts, the company is creating an environment that allows the pursuit of personal happiness and well-being and more focus on work and efficiency.

METRICS AND TARGETS	
	2025 Target Achieve Gender Parity at overseas business sites *Gender parity: Equal ratio of female managers to all female workers
	2023 Q1 14% gap at overseas corporations (5% improvement compared to 2022)
	2025 Target 0.5% of employees to be disabled employees
	2023 Q1 Achieved 0.31% at overseas corporations (0.15% improvement compared to 2022)
	Complied with the mandatory employment rate for the disabled in Korea (3.1% of all employees)

Governance

Advancement of Systems for Cultivating Female Talent

We are making a company-wide efforts to promote a workplace environment for female talent to demonstrate their capabilities and root out glass ceilings at the workplace. HANSAE CO., LTD. sets and manages goals for Diversity Equity, and Inclusion (DE&I) in order to create an atmosphere which promotes equal opportunity and inclusion, and the company is trying to establish a culture of respect for women through continuous education and system improvement. Moreover, we are striving to set up a corporate culture that respects diversity by making adjustments to the job position system so that employees with diverse thoughts and backgrounds can cooperate and communicate with one another. As a result, the ratio of female workers at HANSAE CO., LTD. recorded 64%, and the ratio of female managers among all managers stood at 54%. In 2019, the company was ranked 1st in terms of the ratio of female executives in the 'Female Executives in Top 500 Companies in terms of Sales' announced by the Ministry of Gender Equality and Family. In 2022, the company was selected as exemplary company for gender equality at the 'WIN Award'. Through such achievements, HANSAE CO., LTD. was able to further solidify its culture of respect for women. At HANSAEMK CO.,LTD., 61% of the workforce are women, and female managers account for 34% of all managers which is twice the average ratio of female managers in Korea (16.3%).

Ratio of Female Supervisors and Workers by Subsidiary in 2022

Subsidiary	Female Supervisors	Female Workers
HANSAE YES24 HOLDINGS	50 %	61 %
HANSAE CO., LTD. ¹	54 %	64 %
HANSAEMK CO.,LTD.	34 %	61 %

1. The headquarters in Korea (for HANSAE CO., LTD.)

Diversity, Equity, and Inclusion

Performance

Nurturing Overseas Female Talent

HANSAE CO., LTD. is implementing various training programs that consider the characteristics of each country to promote human rights and rights of women in overseas workplaces. Through such efforts, HANSAE CO., LTD. not only fosters female talent, but also creates a positive impact on the local community. In particular, the P.A.C.E program, which has been running for 11 years in cooperation with the global brand Gap Inc. since 2013, is gaining a lot of support and recognition from overseas female workers. This is an education program aimed at improving the quality of life and inspiring leadership of women in developing countries. HANSAE CO., LTD. has been participating in the program since 2013, starting with the HANSAE TN CO., LTD., followed by HANSAE VN CO., LTD., HANSAE INTERNATIONAL, S.A, and HANSAE HAITI, S.A.. So far, 14,000 female employees have completed the training. Moving forward, HANSAE CO., LTD. intends to do its best to strengthen the capabilities of female workers by implementing the P.A.C.E program at business sites in Indonesia and Guatemala.



P.A.C.E Program at HANSAE TN CO., LTD.



P.A.C.E Program at HANSAE INTERNATIONAL, S.A.

Employment of Disabled Workers

In order to encourage disabled people to be respected and play an active role as members of the society, HANSAEMK CO.,LTD. has been actively taking the lead in hiring disabled employees since 2023. As a result, in 2023, four members of the ‘The Universe and Me’ ensemble, composed of disabled artists, were hired as full-time employees to enhance workplace diversity and lead the change in social awareness towards the disabled through arts. Through expansion of hiring employees with disabilities, HANSAEMK CO.,LTD. will continue to make the utmost effort to establish a social culture in which people with disabilities are not subject to discrimination.

Operation of Work-Life Balance Programs

HANSAE YES24 Group operates various family-friendly systems and support policies tailored to the life cycle of executives and employees to ensure balance between work and family. To be specific, in order to promote the active usage of company policies related to pregnancy, childbirth, and childcare, the company established a system to enable female employees to be entitled to use benefits such as prenatal check-up, reduced working hours during pregnancy, and parental leave. In addition, when a child is born, the company provide clothes and toy sets for employees to celebrate the birth. Futhermore, in order to create a culture that supports work-life balance so that all employees can take care of their families regardless of gender, the company is actively encouraging male employees as well as female employees to take parental leave.

Parental leave status for male/female employees by subsidiaries in 2022

Subsidiary	Male	Female
HANSAE YES24 HOLDINGS	0 people	2 people
HANSAE CO., LTD. ¹	13 people	46 people
HANSAEMK CO.,LTD.	2 people	12 people

1. Sites in Korea (for HANSAE Co., Ltd.)

On top of that, HANSAE CO., LTD. has been making efforts to protect maternity within the company by making a breastfeeding room available and providing breastfeeding education for female workers at the Nicaragua subsidiary since 2015. HANSAEMK CO.,LTD. continues to provide detailed and diverse support so that employees can be assured of a work-life balance through policies such the early leave per month and company resorts.

HANSAE TOGETHER STORY

— Parenting Education for Working Moms and Dads in Celebration of Family Month —

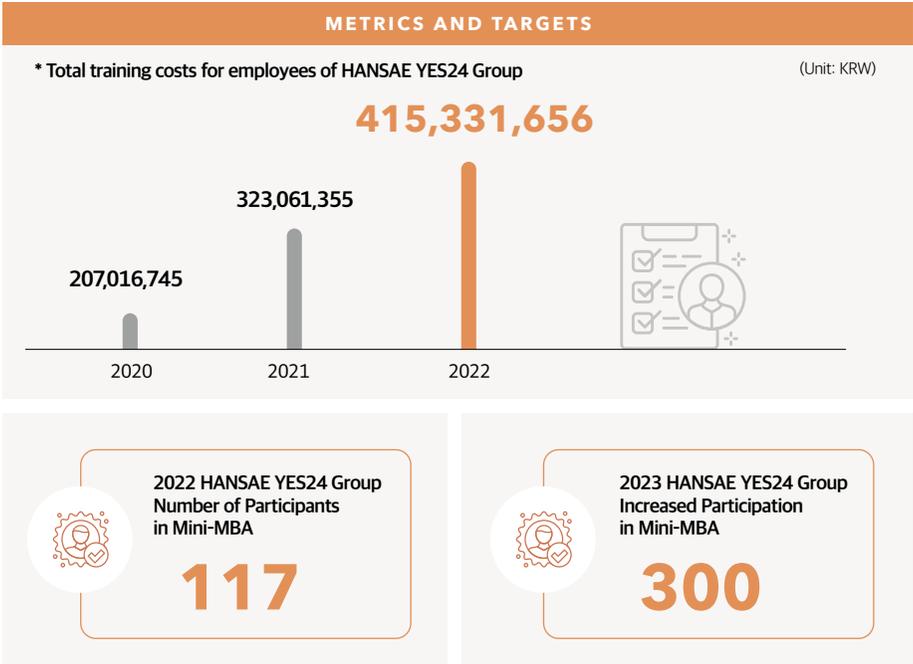
To celebrate Family Month in May, HANSAE YES24 Group invited Professor Cho Seon-mi, professor of psychiatry and childcare, to provide an education session on childcare for working moms and dads in the company. The session was held on a pre-registration basis, and around 30 employees participated.



Employee Development, Welfare and Benefits

Our Approach

HANSAE YES24 Group understands that human resources development is the key to attaining core competence in sustainable growth, and thus has been sparing no effort in actively listening to employees' opinions and creating an environment that nurtures talents. To keep pace with the fast-changing fashion industry, HANSAE YES24 Group has been constantly inviting internal and external experts and organizations to provide training for its employees. Additionally, through P&C team, the Group has been demonstrating its willingness to listen to the voices of the employees, thereby creating diverse and positive changes through collective efforts. HANSAE YES24 Group believes that employees are the biggest asset, and that capabilities and capacities of the employees are directly related to the company's accomplishments and competitiveness. With such mindset, HANSAE YES24 Group will make its utmost efforts so that the company and the employees can grow together.



Governance

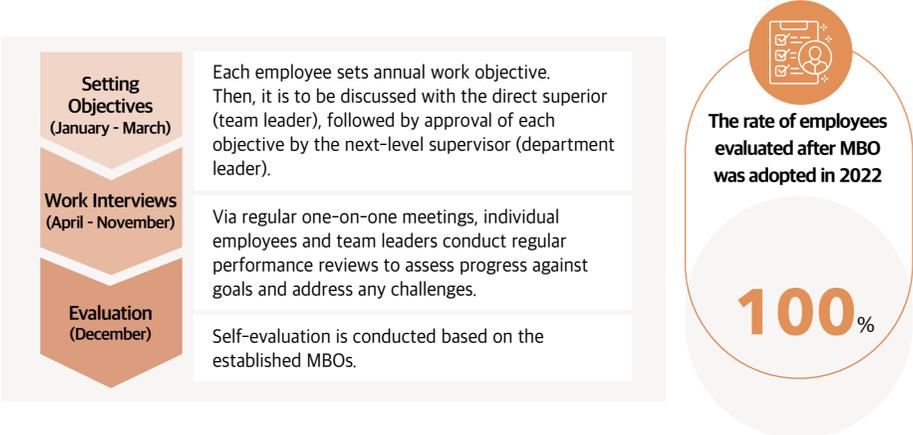
HANSAE YES24 Group's Strategic Employee Nurturing System

Company Vision	Global fashion, culture, and distribution company that delivers unmatched values		
Ideal Talent	A global talent who spearheads and challenges culture and the fashion industry, comes up with creative solutions, and has a client-oriented mindset		
Core capabilities	Expertise An employee with competency and expertise in assigned tasks	Creativity An employee who can come up with solutions for tasks and problems	Innovativeness An employee who creates values through new challenges and changes

Fair Performance Evaluation System

HANSAE YES24 Group operates an MBO (Management by Objectives) system, in which employees can select objectives on their own, based on their understanding of the company's strategy and vision. This, in turn, leads employees to be more immersed in company's goals and drives them to seek personal development. In 2022, all employees received MBO evaluation, and the results are reflected in evaluations related to employees' compensation and promotion.

1. MBO: Management by Objectives



Employee Development, Welfare and Benefits

Performance

Conducting Labor-Management Council Meetings

Based on close communication and mutual respect between labor and management, HANSAE YES24 Group is striving to create a virtuous cycle of company's sustainable growth and employees' happiness. At the labor-management council, HANSAE CO., LTD. and HANSAEMK CO.,LTD. discuss various issues that require consultation of both parties such as salary, working conditions, and welfare. The council meeting is held quarterly, with the participation of committee members who represent employees and the management. Agendas discussed in the meeting are notified to all employees and the agreed upon changes are applied companywide. HANSAE CO., LTD. and HANSAEMK CO.,LTD. notify the employees at least one month prior to the meeting, informing significant changes in terms of company management. This is stipulated in the employee handbook, which is accessible to all employees.

Labor-Management Council Meetings of HANSAE YES24 Group Subsidiaries in 2022

Subsidiary	Number of Meetings/ Number of Participants	Participation Rate
HANSAE CO., LTD.	4 times/5 people	100%
HANSAEMK CO.,LTD.	4 times/12 people	100%

※ HANSAE YES24 HOLDINGS coordinates labor-management agendas through councils of HANSAE CO., LTD.

Main Agendas of Labor-Management Councils in 2022

Quarter	HANSAE CO., LTD.	HANSAEMK CO.,LTD.
Q1	Flexible working hours and remote work	Appointing committee members and New Year's Day gift for employees
Q2	Strategies for activating organizational culture and office facility maintenance	Office relocation due to organizational restructuring and changing company rules and welfare systems
Q3	Change of evaluation and compensation systems and restructuring of welfare system	Employee health check-ups, changing data processing systems and employee stock ownership plan
Q4	Evaluation, compensation system and education programs for 2023	Education for Labor-Management Council members and employees and organizing end-of-year events

Implementation of Various Programs for Employee Development

HANSAE YES24 Group has diverse programs with the aim of nurturing experts who can spearhead company's sustainable growth and secure a unique competitive edge, through which individuals and the company can grow together.

MINI-MBA

Since 2016, HANSAE YES24 Group has been operating a Mini-MBA program within the Group for team leaders and above. Although it was temporarily suspended due to COVID-19, it was resumed in 2022, providing a three-day course about leadership, labor, finance, negotiation from external experts to a total of 117 team leaders and above. Also, in 2023, the program was expanded to incorporate positions higher than team leaders in overseas operations, and assistant team managers in Korea. This year, a total of 300 managerial-level employees are receiving education under this program.



Job Competency Enhancement Training

By collaborating with specialized, external educational institutions, HANSAE YES24 Group has established a system that allows employees to take various online job trainings. Participants are evaluated based on participation rate and test scores, and such data is utilized as a barometer to provide quality education to employees. In 2022, employees received 43 hours of job competency enhancement training on average. In addition to job trainings, we offer multiple forms of education such as phone language courses, e-learning, book-learning and in-house language classes, with the aim of nurturing global experts.



Corporate Lecture Series

HANSAE YES24 Group, under the leadership of HANSAE YES24 HOLDINGS, hosts companywide lectures and invites eminent external instructors once a month in areas of business management, humanities, marketing, etc. As the lectures are provided both online and offline, all employees can participate without time and space constraints. In 2022, a total of 10 company-wide lectures were held.



Overseas Training

Every year, HANSAE CO., LTD. provides overseas training at production sites in Vietnam to new employees, enhancing their understanding of company businesses and installing a sense of pride. Also, overseas training, including a visit to New York office, is offered to high performers once a year.



Employee Development, Welfare and Benefits

Fostering Organizational Culture

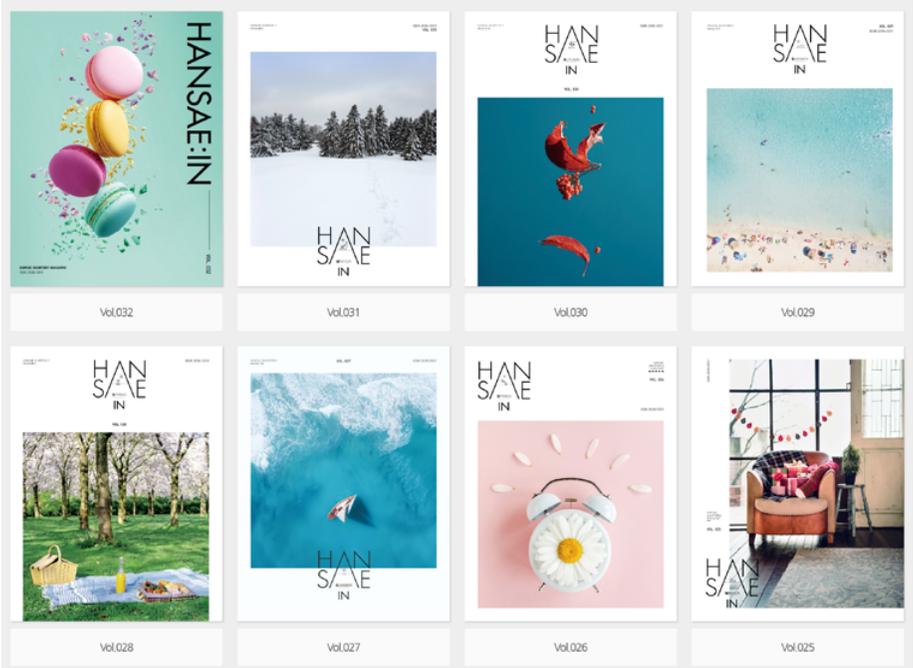
Spearheaded by P&C team (People & Culture), which was newly established in 2019 to promote sound organizational culture, HANSAE CO., LTD. selects 'People-ee' in each department across the company as members of the junior board. They listen to the practical needs of the organization's members and perform various improvement activities. In 2022, they carried out a total of 12 key activities, thereby improving organizational culture and enhancing employee satisfaction.

Major Achievements of People-ee in 2022

 <p>Use of annual leave freely</p>	 <p>New HR System: new job titles</p>	 <p>Facility improvements (Toilet)</p>	 <p>Development of virtual meeting background images and companywide distribution</p>
 <p>Improvement in personal profile in in-house messenger: added position and name of office</p>	 <p>Installing and first aid kits on each floor and managing them well</p>	 <p>Implementation of '1.5-hour early leave' on the day before major national holidays (New Year's Day & Chuseok)</p>	 <p>Change in employee card material and design</p>
 <p>Contribution to planning and preparing of Townhall Meeting (Jul. 2022 & Jan. 2023)</p>	 <p>Contribution to planning and preparing of 40-year anniversary event (Dec. 2022)</p>	 <p>Participation in evaluation of internal contest on information security campaign slogan</p>	 <p>Planning and operating 'Refresh Events'</p>

In-house Newsletter (HANSAE:IN)

From 2014, HANSAE YES24 Group has been publishing and distributing company newsletters called HANSAE:IN once a quarter to enhance communication with employees. In 2023, in addition to the existing booklet, an online webzine has been additionally adopted as part of an effort to establish a system where employees can access company news from anywhere.



Web based company newsletter: HANSAE:IN
https://hansaein.imweb.me/index?preview_mode=1

Employee Development, Welfare and Benefits

Welfare Benefits

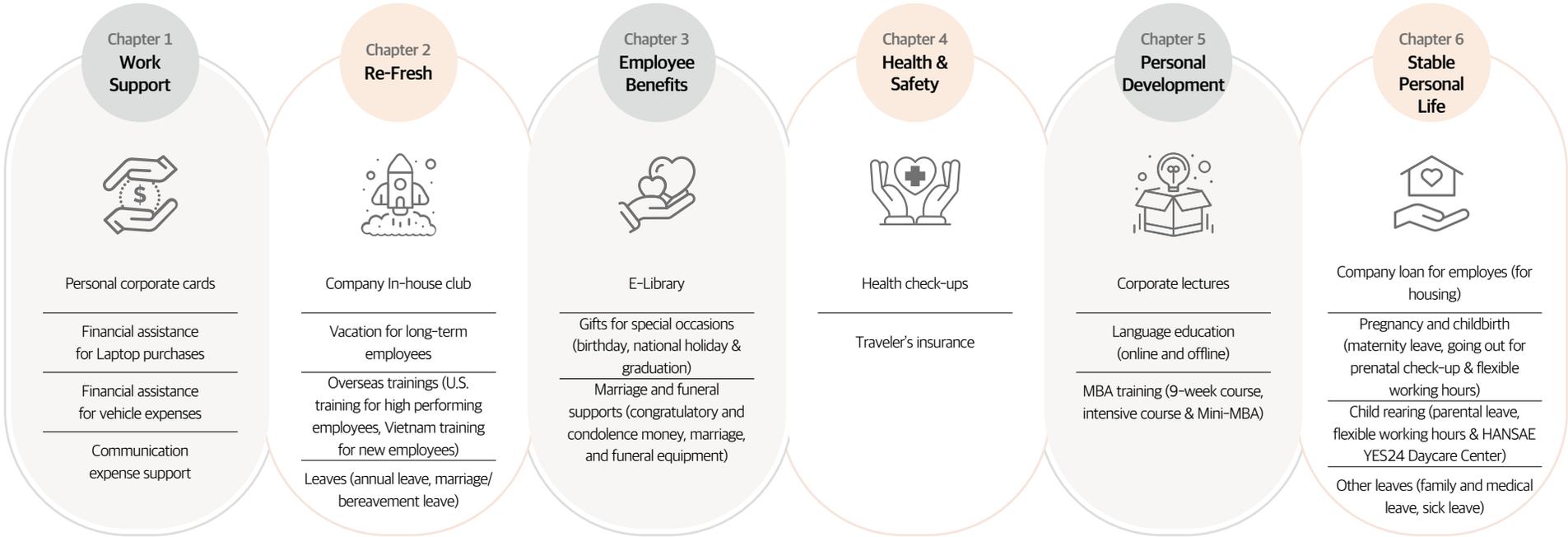
HANSAE YES24 Group operates various welfare programs to enrich employees' lives. The programs are divided into six areas: work support, 'Re-fresh', employee benefits, health & safety, personal development, and stable personal life. The Group has put in place a system, managed by specialized personnel, which allows employees to get adequate services based on their needs. In addition to the programs that provide basic benefits, HANSAE YES24 Group will continue to expand the welfare system by taking into account working conditions of each subsidiary and its internal needs.

HANSAE TOGETHER STORY

Operation of E-Library

HANSAE YES24 Group is operating an E-Library to enhance employee's work performance and to provide in-depth knowledge in the area of humanities. In the first half of each year, an employee survey is conducted to identify the needs of the employees and then the company keeps them in the booklet of the e-library. Currently, there are 7,000 books in the database and the company will continue to add more book collections to support employee competence development.





Community Engagement

Our Approach

HANSAE YES24 Group appreciates the cooperation of local communities and strives to build a happy society for all mankind. In accordance with the Sustainable Development Goals (SDGs) set forth by the United Nations, HANSAE YES24 Group is actively promoting social contribution activities that encompass key areas such as future generations, social responsibility, and local communities, thereby contributing to sustainable social development.

In line with such commitments, the Group is planning and implementing social contribution programs centered on the local communities where each subsidiary and business site is located. Moreover, we have spared no efforts to enhance and expand our social impact by utilizing various resources and networks of our subsidiaries.

Additionally, in 2014, HANSAE YES24 Group established HANSAE YES24 Foundation to carry out the Group's social contribution activities in a more professional manner. It has been providing sustainable solutions to various social problems, thereby making social impact based on trust and sincerity.

Governance

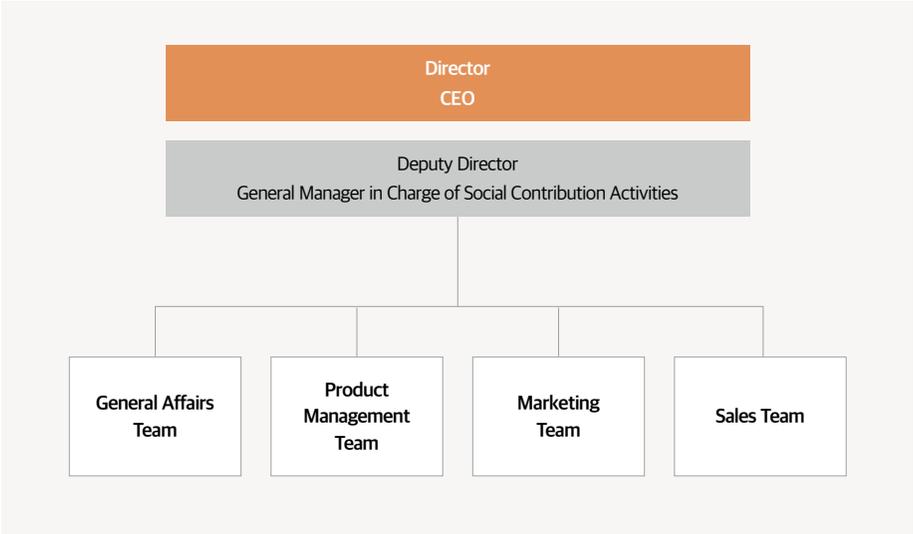
Organizations for Social Contribution

In order to systematically promote contribution activities for local communities, HANSAE YES24 Group has established and operated organizations for social contribution under the leadership of management of each subsidiary. HANSAE CO., LTD. runs independent compliance organizations at the headquarters and overseas subsidiaries, and is conducting various social contribution activities centered on the overseas corporations in consideration of the local culture and circumstances. HANSAEMK CO.,LTD. has appointed a general manager in charge of social contribution activities under the CEO and operates a Social Contribution Committee consisting of general affairs team, product management team, marketing team, and sales team to orchestrate systematic social contribution activities.

METRICS AND TARGETS

<p style="text-align: center;">HANSAE CO., LTD.'s relief donations to Türkiye for disaster recovery in 2023</p> <div style="text-align: center;">  </div> <p style="font-size: 2em; font-weight: bold; color: #f4a460; text-align: center;">\$ 100,000</p>	<p style="text-align: center;">HANSAEMK CO.,LTD. donates relief supplies to help recover from the Gangneung wildfires in South Korea in 2023</p> <div style="text-align: center;">  </div> <p style="font-size: 2em; font-weight: bold; color: #f4a460; text-align: center;">Over \$ 5,000</p> <p style="text-align: center;">worth of everyday essentials</p>
<div style="display: flex; align-items: center;"> <div style="background-color: #f4a460; color: white; padding: 5px; font-weight: bold; margin-right: 10px;">Goals for 2023</div> <div> <p>(HANSAE CO., LTD.) Expanding social contribution activities centered on overseas subsidiaries (HANSAEMK CO.,LTD.) Expanding clothing sponsorship to international communities in collaboration with NGO groups</p> <p>(HANSAE YES24 Foundation) Expansion and Continuation of Humanities Research Expansion and continuation of humanities research support - Phase 2</p> </div> </div>	

HANSAEMK CO.,LTD.'s Organization Chart for Social Contribution

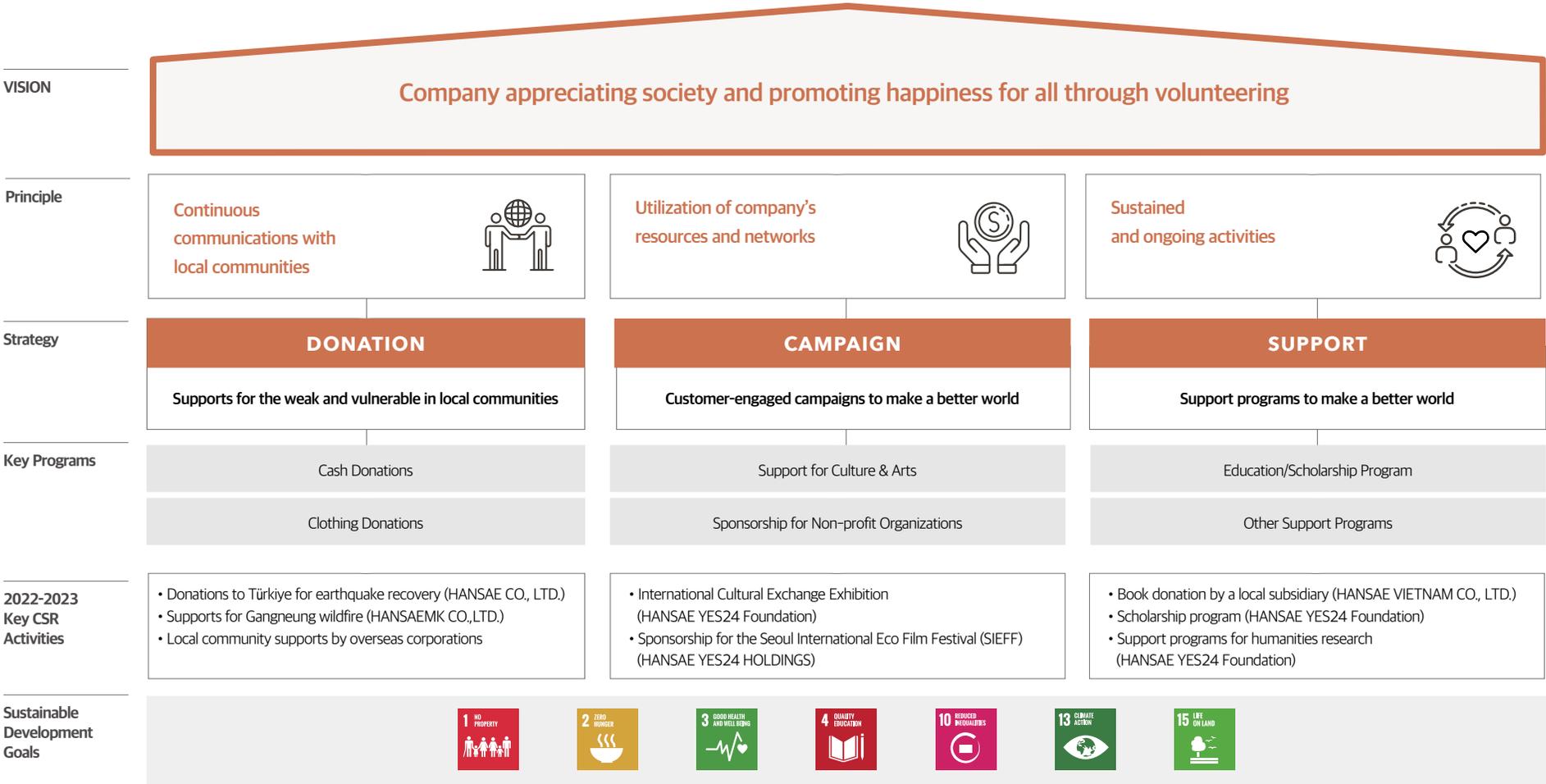


Community Engagement

Strategy

Corporate Social Responsibility (CSR) Strategy Framework

Under the goal of being a “Company appreciating society and promoting happiness for all through volunteering”, HANSAE YES24 Group is actively contributing to the development of local communities through various social contribution activities that are integrated with the businesses of each subsidiary.

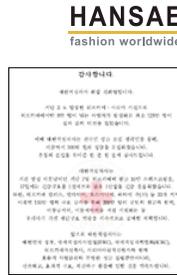


Community Engagement

Performance

Donations to Türkiye for earthquake recovery (HANSAE CO., LTD.)

In February 2023, HANSAE CO., LTD. provided humanitarian aid of \$100,000 to support the refugees who lost their homes due to the earthquake in eastern Türkiye helping them regain a peaceful daily life. When disasters occur in overseas countries, we actively respond to humanitarian support for disaster recovery. In 2020, we also donated over 60,000 masks to Haiti and Nicaragua for COVID-19 prevention, along with 170,000 PPE gowns worth \$70,000, to Vietnam.



Guatemala Sewing Academy (HANSAE CO., LTD.)

In June 2022, the local branch of HANSAE CO., LTD. in Guatemala launched the first class of the Sewing Academy, with the goal of generating local employment opportunities. The academy provided sewing skill classes to local residents and students. The three-month academy program trained a total of seven participants, all of whom were subsequently offered a job opportunity at HANSAE PINULA S.A. upon the completion of the program. HANSAE CO., LTD. will continue its efforts to address employment difficulties within local communities by creating quality jobs and connecting vocational training with local recruitment. Additionally, we will strive to nurture skilled professionals in the field, contributing to the alleviation of income inequality.



Donation of 10,000 Books to Tay Ninh Province in Vietnam (HANSAE CO., LTD.)

HANSAE VIETNAM CO., LTD. has donated 10,000 children's books, with 100 books each, to 100 elementary schools in the province of Tay Ninh in 2023. As a member of the Vietnamese community, HANSAE CO., LTD. has made book donations to foster a love for reading and encouraging literacy. Through these book donations, the company aims to offer children in the local community broader educational opportunities, contributing to their overall growth and development.



Supports for Gangneung wildfire (HANSAEMK CO.,LTD.)



In order to stay on top of various issues occurring in the local community and to fulfill its social responsibility, HANSAEMK CO.,LTD. has been engaging in social contribution activities across various fields. In 2023, the company donated daily necessities worth approximately KRW 50 million to the Gangneung City Volunteer Center, providing much-needed assistance to the local residents who lost their homes and faced hardships in the aftermath of the wildfire in Gangneung. The aid included emergency relief items such as double-sided blankets from HANSAEMK CO.,LTD. enamel cups, and travel pouches, necessary for the victims to resume their daily lives. The company aimed to alleviate their hardships, and to show solidarity with the local community by fulfilling its corporate social responsibility.

Uidang Scholarship (HANSAE YES24 Foundation)



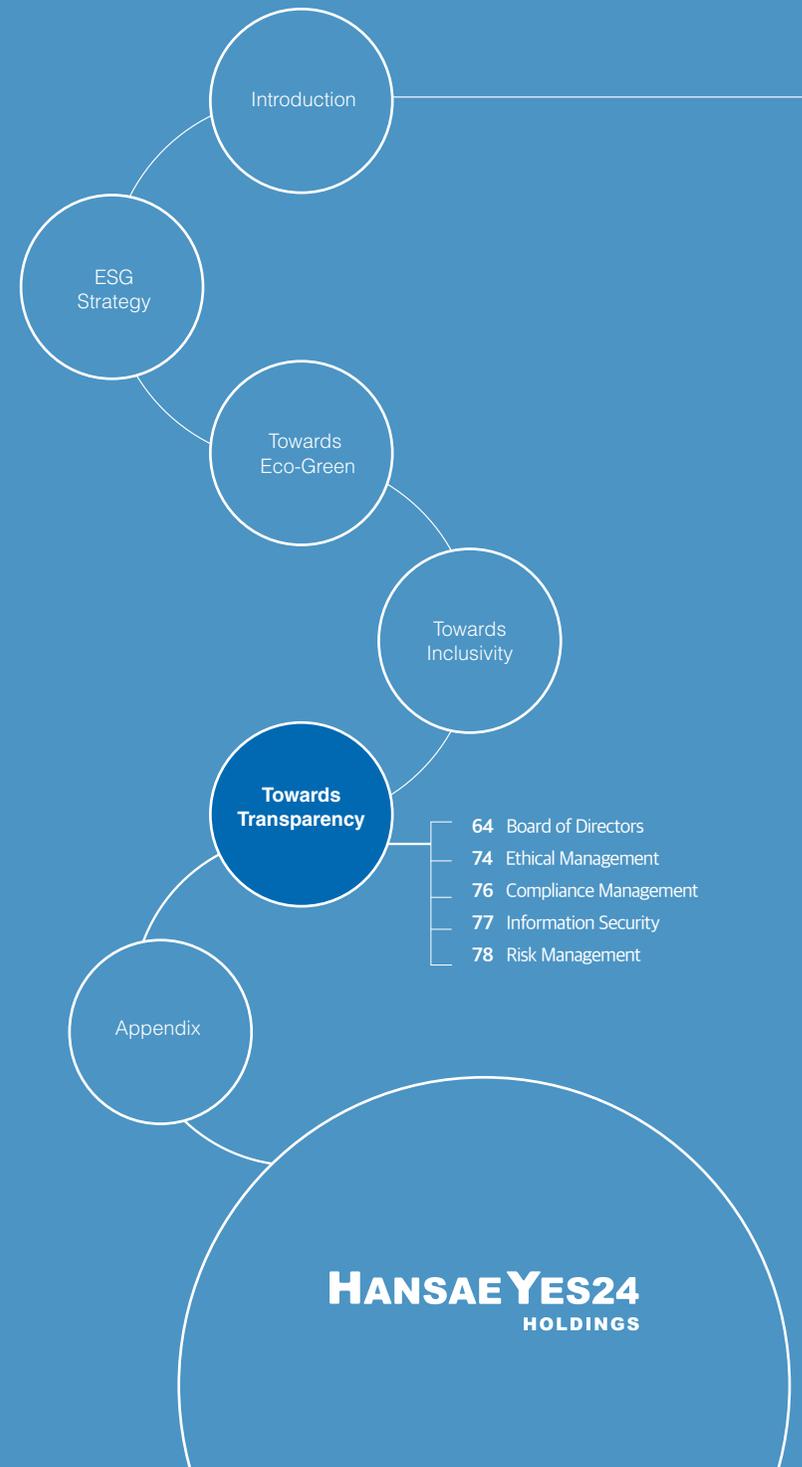
For 36 years, HANSAE YES24 Foundation has awarded 'Uidang Scholarships' annually to high school students in Embong-myeon, Chungcheongbuk-do, who exhibit outstanding academic performance and good conduct. Through its ongoing scholarship program, HANSAE YES24 Group aims to contribute to the equal development of the local community by providing support to students in the Chungbuk area, helping them dream big and achieve their aspirations.

Support Programs for Humanities Research (HANSAE YES24 Foundation)

As part of its social contribution activities, HANSAE YES24 Foundation has been conducting the 'Humanities Research Support Program' since 2022. The program aims to foster interest in humanities, which serves as the foundation of society, and provides support to deepen its significance. In an era when pure humanities are increasingly marginalized due to the advancement of science and technology, the Foundation strives to address this issue by serving as a nurturing ground for humanities research. In 2022, during the first year of the program, a total of 10 humanities research papers were selected and a total of KRW 1.20 million in research scholarships were granted.



TOWARDS TRANSPARENCY



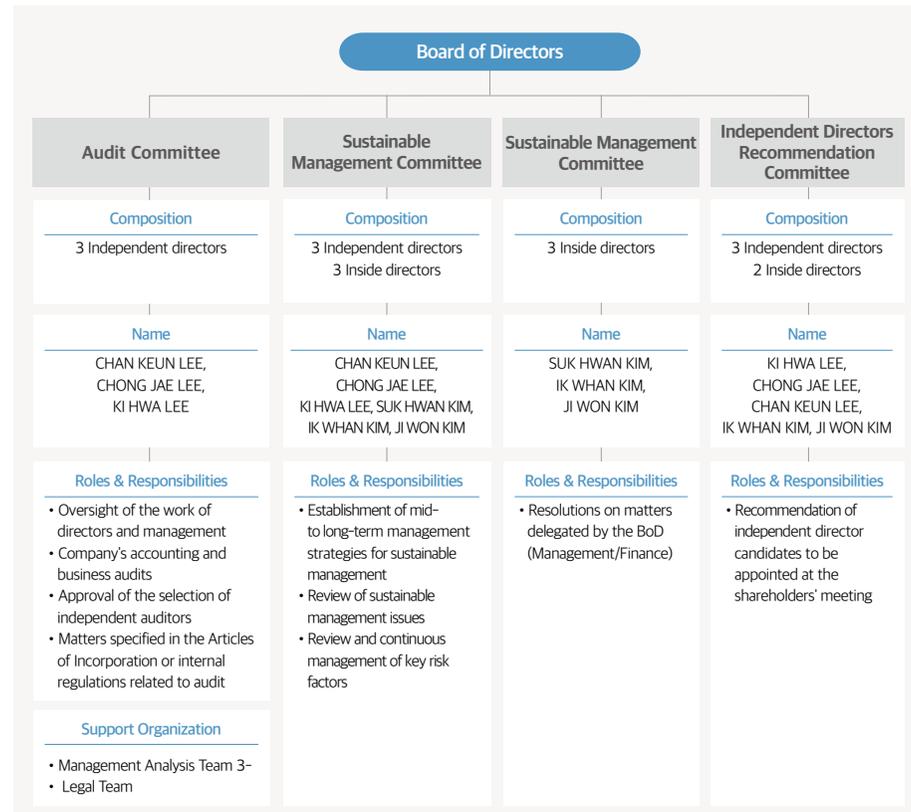
Board of Directors

Transparent and Sound Board of Directors

HANSAE YES24 HOLDINGS operates the Board of Directors based on the principles of professionalism and accountability for sound and transparent corporate decision-making. As the highest permanent decision-making body of the Group, the BoD resolves the matters including the matters stipulated in the company's policies or articles of incorporation, the appointment of key directors, the matters delegated by the shareholders' meeting, the basic policies of corporate management, and important agendas in business operation, thereby promoting

responsible management. To ensure smooth functioning of the Board of Directors, HANSAE YES24 HOLDINGS has appointed the CEO as the Chairman of the BoD, which enables efficient operations and rapid execution of decisions. Additionally, to ensure the independence of the Board, the Audit Committee, the Sustainable Management Committee, the Management Committee, and the Independent Directors Recommendation Committee have been established and operated under the Board of Directors.

Operation of the BoD

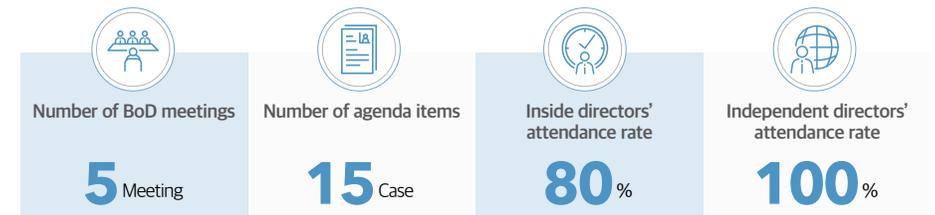


BoD Members

Category	Name	Gender	Position	Career	Date of election
Inside director	DONG NYUNG KIM	Male	CEO in charge of enterprise-wide management	CEO of HANSAE YES24 HOLDINGS	Mar 8, 2022
Inside director	SUK HWAN KIM	Male	Chairman of the Management Committee	CEO of YES24 CO.,LTD	Mar 28, 2022
Inside director	IK WHAN KIM	Male	Member of the BoD	CEO of HANSAE CO., LTD.	Mar 28, 2022
Inside director	JI WON KIM	Female	Member of the BoD	CEO of HANSAEMK CO.,LTD.	Mar 28, 2022
Independent director	CHAN KEUN LEE	Male	Chairman of the Audit Committee	Independent Director of SK Inc.	Mar 30, 2020
Independent director	CHONG JAE LEE	Male	Chairman of the Sustainable Management Committee	Representative of PSR ¹	Mar 30, 2020
Independent director	KI HWA LEE	Female	Chairman of the Independent Directors Recommendation Committee	Certified Public Accountant Partner, Dasan Accounting Firm	Mar 30, 2020

1. PSR: Public sector social Responsibility institute

2022 BoD Operation Status



Category	Unit	2020	2021	2022
Number of BoD meetings	Meeting	6	4	5
Number of agenda items	Case	15	13	15
Inside directors' attendance rate	%	83.3	87.5	80.0
Independent directors' attendance rate	%	100	100	100

Board of Directors

Operation of the BoD

The Board of Directors of HANSAE YES24 HOLDINGS approves the management strategies and policies of the Group and oversees and monitors their implementation, thus supporting the Company with responsible management. In cases where certain directors have conflicts of interest, their voting rights are restricted in accordance with the "Commercial Law and Board Regulations" to prevent such conflicts. The BoD is held regularly in accordance with the annual operating plan, and an extraordinary BoD meeting is convened for urgent decision-making.

Major Resolutions of the BoD

Date	Agenda Items
Feb 18, 2022	Report on the operation status of the Internal Accounting Management System
	Report on the evaluation of the operation of the Internal Accounting Management System
	Convocation of the 40th regular general meeting of shareholders and agenda deliberation
	Approval of the 40th financial statements (including cash dividends) and business reports
	New and extended loan agreement for the 1st quarter of HANSAE YES24 HOLDINGS
	New and extended payment guarantees for subsidiaries in the 1st quarter
Mar 29, 2022	Proposal for CEO appointment
May 12, 2022	Extended loan agreement for the 2nd quarter of HANSAE YES24 HOLDINGS
	New and extended payment guarantees for subsidiaries in the 2nd quarter
Aug 11, 2022	Establishment of committees within the Board of Directors
	Debt Assumption following corporate merger
	New and extended payment guarantees for subsidiaries in the 3rd quarter
Nov. 10, 2022	New and extended loan agreement for the 4th quarter of HANSAE YES24 HOLDINGS
	New and extended payment guarantees for subsidiaries in the 4th quarter
	Amendments to the Internal Accounting Management System Regulations

Operating Principles of the BoD

- First**, we seek to have a diverse composition of board of directors that represents a wide range of experience, expertise, background, gender, ethnicity, etc.
- Second**, we pursue to maintain transparency and openness in decision-making processes by disclosing the board's meeting minutes, resolutions, policies, etc.
- Third**, the board prioritizes stakeholders' interests and adheres to legal regulations and ethical standards.
- Fourth**, the Board members possess the necessary expertise and competencies for the company's growth and development and makes decisions necessary for the company's strategy and risk management.

Expertise of the BoD

HANSAE YES24 HOLDINGS supports the operations of the BoD and the performance of independent directors through its Finance and Legal Teams within the organization. Independent directors can seek assistance from experts on corporate operations in accordance with the Board regulations, and they can receive training provided by external organizations such as commissioned education, if necessary. In line with this, HANSAE YES24 HOLDINGS provided three education sessions for outside directors in 2022 to strengthen their expertise and ensure sound corporate management.

Date	Education Contents
Nov 23, 2022	Corporate Governance Development Center's 2022 Webinar
Dec 5, 2022	Training on Internal Accounting Management System
Dec 19, 2022	Briefing Session on 2022 Best Practices for Internal Accounting Management System

Board of Directors

Remuneration of Directors

The remunerations of the inside and independent directors of HANSAE YES24 HOLDINGS are determined by quantitative performance indicators such as sales revenue, operating profit, net income, and qualitative performance indicators such as contributions to the company, expertise, and leadership within the limits approved by the general meeting of shareholders. The status of BoD remunerations is disclosed annually in the business report, and the appropriateness of remuneration and plans for future policy establishment are transparently disclosed to internal and external stakeholders through the corporate governance report.

Category	Unit	2020	2021	2022
Number of directors	Person	7	7	7
Total remuneration	KRW million	852	1,012	1,212
Average remuneration per person	KRW million	122	145	173

Evaluation of Directors

Regarding the evaluation of independent directors' activities, HANSAE YES24 HOLDINGS comprehensively reviews their attendance rate at board meetings, opinions and contributions to board agendas, and whether they provide advice as experts in specific fields on an annual basis. The evaluation results are utilized to support the effective activities of independent directors and to review their re-appointment, however, evaluation and remuneration are not linked to avoid the possibility of impairing the independence of independent directors. Accordingly, we operate a separate remuneration policy, and the remuneration of independent directors is paid within the limits approved by the shareholders' meeting.

BoD Committees

HANSAE YES24 HOLDINGS has established and operates four committees within the BoD: the "Independent Directors Recommendation Committee," the "Management Committee," the "Sustainable Management Committee" and the "Audit Committee." Each committee is composed of directors with specialized knowledge and experience in specific areas of business, providing deep understanding and expertise in their respective fields.

Audit Committee

The Audit Committee of HANSAE YES24 HOLDINGS is composed of independent directors responsible for evaluating the accuracy and reliability of the company's financial reports and internal control systems. In addition, the committee ensures the interests of all stakeholders, including shareholders, employees, customers, and the local community, and supports sustainable growth by enhancing the transparency and accountability of the Group.

Independence of the Audit Committee

Main Criteria for Appointment	Fulfillment of Criteria	Relevant Laws and Regulations
Consisting of at least 3 directors	Fulfilled (3 directors)	Commercial Code Article 415-2, Paragraph 2
Independent directors comprise at least two-thirds of the members.	Fulfilled (All members are independent directors.)	
At least one of the members is an accounting or financial expert	Fulfilled (2 members)	Commercial Code Article 542-11, Paragraph 2
The chairman of the Audit Committee must be an independent director.	Fulfilled	
Other disqualifications (e.g. Related parties of major shareholders)	Fulfilled (No relevant cases)	Commercial Code Article 542-11, Paragraph 3

Board of Directors

Status of Audit Committee Operations

Date	Agenda Items	Approved/Reported
Feb 18, 2022	Approval of Internal Accounting Management System evaluation results	Approved
	Approval of the audit report	Approved
	Agenda review of the general meeting of shareholders	Approved
	Report on the operation status of the Internal Accounting Management System	Reported
	Report on the 40th financial statements and operating report	Reported
May 12, 2022	Review report on risk management of subsidiaries and foreign currency valuation management	Reported
	Report on separate and consolidated financial statements for the 1st quarter of 2022	Reported
	Report on internal accounting control (funds)	Reported
	Review of loan management plan during interest rate hike	Reported
Aug 11, 2022	Report on measures to improve the performance of subsidiaries	Reported
	Report on separate and consolidated financial statements for the 2nd quarter of 2022	Reported
Nov 10, 2022	Approval of the contract with the 42nd designated external auditors	Approved
	Regulations changes to Internal Accounting Management System	Approved
	Report on separate and consolidated financial statements for the 3rd quarter of 2022	Reported
	Report on 2022 Internal Accounting Management System evaluation plan (Draft)	Reported
	External auditor's communication with the governing body	Reported

Sustainable Management Committee

HANSAE YES24 HOLDINGS's Sustainable Management Committee develops and implements policies, strategies, and objectives to achieve sustainable management for the company in social, environmental, and economic aspects. The Committee determines the long-term direction of ESG management of HANSAE YES24 HOLDINGS based on an understanding of the industry in which the company operates and international standards. Furthermore, it develops policies related to social responsibility, climate change response, and social inclusion to ensure sustainable business activities.

Date	Agenda Items	Approved/Reported
May 12, 2022	Report on ESG activities in the 1st quarter	Reported
Aug 11, 2022	Report on ESG activities in the 2nd quarter	Reported
Nov 10, 2022	Report on ESG activities 3rd quarter	Reported
	Corporate governance report	Reported

Management Committee

The Management Committee of HANSAE YES24 HOLDINGS works with the management to support strategic decisions on the growth, expansion, and diversification of the Group, and ensures stability and sustainability by identifying and managing various risk factors, including financial, operational, legal, and reputational risks. The company provides the committee with necessary information and analytical data required to fulfill its role, contributing to making sound decisions.

Date	Agenda Items	Approved/Reported
May 12, 2022	New and extended loan agreement for the 2nd quarter of HANSAE YES24 HOLDINGS	Approved
	New and extended payment guarantees for subsidiaries in the 2nd quarter	Approved
Aug 11, 2022	Debt assumption following corporate merger	Approved
	New and extended payment guarantees for subsidiaries in the 3rd quarter	Approved
Nov 10, 2022	New and extended loan agreement for the 4th quarter of HANSAE YES24 HOLDINGS	Approved
	New and extended payment guarantees for subsidiaries in the 4th quarter	Approved

Independent Directors Recommendation Committee

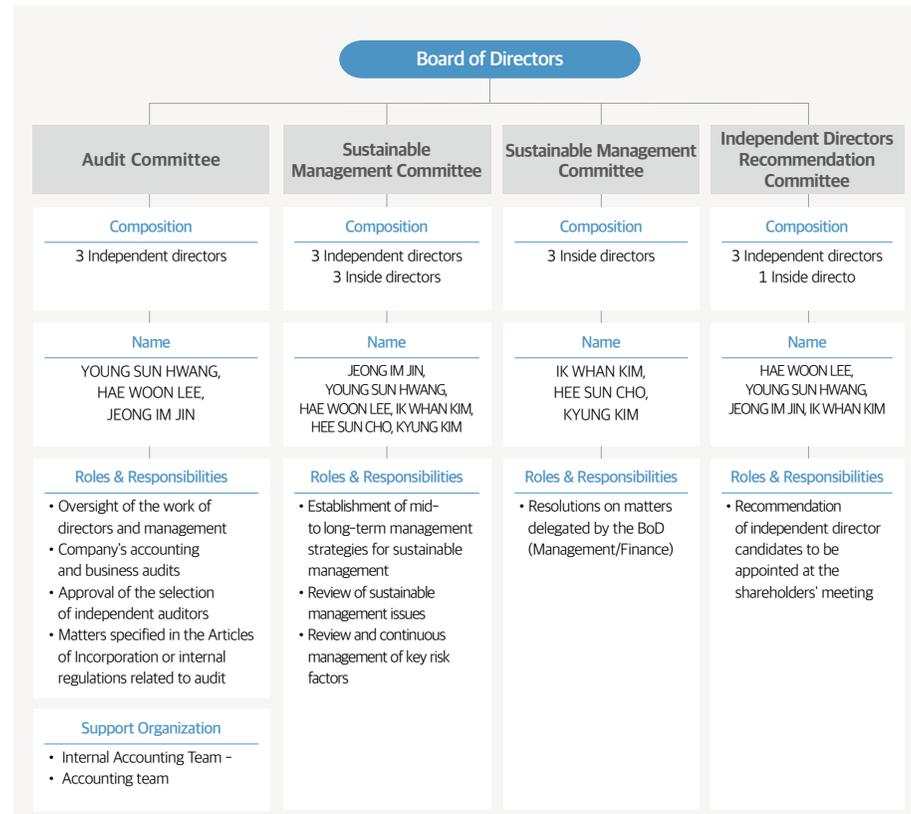
HANSAE YES24 HOLDINGS appoints candidates with specialized expertise through a fair and transparent process of independent director recommendation and evaluation conducted by the Independent Directors Recommendation Committee. In accordance with Article 542-8 of the Commercial Code, more than half of the members of the committee are composed of independent directors. However, in 2022, the Committee did not hold any meetings.

Board of Directors

Operating a Trustworthy and Fair Board of Directors

HANSAE CO., LTD.'s Board of Directors serves as the company's highest decision-making body, determining the strategic direction and actively participating in various aspects of corporate operations by representing the interests of key stakeholders. Furthermore, we strive to ensure fair corporate management by disclosing the decision-making process and results of the BoD to diverse stakeholders such as shareholders, investors, customers, and employees

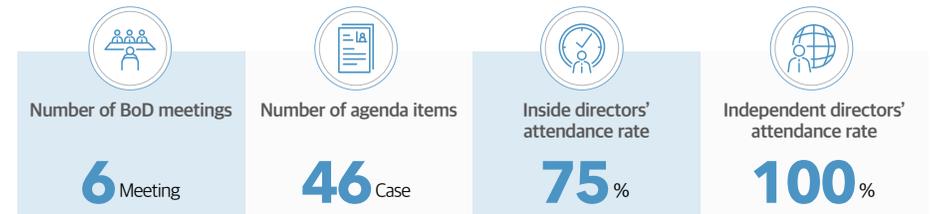
Operation of the BoD



BoD Members

Category	Name	Gender	Position	Career	Date of election
Inside director	IK WHAN KIM	Male	CEO in charge of enterprise-wide management	CEO of HANSAE CO., LTD.	Mar 26, 2015
Inside director	DONG NYUNG KIM	Male	Executive of HANSAE YES24 HOLDINGS, the largest shareholder	CEO of HANSAE YES24 HOLDINGS	Jan 6, 2009
Inside director	HEE SUN CHO	Female	Member of the BoD	Representative director of the Sales Division at HANSAE CO., LTD.	Mar 30, 2020
Inside director	KYUNG KIM	Male	Member of the BoD	Head of Production Innovation Division (Vice President) of HANSAE CO., LTD.	Mar 30, 2020
Independent director	YOUNG SUN HWANG	Male	Chairman of the Audit Committee	Director at Dongnam Accounting Corporation.	Mar 30, 2020
Independent director	HAE WOON LEE	Male	Chairman of the Independent Directors Recommendation Committee	(Former) CEO of KOLON MATERIALS (Vice President)	Mar 29, 2022
Independent director	JEONG IM JIN	Female	Chairman of the Sustainable Management Committee	CEO of Made for You	Mar 29, 2022

2022 BoD Operation Status



Category	Unit	2020	2021	2022
Number of BoD meetings	Meeting	12	9	6
Number of agenda items	Case	43	36	46
Inside directors' attendance rate	%	60.0	72.2	75.0
Independent directors' attendance rate	%	100	100	100

Board of Directors

Operation of the BoD

To run a responsible business, HANSAE CO., LTD. has established and operates committees within the BoD as follows: the Audit Committee, the Independent Directors Recommendation Committee, the Management Committee, and the Sustainable Management Committee. Each committee is composed of directors with specialized knowledge and experience in specific areas of business, providing deep understanding and expertise in their respective fields. In 2022, a total of six BoD meetings were held to make decisions on important matters such as the review and approval of financial reports, convening regular shareholders' meetings, and the appointment of the CEO.

BoD Operations Status

Date	Agenda Items
Feb 22, 2022	New Comprehensive Limit Agreement (foreign currency) for HANSAE CO., LTD.
	Maturity extension and limit increase of HANSAE CO., LTD. usance
	Approval of the 13th financial statements
	Report on the Internal Accounting Management System and 7 other matters
Mar 14, 2022	Adoption of electronic voting system for appointing candidates for independent directors and Audit Committee members
	Resolution to convene the 13th general meeting of shareholders.
	Approval of capital increase of Color&Touch Co.,Ltd
May 11, 2022	Joint guarantee for corporate loan for C&T VINA
	Approval of a new OA contract for HANSAE CO., LTD. (Shinhan Bank)
	Loan maturity extension (Korea Development Bank) and 8 other agenda items
Aug 4, 2022	Establishment of committees within the BoD
	Establishment of a new corporation in Guatemala and 9 other agenda items
Nov 9, 2022	Amendment of company regulations
	Investment in infrastructure for vertical integration for apparel manufacturing in Guatemala
	Loan to subsidiaries
	Obtaining an Export Growth Loan (Medium-term) from KEXIM
	Extension of loan maturity with Suhyup Bank
	Joint guarantee for loan agreement with Kookmin Bank for Color&Touch Co.,Ltd
	Joint guarantee for loan agreement with Shinhan Bank for Color&Touch Co.,Ltd
Extension of joint guarantee for C&T VINA with Shinhan Bank	
Dec 22, 2022	Appointment of CEO

Expertise and Diversity of the BoD

HANSAE CO., LTD. recognizes the importance of proper board operation in achieving sustainability and building trust among stakeholders. Accordingly, HANSAE CO., LTD. focuses on the composition, evaluation and enhancement processes of the board, and external audits, thereby seeking continuous improvement and innovation. Additionally, to secure expertise within the board, the company has appointed independent directors with specialized knowledge and practical experience in diverse fields. HANSAE CO., LTD.'s independent directors monitor management activities independently from the management in accordance with relevant laws including the Commercial Code, managing the interests of various stakeholders, including shareholders, investors, employees, customers, and local communities.

Education for Independent Directors

HANSAE CO., LTD.'s independent directors receive training on the company's financial soundness, internal control system, accounting standards, and audit regulations to enhance their expertise and job performance. In 2022, a total of three training sessions were held, and we strive to improve compliance with regulations and enhance risk management capabilities by familiarizing our independent directors with the latest trends in the audit field, regulatory changes, and the latest audit techniques.

Date	Education Contents
Jul 14, 2022	The Audit Committee's 2nd regular forum for auditors and Audit Committee members
Sep 14, 2022	The Audit Committee's 3rd regular forum for auditors and Audit Committee members
Oct 27, 2022	Online training on Internal Accounting Management System

Remuneration of Directors

The remunerations of the inside and independent directors of HANSAE CO., LTD. are determined by quantitative performance indicators such as sales revenue, operating profit, net income, and qualitative performance indicators such as contributions to the company, expertise, and leadership within the limits approved by the general meeting of shareholders.

Category	Unit	2020	2021	2022
Number of directors	Person	8	7	7
Total remuneration	KRW million	1,788	1,904	2,445
Average remuneration per person	KRW million	222	272	349

Board of Directors

BoD Committees

Although HANSAE CO., LTD. is not legally obligated to establish a committee under the BoD pursuant to Articles 542-8 and 542-11 of the Commercial Code, we have established and operated committees under the BoD to implement transparent governance and fulfill our roles and responsibilities. At the 13th general meeting of shareholders held in 2022, the Articles of Incorporation were amended to establish the Independent Directors Recommendation Committee, the Sustainable Management Committee, and the Management Committee.

Audit Committee

HANSAE CO., LTD.'s Audit Committee is composed of three independent directors to ensure independence, and one of the members is an accounting and finance expert to meet the requirements of the Commercial Code, Articles of Incorporation, Board of Directors Regulations, and Audit Committee Regulations.

Independence of the Audit Committee

Main Criteria for Appointment	Fulfillment of Criteria	Relevant Laws and Regulations
Consisting of at least 3 directors	Fulfilled (3 directors)	Commercial Code Article 415-2, Paragraph 2
Independent directors comprise at least two-thirds of the members.	Fulfilled (All members are independent directors.)	
At least one of the members is an accounting or financial expert	Fulfilled (1 member)	Commercial Code Article 542-11, Paragraph 2
The chairman of the Audit Committee must be an independent director.	Fulfilled	
Other disqualifications (e.g., Related parties of major shareholders)	Fulfilled (No relevant cases)	Commercial Code Article 542-11, Paragraph 3

Status of Audit Committee Operations

Date	Agenda Items	Approved/Reported
Feb 22, 2022	Approval of the financial statements of the 13th fiscal year	Approved
	Audit and evaluation on Internal Accounting Management System	Approved
	Report on the operation status of the Internal Accounting Management System	Reported
May 11, 2022	Report on the financial statements for the 1st quarter of the 14th fiscal year	Reported
	Report on the Internal Accounting Management System operation plan	Reported
Aug 4, 2022	Report on the financial statements for the 2nd quarter of the 14th financial statements	Reported
	Report on the operation status of the internal accounting management system	Reported
	Approval of the 15th designated external auditor contract	Approved
Nov 9, 2022	Approval of revision of the Audit Committee Terms of Reference	Approved
	Report on the financial statements for the 3rd quarter of the 24th fiscal year	Reported
	Report on the operation status of the Internal Accounting Management System	Reported
Dec 9, 2022	External auditor's communication with the governing body	Reported

Sustainable Management Committee

In 2022, HANSAE CO., LTD. established the Sustainable Management Committee under the Board of Directors to set the company's unique goals and directions for sustainable management and develop specific plans and measures. The Sustainable Management Committee thoroughly examines and reviews current issues from various perspectives by assessing and preventing risks such as environmental problems, social issues, and governance deficiencies, while also exploring ESG-related opportunities to enhance the company's competitiveness and growth prospects. In particular, HANSAE CO., LTD. reported the materiality assessment results at the BoD meeting in May 2023 to identify significant risks and opportunities in its business operations and assess the social and environmental impacts of its business activities. Through this, we will set and implement specific directions to sensitively respond to material issues and systematically manage them. Based on such an approach, we will sensitively address and systematically manage significant issues and set specific directions for future progress.

Date	Agenda Items	Approved/Reported
Nov 9, 2022	ESG Management Overview	Reported
	Goals and Implementation Plans on GHG emissions	Reported
	Goals and Implementation Plans on DE&I	Reported

Status of Management Committee Operations

In 2022, HANSAE CO., LTD. established the Management Committee under the Board of Directors to support strategic decisions related to the company's growth, expansion, and diversification, and to provide the necessary information and analytical data to the Board of Directors for decision-making. The committee takes responsibility for implementing the Board's policies and guidelines and seeks to ensure the stability and sustainability of the company by detecting and managing various risk factors surrounding the company.

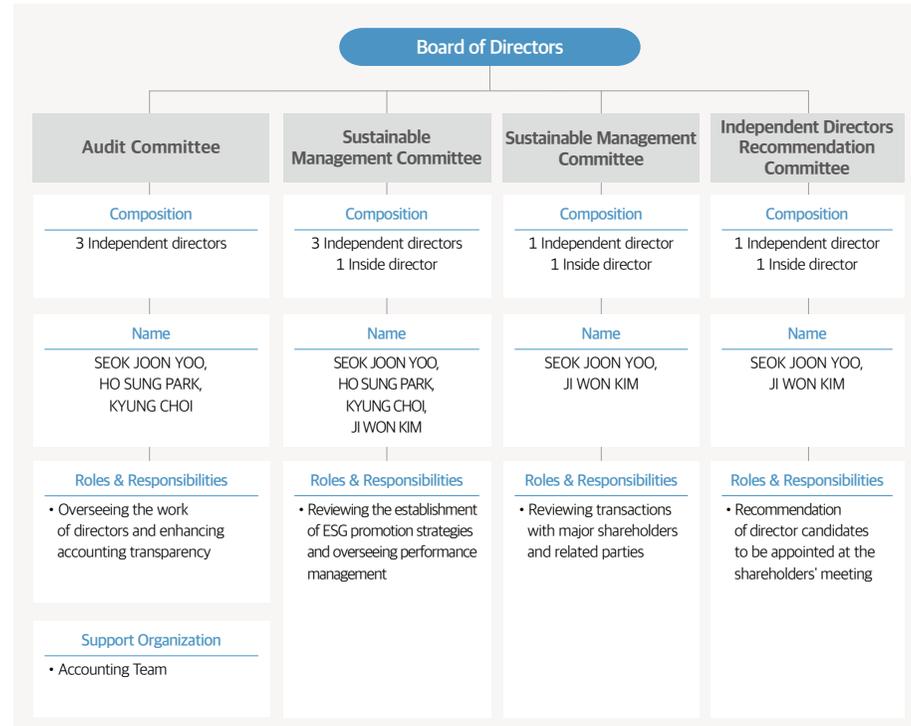
Date	Agenda Items	Approved/Reported
Sep 5, 2022	Deliberation on management issues	Reported
Oct 4, 2022	Deliberation on management issues	Reported
Nov 7, 2022	Deliberation on management issues	Reported
Dec 5, 2022	Deliberation on management issues	Reported

Board of Directors

Transparent and Sound Board of Directors

Recognizing the importance of transparent disclosure of board operations in achieving corporate sustainability, HANSAEMK CO.,LTD. appoints directors through regular general meetings of shareholders and strive to enhance shareholder value. The BoD of HANSAEMK CO.,LTD. with a total of seven members, is composed of experts selected through the Directors Recommendation Committee to enhance corporate value. Furthermore, the company is aware of the significance of sustainable management and established a Sustainable Management Committee during the 2022 regular shareholders' meeting to set a direction in this regard. Going forward, HANSAEMK CO.,LTD. will develop specific plans and measures for sustainable management, considering ESG aspects.

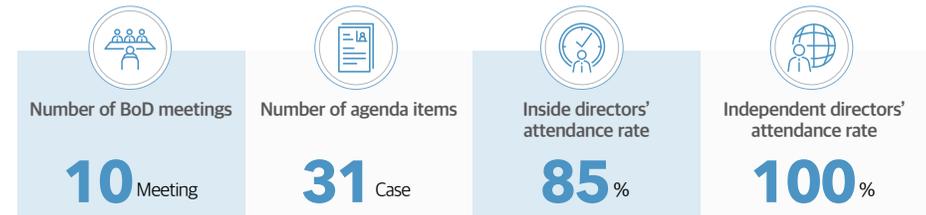
Operation of the BoD



BoD Members

Category	Name	Gender	Position	Career	Date of election
BoD	DONG NYUNG KIM	Male	CEO(BoD)	CEO of HANSAE YES24 HOLDINGS	Mar 29, 2022
BoD	JI WON KIM	Female	CEO(General management)	CEO of HANSAEMK CO.,LTD.	Mar 30, 2020
BoD	DONG HWAN LIM	Male	CEO(General management)	CEO of Hansae Dreams	May 25, 2022
BoD	IK WHAN KIM	Male	Member of the BoD	CEO of HANSAE CO., LTD.	Mar 29, 2022
BoD	SEOK JOON YOO	Male	Member of the BoD	CEO of AP Holdings Co., Ltd.	Mar 30, 2020
BoD	HO SUNG PARK	Male	Member of the BoD	Former CEO of Korea FUJIFILM	Mar 30, 2020
BoD	KYUNG CHOI	Male	Member of the BoD	CEO of ValueTrade	Mar 29, 2022

2022 BoD Operation Status



Category	Unit	2020	2021	2022
Number of BoD meetings	Meeting	11	6	10
Number of agenda items	Case	26	20	31
Inside directors' attendance rate	%	81.80	83.30	84.75
Independent directors' attendance rate	%	100	93.30	100

Board of Directors



Operation of the BoD

The directors of HANSAEMK CO.,LTD. are appointed through the general meeting of shareholders, and the independent directors are appointed by the recommendation of the Independent Directors Recommendation Committee. As of December 2022, the Board of Directors of HANSAEMK CO.,LTD. is composed of seven members, including four inside directors and three independent directors. As the highest decision-making body of the company, the BoD deliberates on matters specified by laws or articles of incorporation, matters delegated by shareholder meetings, and important issues related to the company's basic management policies and business execution, also supervising the management's business execution. In 2022, the company established the Sustainable Management Committee during the regular shareholder meeting to develop specific plans and measures for sustainable management, particularly in terms of ESG.

BoD Operation Status

Date	Agenda Items
Jan 4, 2022	Loan of money [Counterparty: MKTREND(SHANGHAI) CO.,LTD] Report on the operation status and evaluation of the Internal Accounting Management System for the 27th fiscal year Approval of the consolidated and separate financial statements for the 27th Fiscal Year Convening the 27th general meeting of shareholders and decision on the agenda.
Feb 17, 2022	New loan for operating funds (Hana Bank). Increase in Comprehensive Limit (Hana Bank) Extension of maturity for operating funds loan (Shinhan Bank). Joint guarantee for loan agreement for MKTREND(SHANGHAI) CO.,LTD (Korea Development Bank) Joint guarantee for loan agreement for MKTREND(SHANGHAI) CO.,LTD (Shinhan Bank). Joint guarantee for loan agreement for MKTREND(SHANGHAI) CO.,LTD (IBK)
Mar 8, 2022	Change in agenda for the 27th general meeting of shareholders Approval of introducing electronic voting system
Mar 29, 2022	Appointment of CEO
May 12, 2022	Joint guarantee for loan agreement for MKTREND(SHANGHAI) CO.,LTD (IBK) Joint guarantee for loan agreement for MKTREND(SHANGHAI) CO.,LTD (Shinhan Bank).
Jul 4, 2022	Report on merger completion Report on merger completion and notice for shareholders' meeting Appointment of CEO
Jul 5, 2022	Discontinuing a brand Establishment of branches (Succession of 14 business locations of the merged company). Closure of branches (Homeplus Chilgok/Ansan, Starfield Coex, Hyundai Outlet Gasan)

Date	Agenda Items
Aug 12, 2022	Capital increase of MKTREND(SHANGHAI) CO.,LTD (USD 5 million). Debt Assumption following corporate merger (Hana Bank). Extended loan agreement for operating funds (Korea Development Bank) Joint guarantee for loan agreement for MKTREND(SHANGHAI) CO.,LTD (Hana Bank) Joint guarantee for loan agreement for MKTREND(SHANGHAI) CO.,LTD (IBK). Joint guarantee for loan agreement for MKTREND(SHANGHAI) CO.,LTD (Shinhan Bank). Branch establishment (Square One at Incheon Branch)
Nov 8, 2022	Branch establishment (i-Park Gochuk Branch) Joint guarantee for loan agreement for Hansae Dreams Japan Co., Ltd. (Shinhan Bank)
Dec 23, 2022	Capital increase of MKTREND(SHANGHAI) CO.,LTD (USD 8 million).

Remuneration of Directors

The remunerations of the inside and independent directors of HANSAEMK CO.,LTD. are determined by quantitative performance indicators such as sales revenue, operating profit, net income, and qualitative performance indicators such as contributions to the company, expertise, and leadership within the limits approved by the general meeting of shareholders. The status of BoD remunerations is transparently disclosed in the business report.

Category	Unit	2020	2021	2022
Number of directors	Person	6	6	7
Total remuneration	KRW million	270	214	476
Average remuneration per person	KRW million	45	36	68

BoD Committees

HANSAEMK CO.,LTD. operates five committees under the BoD to ensure its efficient and professional performance; the Independent Directors Recommendation Committee, the Directors Recommendation Committee, the Internal Transactions Committee, the Audit Committee, the Sustainable Management Committee. Each committee is composed of directors with specialized knowledge and experience in specific areas of business, providing deep understanding and expertise in their respective fields.

Audit Committee

HANSAEMK CO.,LTD. introduced the Audit Committee at the 22nd regular general meeting of shareholders on March 17, 2017, and operates the Audit Committee, which consists of three independent directors, as described below. The Audit Committee attends BoD meetings, independently oversees the directors' activities and evaluates the accuracy and reliability of the company's financial reports and internal control systems, aiming at protecting the interests of the company's stakeholders. One of the members of the Audit Committee is an accounting and finance expert, meeting the requirements of the Commercial Code, Articles of Incorporation, BoD regulations, and Audit Committee regulations.

Independence of the Audit Committee

Main Criteria for Appointment	Fulfillment of Criteria	Relevant Laws and Regulations
Consisting of at least 3 directors	Fulfilled (3 directors)	Commercial Code
Independent directors comprise at least two-thirds of the members.	Fulfilled (All members are independent directors.)	Article 415-2, Paragraph 2
At least one of the members is an accounting or financial expert.	Fulfilled (1 member)	Commercial Code
The chairman of the Audit Committee must be an independent director.	Fulfilled	Article 542-11, Paragraph 2
Other disqualifications (e.g., Related parties of major shareholders)	Fulfilled (No relevant cases)	Commercial Code Article 542-11, Paragraph 3

Status of Audit Committee Operations

Date	Agenda Items	Approved/ Reported
Feb 17, 2022	Report on the operation and evaluation of the Internal Accounting Management System for the 27th Fiscal Year	Approved
	Approval of separate and consolidated financial statements for the 27th Fiscal Year	Approved
Nov 8, 2022	Report on the appointment of auditors for 2023	Approved

Directors Recommendation Committee

HANSAEMK CO.,LTD.'s Directors Recommendation Committee carries out an objective evaluation of director candidates' career, achievements, and ethical behaviors, taking into account the company's vision, strategy, and management needs. The committee's activities ensure independence and fairness in the process of recommending and appointing inside director candidates.

Independent Directors Recommendation Committee

HANSAEMK CO.,LTD.'s Independent Directors Recommendation Committee objectively evaluates candidates who understand the company's strategy and business model and possess the necessary expertise and experience for the company's business. This ensures the appointment of independent directors who contribute to corporate competitiveness.

Internal Transactions Committee

HANSAEMK CO.,LTD.'s Internal Transactions Committee monitors and evaluates internal transactions to ensure transparency, fairness, and compliance with relevant laws and regulations. This enables us to detect potential irregularities or conflicts of interest among stakeholders and take immediate action.

Sustainable Management Committee

HANSAEMK CO.,LTD. has established a Sustainable Management Committee under the BoD to seek sustainable value creation, considering social and environmental impacts in addition to financial performance. Continuing efforts such as developing eco-friendly products, the company has established and implemented systematic strategies for ESG management through the committee activities. In addition, collecting and analyzing relevant data, HANSAEMK CO.,LTD. aims to identify areas for improvement and recognize the importance of governance issues, thereby upgrading the committee activities. The Sustainable Management Committee, established in 2022, has devised five activity plans before initiating significant endeavors, and plans to openly share future activity updates with both internal and external stakeholders.

HANSAEMK CO.,LTD.'s Sustainable Management Committee Action plan

- Transition to eco-friendly packaging materials such as polybags and boxes.
 - Declaration of ESG Building for HANSAEMK CO.,LTD. Headquarters:
 - * Implementing a campaign to reduce the use of paper cups among employees.
 - * Encouraging employees to pledge to reduce their individual GHG emissions by 1 ton.
 - Developing and promoting eco-friendly products for each brand.
 - Continuing clothing donations
 - Enhancing transparency and stakeholder engagement by including information on ESG activities on the company's website and sustainability reports.
- * Replacing light bulbs with LEDs in the headquarters building (The Logistics Center completed the replacement in 2021)

Ethics Management

Governance

Code of Ethics

To fulfill its corporate ethical responsibilities, HANSAE YES24 Group has established a Code of Ethics that specifies the Group's decision-making and behavioral standards and it serves as the guiding principles for all management activities and employees' conduct. The code is applied to all subsidiaries of HANSAE YES24 Group, and is made available on the websites of major subsidiaries so that all stakeholders associated with the Group, including domestic and overseas corporations, subsidiaries, and investment companies, can adhere to it. In addition, we ask all employees to pledge to the code every year, and post FAQs on ethical management practices on the homepage to ensure thorough compliance with the code. Furthermore, each year, all employees are required to pledge their commitment to upholding the Code of Ethics. To ensure strict compliance with the ethical standards, the company also posts FAQs on ethical management practices on its website.

HANSAE YES24 HOLDINGS: <http://www.hansaeyes24.com/ko/esg/ethics.asp>
 HANSAE CO., LTD.: <https://www.hansae.com/ko/esg/ethics.asp>
 HANSAEMK CO.,LTD.: <http://www.hansaemk.com/esg/%ec%9c%a4%eb%a6%ac%ea%b2%bd%ec%98%81/>

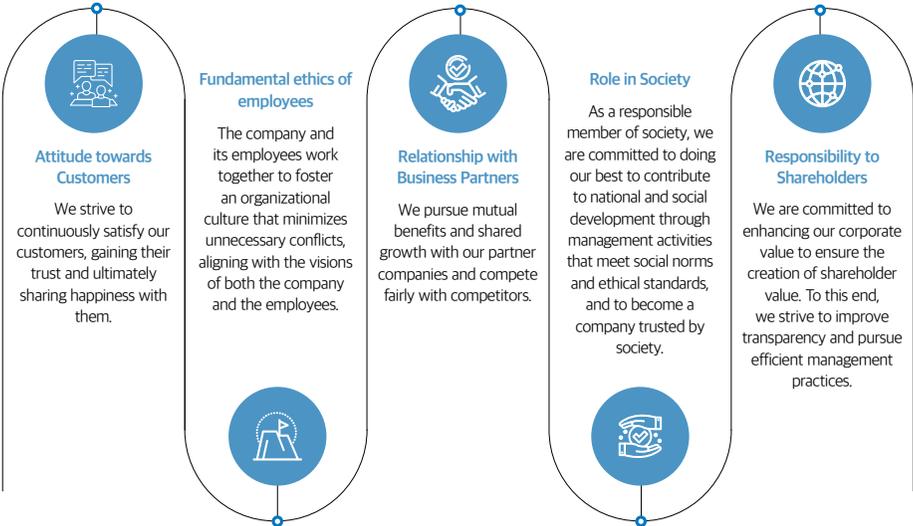
Ethics Organization

HANSAE YES24 Group has put in place a dedicated organization to systematically manage and supervise the Code of Ethics and the Code of Conduct. The HR team in each subsidiary is responsible for establishing transparent and rational business practices and operating a disciplinary committee to deal with employee misconduct. HANSAE YES24 Group aims to foster a culture where all organizational units and their employees can fulfill their ethical responsibilities.

Disciplinary System for Ethical Violations

HANSAE YES24 Group has implemented a disciplinary system to regulate unethical behaviors of employees. If an incident of employee misconduct occurs, the HR team promptly investigates the facts and work with the legal team to make objective and informed judgments. Furthermore, in cases of critical issues, a separate HR committee is formed to handle the matter in accordance with due procedures.

HANSAE YES24 Group Code of Ethics



Performance

Ethics Education

HANSAE YES24 Group provides regular education and guidance on the Code of Ethics for employees and suppliers. We support and monitor online education services so that all employees can receive ethical education, including statutorily mandated education about disability discrimination and sexual harassment prevention. In particular, starting in 2023, our focus will be on delivering targeted training on 'workplace harassment' to 300 employees holding positions of team leader or above, with the aim of establishing ethical management as an integral part of the company's culture. Additionally, we conduct regular education sessions on the Code of Ethics for local employees at overseas business sites and distribute the Code of Ethics in local languages to strengthen ethical awareness within the organization.

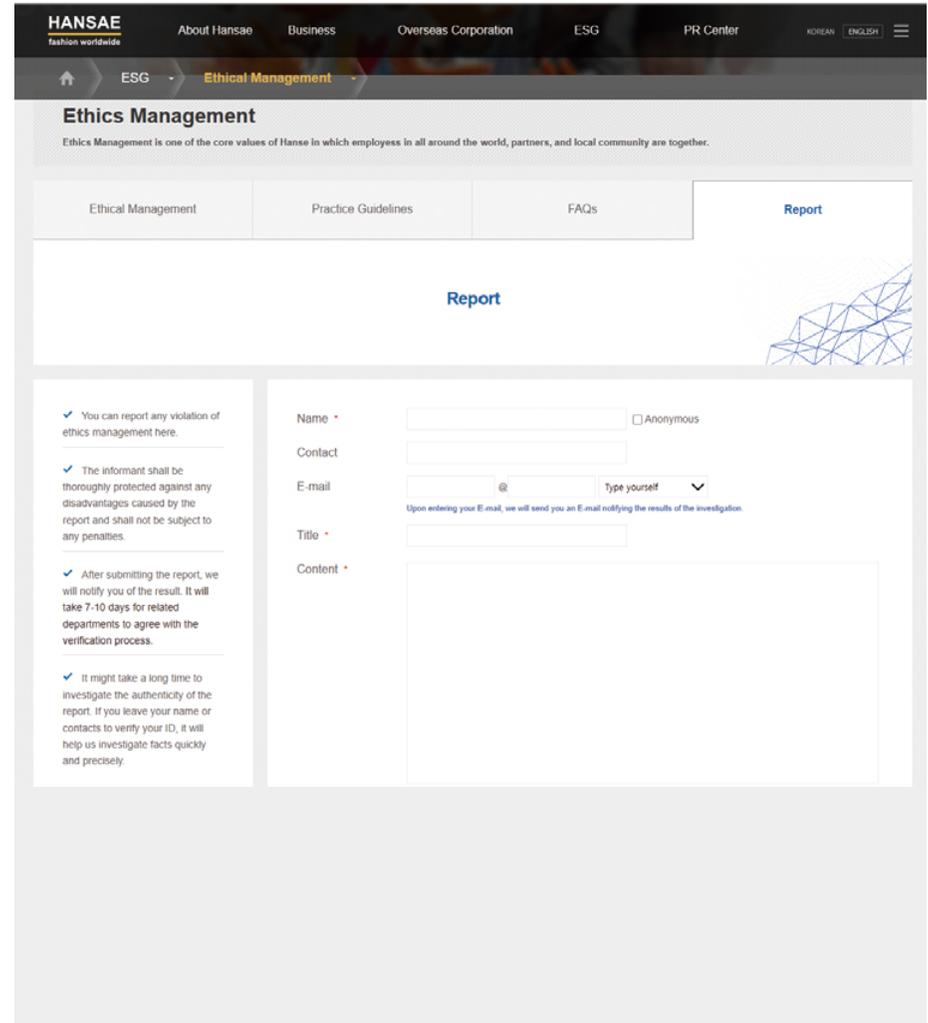
Ethics Management

Risk Management

Operation of Cyber Reporting Center

HANSAE YES24 Group runs a cyber reporting center to facilitate prompt reporting of unethical behaviors by employees, no matter where or when they occur. The Cyber Reporting Center is accessible through the website of each subsidiary, and the company aims to respond to reports within 7 to 10 days, providing the whistleblower with feedback on the outcomes. As a core implementation principle of the reporting center, HANSAE YES24 Group prioritizes the protection of whistleblowers and strictly prohibits the disclosure of the identity of whistleblowers and persons making a statement. Through this approach, we take special care to ensure that whistleblowers are not put at a disadvantage, and we strive to foster a corporate culture that actively addresses and eradicates corruption.

In the case of overseas business operations, we strive to quickly resolve employee complaints by establishing a channel for employees to directly report to the headquarters in Korea in addition to the self-reporting channel within the business site to report unfair behaviors.



<https://www.hansae.com/en/esg/ethics.asp>

Compliance Management

Governance

Compliance Management

HANSAE YES24 Group has established a system to strengthen compliance management in both domestic and overseas business operations. Such efforts include the establishment of a dedicated organization, risk identification related to regulatory violation, and the efficient execution of all compliance-related tasks. Particularly, the company continuously monitors various aspects of major decision-making and projects through its in-house legal and compliance teams to minimize regulatory violation risks at business sites and reinforce compliance management framework.

HANSAE YES24 Group and HANSAEMK CO.,LTD. work with in-house legal teams to proactively address legal risks that may arise both internally and externally, while efficiently responding to compliance issues within the company by utilizing a network of external legal firms.

HANSAE CO., LTD. operates independent compliance teams in each of its overseas subsidiaries, as well as in the headquarters in Korea, and handle tasks in accordance with the laws and regulations of each country and the company's code of ethics.

Compliance Management System

HANSAE YES24 Group is a global company with local subsidiaries in 11 countries across the world, including Korea. Accordingly, the Group has set three strategic directions to practice compliance management by abiding by local laws and regulations. Based on such efforts, HanseYes24 Group is committed to achieving transparent and fair business operations across its global business operations.

Strategic Direction	Scope	Roles	Specific Roles
Localization	Overseas subsidiaries	Self-Management of Overseas Subsidiaries	<ul style="list-style-type: none"> Reflecting local characteristics of overseas locations Managing areas where local self-management is efficient
Systematization	Parent company	Providing cooperation	<ul style="list-style-type: none"> Areas requiring joint responses Areas requiring joint response
Global	Holding company	Global commonalities	<ul style="list-style-type: none"> Global standards Group-wide compliance identity

Risk Management

HANSAE YES24 Group's Code of Conduct

HANSAE YES24 Group has established a Code of Conduct to comply with domestic and international laws and regulations, such as the prohibition of unfair trade, corruption, and illegal solicitation, and to meet social and ethical requirements for its main stakeholders: customers, shareholders, employees, suppliers, and local communities. The Code of Conduct is written in local language and English and posted at locations within the company premises for all employees to access. Going forward, HANSAE YES24 Group will continuously revise the Code of Conduct, considering internal and external trends, to prevent risks related to regulatory violations and enhance the level of corporate compliance management.

HANSAE COMPLIANCE STORY

HANSAE CO., LTD. has made endeavors to build a system for transparent and reliable business operations by implementing compliance regulations and management systems not only for its overseas subsidiaries but also for its entire supply chain. All the factories of HANSAE CO., LTD. follow the "Code of Ethics," which is designed to comply with anti-corruption laws, and overseas subsidiaries have "Codes of Conduct" in place, reflecting local laws, including labor and environmental regulations, as well as buyer requirements to ensure a safe working environment for employees. Additionally, HANSAE CO., LTD. has established and operates its own "Conflict Minerals Policy" to comply with the Dodd-Frank Act.

, which aims to prohibit the use of minerals produced in the Democratic Republic of the Congo and neighboring countries as a source of funding for armed groups, both directly and indirectly.

* Dodd-Frank Act: A law enacted to prohibit minerals produced in the Democratic Republic of the Congo and its neighboring countries from being used directly or indirectly to fund the operations of armed groups.

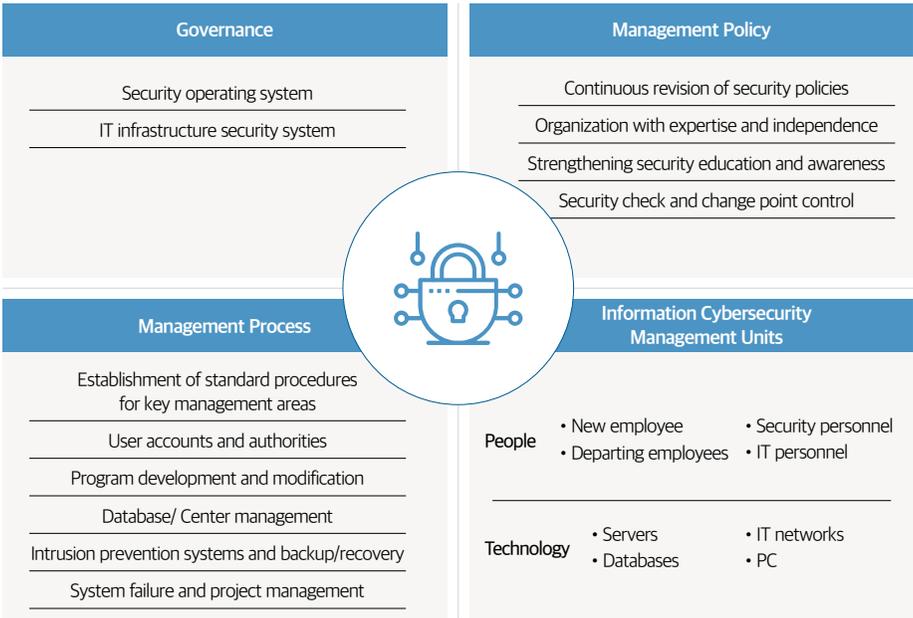
Information Security

Governance

Information Cybersecurity System

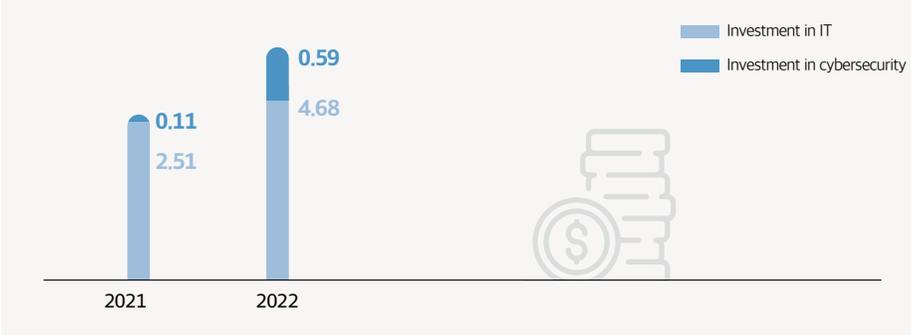
HANSAE YES24 Group strives to establish, manage, and comply with information security policies to prepare for increasingly sophisticated cyber-attacks. The Group has registered the security management regulations in the company's system and makes regular revisions on an annual basis, thereby allowing employees to become aware of and have access to information security regulations.

Information Cybersecurity Management System



HANSAEMK CO.,LTD.'s Investment in cybersecurity

KRW 100M



Information Cybersecurity Industry Promotion Act

HANSAE CO., LTD. conducts an annual information security disclosure in accordance with Article 13 of the Information Security Industry Promotion Act. Such an approach ensures that information on investment status on information security, specialized personnel, information security certification, and user information protection activities is publicly disclosed, allowing users to make informed decisions on companies in terms of information security. Through this information disclosure, HANSAE CO., LTD. shares the progress in separate investment for information protection with internal and external stakeholders and will continue its efforts to establish a culture of protecting information security in the future.

Information Cybersecurity Organization

HANSAE CO., LTD. designates a Chief Information Security Officer (CISO) who meets the qualification criteria required by the Act on Promotion of Information and Communications Network Utilization and Information Protection. The CISO and the team members in charge of information security are composed of those with relevant experience in information security and the company makes its best efforts to protect the Group's tangible and intangible assets by expanding investments in information security every year the best of their ability. HANSAEMK CO.,LTD. increases the amount of investment in information security each year from the overall IT budget. Through this initiative, the company aims to protect the information of our customers and employees while also safeguarding HANSAEMK CO.,LTD.'s valuable intellectual assets, thereby enhancing the company's overall value.

Risk Management

Integrated Risk Management

In 2022, HANSAE YES24 Group established a Sustainable Management Committee under the board of directors of major subsidiaries to review risks and opportunities related to sustainable management. Through such efforts, we have strengthened the management and oversight functions for major non-financial risks facing the company and effectively responded to changes in the internal and external business environment. For non-financial risks, we identify and categorize specific risks according to departmental tasks, and the operational departments derive tasks and come up with responses to address these risks.

Based on such an approach, we present agenda items related to sustainability issues to the board of directors, perform risk diagnosis and checks, and discuss countermeasures at the corporate level through the committee. Through the committee's activities, HANSAE YES24 Group derives strategies to resolve non-financial risks of the company and shares them with each business department to resolve and monitor risks at the company level.

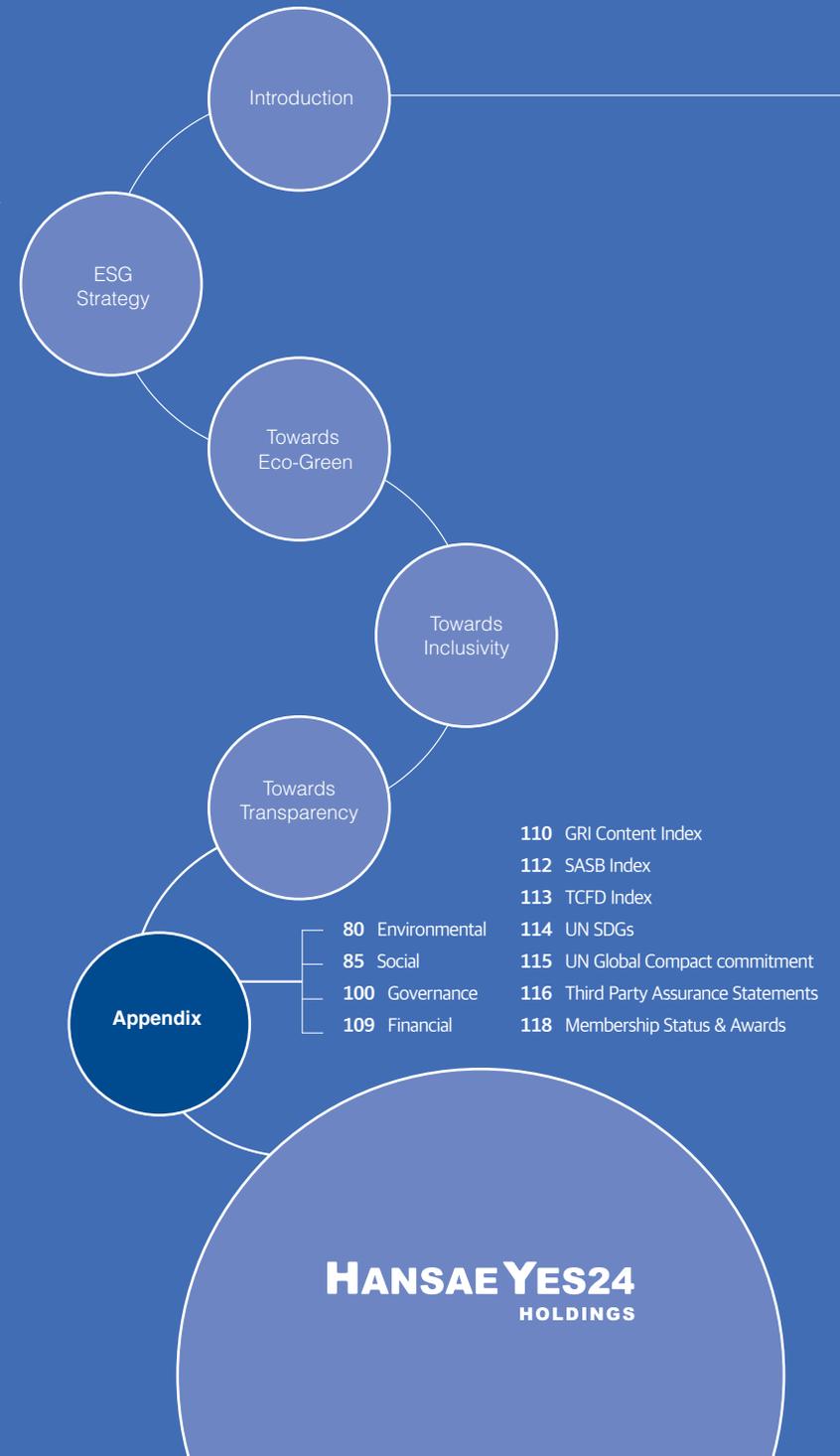
Corruption Risk Management

HANSAE YES24 Group categorizes and handles corruption risks under legal frameworks according to the urgency of the matter. For matters that need to be handled urgently, the relevant departments such as the Human Resources Department and the Legal Department immediately proceed with an investigation and disciplinary procedures. On the other hand, for issues that need to be handled from a long-term perspective, we monitor and manage risks by presenting them to the Sustainable Management Committee under the BoD of all subsidiaries with the Compliance Team and other relevant departments leading the process.

Company-wide Risk Management Process



APPENDIX



Environmental

Environmental Incident and Compliance

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Fines for non-compliance with environmental laws and regulations	KRW 1M	0	0	0
No. of cases of environmental/ecological violations	Cases	0	0	0

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Fines for non-compliance with environmental laws and regulations	KRW 1M	0	0	0
No. of cases of environmental/ecological violations	Cases	0	0	0

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Fines for non-compliance with environmental laws and regulations	KRW 1M	0	0	0
No. of cases of environmental/ecological violations	Cases	0	0	0

Environmental Investments

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Eco-friendly fabric purchase quantity	Yds	77,920,702	133,300,149	93,312,265
Eco-friendly fabric purchase amount	\$	174,760,136	292,453,127	250,548,285

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Amount of Eco-friendly products produced	KRW 1M	-	1,682	1,001
Eco-friendly product sales	KRW 1M	-	3,145	2,118

Environmental

Response to Climate Change

HANSAE YES24 HOLDINGS¹

	Category	Unit	2020	2021	2022
Domestic	Total emissions	tCO ₂ eq	-	72.6	77.9
	Direct emissions (Scope 1)	tCO ₂ eq	-	10.8	10.4
	- Percentage of disclosing business sites on direct emissions	%	-	100	100
	Indirect emissions (Scope 2)	tCO ₂ eq	-	61.8	67.6
	- Percentage of disclosing business sites on indirect emissions	%	-	100	100
	Intensity ²	tCO ₂ eq/KRW 100M	-	0.0	0.0

1. Calculated based on electricity consumption
2. Intensity: Total emissions / Total sales on consolidated basis (KRW 100M)

HANSAEMK CO.,LTD.¹

	Category	Unit	2020	2021	2022
Domestic	Total emissions	tCO ₂ eq	-	-	203.4
	Direct emissions (Scope 1)	tCO ₂ eq	-	-	37
	- Percentage of disclosing business sites on direct emissions	%	-	-	100
	Indirect emissions (Scope 2)	tCO ₂ eq	-	-	166.4
	- Percentage of disclosing business sites on indirect emissions	%	-	-	60
	Intensity ²	tCO ₂ eq/KRW 100M	-	-	0.1

1. Calculated based on electricity consumption
2. Intensity: Total emissions / Total sales on consolidated basis (KRW 100M)

HANSAE CO., LTD.^{1,2}

	Category	Unit	2020	2021	2022
Overseas	Total emissions ³	tCO ₂ eq	30,284	28,562	27,745
	Direct emissions (Scope 1) ⁴	tCO ₂ eq	15,680	15,025	14,302
	- Percentage of disclosing business sites on direct emissions	%	100	100	100
	Indirect emissions (Scope 2) ⁵	tCO ₂ eq	14,604	13,537	13,443
	- Percentage of disclosing business sites on indirect emissions	%	100	100	100
	Intensity ^{6,7}	tCO ₂ eq/KRW 100M	1.8	1.7	1.3
	Emissions reduction targets	%	-	-	2.5
	GHG emissions reduced via reduction related initiatives	tCO ₂ eq	-	-	879
	- Solar panels usage	tCO ₂ eq	-	-	96.0
	- REC	tCO ₂ eq	-	-	783.0
	Other indirect greenhouse gas (Scope 3) emissions for the last three years	tCO ₂ eq	-	-	-

1. GHG emissions calculated based on IPCC (2006) guidelines and country-specific heating coefficients
2. Excluded data of Color&Touch Co.,Ltd and added as annotations in this year's report
3. Color&Touch Co.,Ltd Total emissions: (tCO₂eq): 23,901 in 2020 / 48,952 in 2021 / 41,618 in 2022
4. Color&Touch Co.,Ltd Direct emissions (tCO₂eq) (Scope 1): 290 in 2020 / 342 in 2021 / 368 in 2022
5. Color&Touch Co.,Ltd Indirect emissions (tCO₂eq) (Scope 2): 23,611 in 2020 / 48,610 in 2021 / 41,250 in 2022
6. Color&Touch Co.,Ltd Intensity(tCO₂eq / KRW 100M): 62.42 in 2020 / 118.56 in 2021 / 127.05 in 2022
7. Intensity: Total emissions / Total sales on consolidated basis (KRW 100M)

Environmental

Energy Consumption

HANSAE YES24 HOLDINGS¹

Category	Unit	2020	2021	2022
Total energy consumption	TJ	-	1.50	1.61
Total energy consumption	TOE	-	35.82	38.45
Intensity ²	TJ/KRW 100M	-	0.00005	0.00005
Non-renewable energy consumption	TJ	-	1.50	1.61
- LNG	TJ	-	0.21	0.20
- Electricity	TJ	-	1.29	1.41
- Steam	TJ	-	0	0
Renewable energy consumption	TJ	-	0	0

1. Calculated based on electricity consumption

2. Intensity: Total energy consumption / Total sales on consolidated basis (KRW 100)

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022 ¹
Total energy consumption	TJ	4.90	4.87	6.63
Total energy consumption	TOE	117.01	116.30	158.32
Intensity ²	TJ/KRW 100M	0.00342	0.00361	0.00244
Non-renewable energy consumption	TJ	4.90	4.87	6.63
- Electricity	TJ	4.90	4.87	6.63
- Steam	TJ	0	0	0
Renewable energy consumption	TJ	0	0	0

1. Calculated based on electricity consumption

2. Intensity: Total energy consumption / Total sales on consolidated basis (KRW 100)

HANSAE CO., LTD.¹

Category	Unit	2020	2021	2022 ³
Total energy consumption ²	TJ	293.87	270.67	130.47
Total energy consumption	TOE	7,017.62	6,463.60	3,115.62
Domestic				
Total energy consumption	TJ	3.87	3.67	3.47
Intensity ⁴	TJ/KRW 100M	0.00023	0.00022	0.00016
Total energy consumption ²	TJ	290	267	127
Intensity ⁴	TJ/KRW 100M	0.0171	0.0160	0.0058
Non-renewable energy consumption	TJ	-	-	3.91
- Fuels	TJ	-	-	0
- Electricity	TJ	-	-	3.91
- Steam	TJ	-	-	0
Overseas				
Renewable energy consumption	TJ	-	-	3.91
- Geothermal	TJ	-	-	2.68
- Wind	TJ	-	-	-
- Solar	TJ	-	-	0.42
- Hydro	TJ	-	-	0.81
- Biomass	TJ	-	-	-

1. Excluded data of Color&Touch Co.,Ltd and added as annotations in this year's report

2. Color&Touch Co.,Ltd Total energy consumption (TJ): 85.27 in 2020 / 136.69 in 2021 / 91.50 in 2022

3. Energy consumption decreased due to factory closures

4. Intensity: Total energy consumption / Total sales on consolidated basis (KRW 100M)

Environmental

Water Consumption

HANSAE CO., LTD.¹

	Category	Unit	2020	2021	2022
	Water consumption ^{2,3}	ton	901,424	764,570	829,054
	- Percentage of disclosing business sites on water consumption	%	100	100	100
	Water consumption reduction targets	%	2	2	2
Overseas	- Progress against year-to-date water consumption	%	-	-	3.91
	- Year-over-year water consumption performance	%	-	-	0
	Water reused ⁴	ton	0	0	0

1. Excluded data of Color&Touch Co.,Ltd and added as annotations in this year's report
2. Figures changed from the previous year's report (due to errors in the previous year's calculation method)
3. Color&Touch Co.,Ltd Total Water consumption (ton): 1,871,007 in 2020 / 2,213,813 in 2021 / 2,711,188 in 2022
4. Figures changed from the previous year's report (Excluding water reuse data of Color&Touch Co.,Ltd)
Color&Touch Co.,Ltd Total Water reused (ton): 90,538 in 2020 / 90,153 in 2021 / 149,689 in 2022

HANSAEMK CO.,LTD.

	Category	Unit	2020	2021	2022
Domestic	Water consumption	ton	5,407	4,043	3,893

Raw Materials¹

HANSAEMK CO.,LTD.

	Category	Unit	2020	2021	2022
	Total weight or volume of non-renewable materials that are used to produce and package the organization's primary products and services	ton	-	-	36
	Total weight or volume of renewable materials that are used to produce and package the organization's primary products and services	ton	-	-	758

1. HANSAE YES24 HOLDINGS and HANSAE CO., LTD. do not collect data on the use of renewable raw materials.

Water Pollutants Emissions¹

HANSAE CO., LTD.

	Category	Unit	2020	2021	2022
	COD	ppm	-	847.73	990.87
	BOD	ppm	-	537.67	523.97
	SS	ppm	-	588.05	1003.90 ²
	- Percentage of disclosing business sites on water pollutant emissions	%	-	100	100

1. HANSAE YES24 HOLDINGS and HANSAEMK CO.,LTD. do not discharge water pollutants during business activities.
2. Discharge concentrations have increased due to the expansion and renovation of water treatment plants, increased treatment volume, and the addition of a new factory in HANSAE INTERNATIONAL S.A. (#6) in Nicaragua. Adjustments are underway to optimize the treatment process.

Environmental

Waste¹

HANSAE CO., LTD.¹

Category	Unit	2020	2021	2022 ³
Total waste generated ²	ton	4,496	4,061	5,896
- General	ton	-	-	5,109
- Designated	ton	-	-	6
- Recycled	ton	-	-	781
Waste reduction goals	ton	-	-	-
- Progress against waste disposed goals for the year	%	-	-	-
Recycling	ton	188	222	782
Total recycled waste	ton	-	-	782
- Recycled hazardous waste	ton	-	-	1.6
- Recycled general waste	ton	-	-	781
Total waste treated	ton	4,308	3,839	5,114
Total hazardous waste treated	ton	-	-	4
- Incineration	ton	-	-	3
- Landfilling	ton	-	-	0.1
- Others	ton	-	-	1
Total general waste treated	ton	-	-	5,110
- Incineration	ton	-	-	3,836
- Landfilling	ton	-	-	1,274
- Others	ton	-	-	0
Year-over-year waste recycling performance	%	-	-	-

1. Excluded data of Color&Touch Co.,Ltd and added as annotations in this year's report

2. Color&Touch Co.,Ltd Total waste disposed (ton): 13,660 in 2020 / 17,537 in 2021 / 7,436 in 2022

3. Detailed data on emissions and treatment methods have been collected from 2022 for systematic waste management

HANSAEMK CO.,LTD.¹

Category	Unit	2020	2021	2022
Total waste generated	ton	27	28	20
- General	ton	-	-	-
- Designated	ton	-	-	-
- Recycled	ton	-	-	-
Waste reduction goals	ton	-	-	-
- Progress against waste disposed goals for the year	%	-	-	-
Recycling	ton	-	-	-
Total recycled waste	ton	-	-	-
- Recycled hazardous waste	ton	-	-	-
- Recycled general waste	ton	-	-	-
Total waste treated	ton	-	-	-
Total hazardous waste treated	ton	0	0	0
- Incineration	ton	-	-	-
- Landfilling	ton	-	-	-
- Others	ton	-	-	-
Total general waste treated	ton	27	28	20
- Incineration	ton	-	-	-
- Landfilling	ton	-	-	-
- Others	ton	-	-	-
Year-over-year waste recycling performance	%	-	-	-

1. HANSAEMK CO.,LTD. manages wastes only in terms of total discharge amount.

1. HANSAE YES24 HOLDINGS do not discharge waste during business activities.

Social

Workforce Status

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Total No. of employees	Persons	27	27	24
- Female	Persons	17	16	14
- Male	Persons	10	11	10
- Under 30	Persons	2	3	3
- 30-50	Persons	22	22	18
- 50 above	Persons	3	2	3
People with disabilities	Persons	0	0	0
Foreigner	Persons	0	0	0
Regular	Persons	24	27	24
Contract	Persons	3	0	0
Percentage of senior managers employed at business locations of operation	%	100	100	100
- Senior management	Persons	3	3	3
- No. of senior managers employed at main locations of operation	Persons	3	3	3

HANSAE CO., LTD.¹

Category	Unit	2020	2021	2022 ⁴
Total No. of employees ²	Persons	30,592	30,036	23,967
Domestic	Persons	563	555	514
- Total No. of employees	Persons	563	555	514
- Female	Persons	343	340	329
- Male	Persons	220	215	185
- Under 30	Persons	137	139	155
- 30-50	Persons	400	392	333
- 50 above	Persons	26	24	26
Overseas	Persons	30,029	29,481	23,453
- Total No. of employees	Persons	30,029	29,481	23,453
- Female	Persons	21,521	20,736	16,757
- Male	Persons	8,508	8,745	6,696
- Under 30	Persons	12,869	12,252	9,743
- 30-50	Persons	16,851	16,866	13,293
- 50 above	Persons	309	363	417
People with disabilities	Persons	38	38	63
- Domestic	Persons	1	1	1
- Overseas	Persons	37	37	62
Foreigner ³	Persons	15	14	14
The national merits ³	Persons	2	2	2
Executive management ³	Persons	19	19	19
Regular ⁵	Persons	28,425	27,518	20,394
- Domestic	Persons	556	544	483
- Overseas	Persons	27,869	26,974	19,911
Contract ⁶	Persons	2,167	2,518	3,573
- Domestic	Persons	7	11	31
- Overseas	Persons	2,160	2,507	3,542
Percentage of senior managers employed at business locations of operation	%	0	0	0
- Senior management	Persons	25	27	34
- No. of senior managers employed at main locations of operation	Persons	0	0	0

1. Excluded data of Color&Touch Co.,Ltd and added as annotations in this year's report. Data is calculated by including expatriates of overseas production sites, overseas sales, and overseas R&D of HANSAE CO., LTD.

2. Color&Touch Co.,Ltd Total No. of employees (Persons): 741 in 2020 / 743 in 2021 / 718 in 2022

3. Calculated based on the headquarters in Korea

4. Reduced due to downsizing of overseas business sites

5. Color&Touch Co.,Ltd Total No. of regular (Persons): 741 in 2020 / 742 in 2021 / 718 in 2022

6. Color&Touch Co.,Ltd Total No. of non-regular (Persons): 0 in 2020 / 1 in 2021 / 0 in 2022

Social

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022 ¹	
Total No. of employees	Persons	224	242	384	
- Female	Persons	132	143	247	
- Male	Persons	92	99	137	
- Under 30	Persons	36	49	55	
- 30-50	Persons	173	180	289	
- 50 above	Persons	15	13	40	
Domestic	Total No. of employees	Persons	168	174	271
	Female	Persons	93	94	162
	Male	Persons	75	80	109
	Under 30	Persons	16	28	34
	30-50	Persons	137	133	202
	50 above	Persons	15	13	35
Overseas	Total No. of employees	Persons	56	68	113
	Female	Persons	39	49	85
	Male	Persons	17	19	28
	Under 30	Persons	20	21	21
	30-50	Persons	36	47	87
50 above	Persons	0	0	5	
People with disabilities	Persons	0	0	0	
- Domestic	Persons	0	0	0	
- Overseas	Persons	0	0	0	
Foreigner	Persons	0	0	0	
The national merits	Persons	0	0	0	
Executive management	Persons	1	1	1	

1. Increase in headcount due to the merger with Hansae Dreams

Category	Unit	2020	2021	2022
Regular	Persons	221	231	365
- Domestic	Persons	165	165	266
- Overseas	Persons	56	66	99
Contract	Persons	3	11	19
- Domestic	Persons	3	9	5
- Overseas	Persons	0	2	14
Percentage of senior managers employed at business locations of operation	%	-	-	100
- Senior management	Persons	-	-	2
- No. of senior managers employed at main locations of operation	Persons	-	-	2

Social

New Employee Hires

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Total No. of new hires	Persons	3	6	2
- Under 30	Persons	0	2	0
- 30-50	Persons	1	4	2
- 50 above	Persons	2	0	0
- Female	Persons	2	3	2
- Male	Persons	1	3	0
No. of new hires in management positions	Persons	2	1	2
- Executives and above	Persons	2	0	0
- Manager to Director	Persons	0	1	2

HANSAE CO., LTD.¹

Category	Unit	2020	2021	2022
Total No. of new hires ²	Persons	11,188	9,464	7,093
- Under 30	Persons	-	-	4,540
- 30-50	Persons	-	-	2,503
- 50 above	Persons	-	-	50
	New hires	26	110	88
Domestic	- Female	18	59	58
	- Male	8	51	30
	New hires	11,162	9,354	7,005
Overseas	- Female	6,914	5,503	4,907
	- Male	4,248	3,851	2,098
No. of new hires in management positions ³	Persons	4	5	5
- Executives and above	Persons	3	2	3
- Manager to Director	Persons	1	3	2

1. Excluded data of Color&Touch Co.,Ltd and added as annotations in this year's report.

2. Color&Touch Co.,Ltd Total No. of new hires (Persons): 260 in 2020 / 279 in 2021 / 224 in 2022

3. Calculated based on the headquarters in Korea

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Total No. of new hires	Persons	30	105	96
- Under 30	Persons	5	18	16
- 30-50	Persons	23	81	74
- 50 above	Persons	2	6	6
	New hires	23	78	68
Domestic	- Female	11	40	37
	- Male	12	38	31
	New hires	7	27	28
Overseas	- Female	5	20	18
	- Male	2	7	10
No. of new hires in management positions	Persons	9	10	2
- Executives and above	Persons	1	1	0
- Manager to Director	Persons	8	9	2

Social

Female Employees Status

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Ratio of female employees	%	63	59	58
Ratio of female managers	%	40	36	50
Ratio of female executives	%	0	0	0

HANSAE CO., LTD.¹

Category	Unit	2020	2021	2022
Ratio of female employees	%	61	62	64
Ratio of female managers	%	51	51	54
Ratio of female executives	%	44	44	50

1. Calculated for the headquarters only as the definition of women in management and women in executive management varies by country.

HANSAEMK CO.,LTD.¹

Category	Unit	2020	2021	2022
Ratio of female employees	%	54	55	61
Ratio of female managers	%	43	38	34
Ratio of female executives	%	20	20	17

1. Calculated for the headquarters only as the definition of women in management and women in executive management varies by country.

Turnover (Retirement) Status

HANSAE YES24 HOLDINGS¹

Category	Unit	2020	2021	2022
Voluntary turnover rate	%	-	-	0
No. of turnover (Retirement)	Persons	-	-	11
- Total turnover	Persons	-	-	0
- Total retirement	Persons	-	-	11
- Voluntary retirement	Persons	-	-	0
- Regular retirement	Persons	-	-	0
- Resignation under instruction (Termination, disciplinary action, etc.)	Persons	-	-	0
- Other (Personal, parenting, career, transfers, etc.)	Persons	-	-	0
No. of turnover by gender	Persons	-	-	11
- Female	Persons	-	-	8
- Male	Persons	-	-	3
No. of turnover by age group	Persons	-	-	11
- Under 30	Persons	-	-	2
- 30-50	Persons	-	-	9
- 50 above	Persons	-	-	0
Average years of service	Years	-	-	3.5
- Female	Years	-	-	4
- Male	Years	-	-	3

1. Data was calculated from 2022.

Social

HANSAE CO., LTD.¹

Category	Unit	2020	2021	2022
Voluntary turnover rate	%	-	-	17.8
No. of turnover (Retirement)	Persons	-	-	118
- Total turnover	Persons	-	-	21
- Total retirement	Persons	-	-	97
- Voluntary retirement	Persons	-	-	0
- Regular retirement	Persons	-	-	0
- Resignation under instruction (Termination, disciplinary action, etc.)	Persons	-	-	0
- Other (Personal, parenting, career, transfers, etc.)	Persons	-	-	97
No. of turnover by gender	Persons	-	-	21
- Female	Persons	-	-	13
- Male	Persons	-	-	8
No. of turnover by age group	Persons	-	-	21
- Under 30	Persons	-	-	4
- 30-50	Persons	-	-	17
- 50 above	Persons	-	-	0
Average years of service	Years	-	-	7
- Female	Years	-	-	6
- Male	Years	-	-	8

1. Data was calculated from 2022, and only the headquarters was calculated for HANSAE CO., LTD. as the criteria for calculating employee turnover vary by country.

HANSAEMK CO.,LTD.¹

Category	Unit	2020	2021	2022
Voluntary turnover rate	%	-	-	96
No. of turnover (Retirement)	Persons	-	-	104
- Total turnover	Persons	-	-	100
- Total retirement	Persons	-	-	4
- Voluntary retirement	Persons	-	-	0
- Regular retirement	Persons	-	-	1
- Resignation under instruction (Termination, disciplinary action, etc.)	Persons	-	-	3
- Other (Personal, parenting, career, transfers, etc.)	Persons	-	-	100
No. of turnover by gender	Persons	-	-	100
- Female	Persons	-	-	58
- Male	Persons	-	-	42
No. of turnover by age group	Persons	-	-	100
- Under 30	Persons	-	-	12
- 30-50	Persons	-	-	87
- 50 above	Persons	-	-	1
Average years of service	Years	-	-	4
- Female	Years	-	-	4
- Male	Years	-	-	4

1. Data was calculated from 2022.

Social

Parental Leave and Welfare

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
No. of employees on parental leave (Female)	Persons	-	-	2
No. of employees on parental leave (Male)	Persons	-	-	0
No. of employees return-to-work after parental leave (Female)	Persons	-	-	1
No. of employees return-to-work after parental leave (Male)	Persons	-	-	0
No. of employees who worked for more than a year after parental leave (Female)	Persons	-	-	1
No. of employees who worked for more than a year after parental leave (Male)	Persons	-	-	0
Percentage of return-to-work rate after parental leave (Female)	%	-	-	50
Percentage of return-to-work rate after parental leave (Male)	%	-	-	0

HANSAE CO., LTD.¹

Category	Unit	2020	2021	2022
No. of employees on parental leave (Female)	Persons	43	50	46
No. of employees on parental leave (Male)	Persons	9	15	13
No. of employees return-to-work after parental leave (Female)	Persons	26	14	15
No. of employees return-to-work after parental leave (Male)	Persons	3	3	8
No. of employees who worked for more than a year after parental leave (Female)	Persons	43	16	7
No. of employees who worked for more than a year after parental leave (Male)	Persons	3	2	2
Percentage of return-to-work rate after parental leave (Female)	%	60	49	54
Percentage of return-to-work rate after parental leave (Male)	%	50	60	80

1. Overseas data is excluded due to different laws and standards for parental and maternity leave by overseas business sites, and overseas data is managed internally.

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
No. of employees on parental leave (Female)	Persons	-	-	12
No. of employees on parental leave (Male)	Persons	-	-	2
No. of employees return-to-work after parental leave (Female)	Persons	-	-	4
No. of employees return-to-work after parental leave (Male)	Persons	-	-	0
No. of employees who worked for more than a year after parental leave (Female)	Persons	-	-	3
No. of employees who worked for more than a year after parental leave (Male)	Persons	-	-	0
Percentage of return-to-work rate after parental leave (Female)	%	-	-	33
Percentage of return-to-work rate after parental leave (Male)	%	-	-	0

Social

Labor-Management Relations

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Ratio of employees covered by collective bargaining agreements	%	100	100	100

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Ratio of employees covered by collective bargaining agreements	%	100	100	100

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Ratio of employees covered by collective bargaining agreements	%	100	100	100

Remuneration¹

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Legal minimum wage	Hourly wage(KRW)	8,590	8,720	9,160
Average salary (Female)	KRW 1M	73	73	96
Average salary (Male)	KRW 1M	101	60	132
Ratio of the basic salary and remuneration of women to men for each employee category, by main locations of operation	%	100	100	100
- Female to male wage ratio	%	100	100	100

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Legal minimum wage	Hourly wage(KRW)	8,590	8,720	9,160
Average salary (Female)	KRW 1M	68	70	70
Average salary (Male)	KRW 1M	77	76	75
Ratio of the basic salary and remuneration of women to men for each employee category, by main locations of operation	%	100	100	100
- Female to male wage ratio	%	100	100	100

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Legal minimum wage	Hourly wage(KRW)	8,590	8,720	9,160
Average salary (Female)	KRW 1M	47	44	45
Average salary (Male)	KRW 1M	57	56	60
Ratio of the basic salary and remuneration of women to men for each employee category, by main locations of operation	%	100	100	100
- Female to male wage ratio	%	100	100	100

1. Calculated based on the headquarters in Korea

Social

Retirement Planning Program

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Retirement pension asset	KRW 1M	965	907	1,045

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Retirement pension asset	KRW 1M	9,215	14,786	18,871

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Retirement pension asset	KRW 1M	1,826	2,089	6,372

Talent Management

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Total training expenses	KRW	7,520,010	17,931,703	21,915,100
Average training expenses per employee	KRW	326,957	747,154	755,693
Average training hours per employee	Hours	22	27	48
Domestic				
- Job related courses	Hours	16	21	42
- Code of Conduct/Ethics	Hours	4	4	4
- Information protection/Security	Hours	2	2	2

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Total training expenses	KRW	190,301,535	285,889,272	372,841,138
Average training expenses per employee	KRW	213,582	311,766	412,435
Average training hours per employee	Hours	25	39	49
Domestic				
- Job related courses	Hours	19	33	43
- Code of Conduct/Ethics	Hours	4	4	4
- Information protection/Security	Hours	2	2	2
Average training hours per employee	Hours	21.8	17.0	20.6
Overseas				
- Labor	Hours	18.0	13.8	9.6
- Health and Safety	Hours	3.0	2.2	3.9
- Security	Hours	0.8	1.0	10.1

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Total training expenses	KRW	9,195,200	19,240,380	20,575,418
Average training expenses per employee	KRW	52,245	102,342	75,924
Average training hours per employee	Hours	27	44	36
Domestic				
- Job related courses	Hours	19	36	28
- Code of Conduct/Ethics	Hours	7	7	7
- Information protection/Security	Hours	1	1	1
Average training hours per employee	Hours	4.5	4.5	4.5
Overseas				
- Labor	Hours	4	4	4
- Health and Safety	Hours	-	-	-
- Security	Hours	0.5	0.5	0.5

Social

Performance Evaluation¹

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Ratio of employees receiving regular performance evaluation (Female)	%	100	100	100
Ratio of employees receiving regular performance evaluation (Male)	%	100	100	100
Ratio of employees receiving regular performance evaluation (Position)	%	100	100	100
- Senior managers or above	%	100	100	100
- Below senior managers	%	100	100	100

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Ratio of employees receiving regular performance evaluation (Female)	%	100	100	100
- Domestic	%	100	100	100
- Overseas	%	100	100	100
Ratio of employees receiving regular performance evaluation (Male)	%	100	100	100
- Domestic	%	100	100	100
- Overseas	%	100	100	100
Ratio of employees receiving regular performance evaluation (Position)	%	100	100	100
- Senior managers or above	%	100	100	100
- Below senior managers	%	100	100	100

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Ratio of employees receiving regular performance evaluation (Female)	%	100	100	100
- Domestic	%	100	100	100
- Overseas	%	100	100	100
Ratio of employees receiving regular performance evaluation (Male)	%	100	100	100
- Domestic	%	100	100	100
- Overseas	%	100	100	100
Ratio of employees receiving regular performance evaluation (Position)	%	100	100	100
- Administrative managers or above	%	100	100	100
- Below administrative managers	%	100	100	100

1. Performance evaluation of all employees through MBO (Management by Objectives)

Social

Health and Safety Management System

HANSAE CO., LTD.¹

Category	Unit	2020	2021	2022
No. of all employees and workers whose work and/or workplace is controlled by the organization, who are covered by Health and Safety Management system	Persons	30,742	30,191	22,913
Percentage of all employees and workers whose work and/or workplace is controlled by the organization, who are covered by Health and Safety Management system	%	100.0	100.0	100.0
No. of all employees and workers whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited	Persons	30,742	30,191	22,913
Percentage of all employees and workers whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited	%	100.0	100.0	100.0
No. of all employees and workers whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party	Persons	30,742	30,191	21,672
Percentage of all employees and workers whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party	%	100.0	100.0	94.5

1. For overseas business sites

Industrial Accident

HANSAE YES24 HOLDINGS¹

Category	Unit	2020	2021	2022
No. of fatalities as a result of work-related injury (Employees)	Cases	0	0	0
Rate of fatalities as a result of work-related injury (Employees)	TRIR	0	0	0
No. of major work-related injuries excluding fatalities (Employees)	Cases	0	0	0
Rate of major work-related injuries excluding fatalities (Employees)	TRIR	0	0	0
No. of recordable work-related injuries (Employees)	Cases	0	0	0
Rate of recordable work-related injuries (Employees)	TRIR	0	0	0
Total working hours (Employees)	Hours	2,000	1,992	1,976
Total No. of fatalities for employees	Persons	0	0	0
No. of fatalities as a result of work-related injury (Workers who are not employees but whose work and/or workplace is controlled by the organization)	Cases	0	0	0
Rate of fatalities as a result of work-related injury (Workers who are not employees but whose work and/or workplace is controlled by the organization)	TRIR	0	0	0
No. of major work-related injuries excluding fatalities (Workers who are not employees but whose work and/or workplace is controlled by the organization)	Cases	0	0	0
Rate of major work-related injuries excluding fatalities (Workers who are not employees but whose work and/or workplace is controlled by the organization)	TRIR	0	0	0
No. of recordable work-related injuries (Workers who are not employees but whose work and/or workplace is controlled by the organization)	Cases	0	0	0
Rate of recordable work-related injuries (Workers who are not employees but whose work and/or workplace is controlled by the organization)	TRIR	0	0	0
Total working hours (Workers who are not employees but whose work and/or workplace is controlled by the organization)	Hours	0	0	0
No. of cases involved in occupational accidents (Supplier)	Cases	-	-	-
No. of employees involved in occupational accidents (Supplier)	Persons	-	-	-
Industrial accident rate (Supplier)	%	-	-	-
No. of cases involved in occupational accidents	Cases	0	0	0
No. of employees involved in occupational accidents	Persons	0	0	0
Industrial accident rate	%	0	0	0

1. HANSAE YES24 HOLDINGS does not have any supplier where industrial accidents occur due to the nature of its business.

Social

HANSAE CO., LTD.¹

Category	Unit	2020	2021	2022
No. of fatalities as a result of work-related injury (Employees)	Cases	-	-	-
Rate of fatalities as a result of work-related injury (Employees)	TRIR	-	-	-
No. of major work-related injuries excluding fatalities (Employees)	Cases	85	111	107
Rate of major work-related injuries excluding fatalities (Employees)	TRIR	-	-	0.371
No. of recordable work-related injuries (Employees)	Cases	456	478	391
Rate of recordable work-related injuries (Employees)	TRIR	-	-	1.38
Total working hours (Employees)	Hours	-	-	57,627,982
Total No. of fatalities for employees	Persons	0	0	0
No. of fatalities as a result of work-related injury (Workers who are not employees but whose work and/or workplace is controlled by the organization)	Cases	-	-	-
Rate of fatalities as a result of work-related injury (Workers who are not employees but whose work and/or workplace is controlled by the organization)	TRIR	-	-	-
No. of major work-related injuries excluding fatalities (Workers who are not employees but whose work and/or workplace is controlled by the organization)	Cases	-	-	-
Rate of major work-related injuries excluding fatalities (Workers who are not employees but whose work and/or workplace is controlled by the organization)	TRIR	-	-	-
No. of recordable work-related injuries (Workers who are not employees but whose work and/or workplace is controlled by the organization)	Cases	456	478	391
Rate of recordable work-related injuries (Workers who are not employees but whose work and/or workplace is controlled by the organization)	TRIR	-	-	1.35
Total working hours (Workers who are not employees but whose work and/or workplace is controlled by the organization)	Hours	-	-	57,627,982

1. Included overseas business sites data

Category	Unit	2020	2021	2022
No. of cases involved in occupational accidents (Supplier ²)	Cases	142	123	97
No. of employees involved in occupational accidents (Supplier ²)	Persons	142	123	97
Industrial accident rate (Supplier ²)	%	0.94	0.81	0.42
No. of cases involved in occupational accidents	Cases	85	111	107
No. of employees involved in occupational accidents	Persons	85	111	107
Industrial accident rate	%	0.27	0.36	0.45

2. Included top five of Tier 1 subcontractors in Vietnam and Indonesia

Social

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
No. of fatalities as a result of work-related injury (Employees)	Cases	0	0	0
Rate of fatalities as a result of work-related injury (Employees)	TRIR	0	0	0
No. of major work-related injuries excluding fatalities (Employees)	Cases	0	0	0
Rate of major work-related injuries excluding fatalities (Employees)	TRIR	0	0	0
No. of recordable work-related injuries (Employees)	Cases	0	0	0
Rate of recordable work-related injuries (Employees)	TRIR	0	0	0
Total working hours (Employees)	Hours	2,508	2,508	2,508
Total No. of fatalities for employees	Persons	0	0	0
No. of fatalities as a result of work-related injury (Workers who are not employees but whose work and/or workplace is controlled by the organization)	Cases	0	0	0
Rate of fatalities as a result of work-related injury (Workers who are not employees but whose work and/or workplace is controlled by the organization)	TRIR	0	0	0
No. of major work-related injuries excluding fatalities (Workers who are not employees but whose work and/or workplace is controlled by the organization)	Cases	0	0	0
Rate of major work-related injuries excluding fatalities (Workers who are not employees but whose work and/or workplace is controlled by the organization)	TRIR	0	0	0
No. of recordable work-related injuries (Workers who are not employees but whose work and/or workplace is controlled by the organization)	Cases	0	0	0
Rate of recordable work-related injuries (Workers who are not employees but whose work and/or workplace is controlled by the organization)	TRIR	0	0	0
Total working hours (Workers who are not employees but whose work and/or workplace is controlled by the organization)	Hours	0	0	0

Category	Unit	2020	2021	2022
No. of cases involved in occupational accidents (Supplier)	Cases	0	0	0
No. of employees involved in occupational accidents (Supplier)	Persons	0	0	0
Industrial accident rate (Supplier)	%	0	0	0
No. of cases involved in occupational accidents	Cases	0	0	0
No. of employees involved in occupational accidents	Persons	0	0	0
Industrial accident rate	%	0	0	0

Social

Efforts for Better Human Rights Culture

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
No. of human rights grievance from stakeholders	Cases	0	0	0
No. of human rights grievance from stakeholders resolved	Cases	0	0	0

HANSAE CO., LTD.¹

Category	Unit	2020	2021 ²	2022 ²
No. of human rights grievance from stakeholders	Cases	639	509	488
No. of human rights grievance from stakeholders resolved	Cases	639	509	488
Ratio of stakeholder human rights grievance resolved	%	100	100	100

1. For 2020, it was calculated for overseas business sites, and from 2021, the No. combines cases for the headquarters and overseas business sites.

2. No. of human rights grievance at the headquarters: 13 in 2021 / 36 in 2022

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
No. of human rights grievance from stakeholders	Cases	0	0	0
No. of human rights grievance from stakeholders resolved	Cases	0	0	0

Supply Chain ESG Risk Management

HANSAE YES24 HOLDINGS¹

Category	Unit	2020	2021	2022
Ratio of new suppliers that were screened via social audit	%	0	0	0
No. of new suppliers that were screened via social audit	companies	0	0	0
No. of suppliers identified as having significant actual and potential negative social impacts	companies	0	0	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of social audit	%	0	0	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of social audit	%	0	0	0

1. HANSAE YES24 HOLDINGS does not have any suppliers due to the nature of its business.

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Ratio of new suppliers that were screened via social audit	%	100	100	100
No. of new suppliers that were screened via social audit	companies	97	109	102
No. of suppliers identified as having significant actual and potential negative social impacts	companies	0	0	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of social audit	%	0	0	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of social audit	%	0	0	0

Social

HANSAEMK CO.,LTD.¹

Category	Unit	2020	2021	2022
Ratio of new suppliers that were screened via social audit	%	0	0	0
No. of new suppliers that were screened via social audit	companies	0	0	0
No. of suppliers identified as having significant actual and potential negative social impacts	companies	0	0	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of social audit	%	0	0	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of social audit	%	0	0	0

1. HANSAEMK CO.,LTD. plans to conduct social impact assessment of suppliers in the future to build a sustainable supply chain.

Supplier Partnership Activities¹

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
No. of grievances received from suppliers	Cases	-	-	-
No. of grievances handled from suppliers	Cases	-	-	-
Percentage of handled grievances from suppliers	%	-	-	-

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
No. of grievances received from suppliers	Cases	-	-	-
No. of grievances handled from suppliers	Cases	-	-	-
Percentage of handled grievances from suppliers	%	-	-	-

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
No. of grievances received from suppliers	Cases	-	-	-
No. of grievances handled from suppliers	Cases	-	-	-
Percentage of handled grievances from suppliers	%	-	-	-

1. The grievance handling channel for suppliers is currently being upgraded, and the No. of grievance by each company will be aggregated and disclosed in the future.

Social

Information Security

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Percentage of cybersecurity investment compared to total IT investment	%	-	-	-
Total investment in IT	KRW 100M	-	-	-
Investment in cybersecurity	KRW 100M	-	-	-

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Percentage of cybersecurity investment compared to total IT investment	%	-	7	4
Total investment in IT	KRW 100M	-	29	26
Investment in cybersecurity	KRW 100M	-	2.0	1.1

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Percentage of cybersecurity investment compared to total IT investment	%	-	4	13
Total investment in IT	KRW 100M	-	2.51	4.68
Investment in cybersecurity	KRW 100M	-	0.11	0.59

Governance

Economic Value Generated and Distributed

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Net profit (Loss)	KRW 1M	70,484	75,870	49,482
Worker wages	KRW 1M	2,265	2,162	2,550
Welfare	KRW 1M	16,631	17,298	18,987
Dividend	KRW 1M	22,691	22,666	23,443
Corporate taxes and other taxes	KRW 1M	17,373	(3,124)	54,009
Local community investment	KRW 1M	-	-	-

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Net profit (Loss)	KRW 1M	25,827	67,341	85,635
Worker wages	KRW 1M	43,758	40,418	39,000
Welfare	KRW 1M	9,582	9,598	10,807
Dividend	KRW 1M	19,620	19,620	19,620
Corporate taxes and other taxes	KRW 1M	(7,577)	31,024	44,800
Local community investment	KRW 1M	0	0	0

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Net profit (Loss)	KRW 1M	(23,006)	(30,982)	(37,767)
Worker wages	KRW 1M	11,011	10,011	14,037
Welfare	KRW 1M	1,743	1,881	2,903
Dividend	KRW 1M	0	0	0
Corporate taxes and other taxes	KRW 1M	(1,712)	7,236	116
Local community investment	KRW 1M	27	323	11

Stakeholder Engagement

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Budget allocated for stakeholder communications	KRW 1M	9	16	58
No. of people working on stakeholder communications	Persons	3	3	3

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Budget allocated for stakeholder communications	KRW 1M	62	92	129
No. of people working on stakeholder communications	Persons	2	2	3

Governance

Composition of the BoD

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
No. of members	Persons	7	7	7
No. of outside directors	Persons	3	3	3

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
No. of members	Persons	8	7	7
No. of outside directors	Persons	3	3	3

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
No. of members	Persons	6	6	7
No. of outside directors	Persons	3	3	3

Operation Performance of the BoD

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
No. of independent directors with less than 75% board attendance	Persons	0	0	0
No. of BoD meetings held	Times	6	4	5
No. of Outside Director Recommendation Committee meetings held	Times	-	-	0
Average attendance percentage of the BoD	%	90	93	89

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
No. of independent directors with less than 75% board attendance	Persons	0	0	0
No. of BoD meetings held	Times	12	9	6
No. of Outside Director Recommendation Committee meetings held	Times	-	-	0
Average attendance percentage of the BoD	%	75	87	86

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
No. of independent directors with less than 75% board attendance	Persons	0	0	0
No. of BoD meetings held	Times	11	6	10
No. of Outside Director Recommendation Committee meetings held	Times	0	1	1
Average attendance percentage of the BoD	%	91	88	91

Governance

Tenure and Industry Experience of the BoD

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Average tenure	Years	4.1	5.1	6.1

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Average tenure	Years	4.5	4.2	4.3

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Average tenure	Years	3.1	4.1	4.0

Diversity of the BoD

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Percentage of individuals within the BoD (Female)	%	28.6	28.6	28.6
Percentage of individuals within the BoD (Male)	%	71.4	71.4	71.4
Percentage of individuals within the BoD (Under 30)	%	0	0	0
Percentage of individuals within the BoD (30-50)	%	42.9	42.9	42.9
Percentage of individuals within the BoD (50 above)	%	57.1	57.1	57.1

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Percentage of individuals within the BoD (Female)	%	25	14	29
Percentage of individuals within the BoD (Male)	%	75	86	71
Percentage of individuals within the BoD (Under 30)	%	0	0	0
Percentage of individuals within the BoD (30-50)	%	13	14	14
Percentage of individuals within the BoD (50 above)	%	87	86	86

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Percentage of individuals within the BoD (Female)	%	16.7	16.7	14.3
Percentage of individuals within the BoD (Male)	%	83.3	83.3	85.7
Percentage of individuals within the BoD (Under 30)	%	0	0	0
Percentage of individuals within the BoD (30-50)	%	33.3	33.3	28.6
Percentage of individuals within the BoD (50 above)	%	66.7	66.7	71.4

Governance

ESG Committee

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
No. of members	Persons	-	-	6
No. of outside directors	Persons	-	-	3
No. of meetings held	Times	-	-	4

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
No. of members	Persons	-	-	6
No. of outside directors	Persons	-	-	3
No. of meetings held	Times	-	-	1

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
No. of members	Persons	-	-	4
No. of outside directors	Persons	-	-	3
No. of meetings held	Times	-	-	1

Audit Committee

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
No. of members	Persons	3	3	3
No. of outside directors	Persons	3	3	3
No. of meetings held	Times	6	5	4
Remuneration for audit services paid to external auditors	KRW 1M	142	154	185
Remuneration for non-audit services paid to external auditors	KRW 1M	0	0	0

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
No. of members	Persons	3	3	3
No. of outside directors	Persons	3	3	3
No. of meetings held	Times	2	5	4
Remuneration for audit services paid to external auditors	KRW 1M	457	502	600
Remuneration for non-audit services paid to external auditors	KRW 1M	35	33	0

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
No. of members	Persons	3	3	3
No. of outside directors	Persons	3	3	3
No. of meetings held	Times	1	2	2
Remuneration for audit services paid to external auditors	KRW 1M	220	220	482
Remuneration for non-audit services paid to external auditors	KRW 1M	9	9	61

Governance

Shareholders' General Meeting and Voluntary Disclosure

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Prior notice of location of regular shareholders' meeting and agenda	Days before	14	14	14
Date of auditor's report pre-disclosure before shareholders' general meeting notice	Days before	0	0	0
No. of investor presentations	Times	1	1	1
No. of voluntary disclosure	Cases	2	2	2

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Prior notice of location of regular shareholders' meeting and agenda	Days before	14	14	28
Date of auditor's report pre-disclosure before shareholders' general meeting notice	Days before	0	0	0
No. of investor presentations	Times	1	1	1
No. of voluntary disclosure	Cases	2	2	4

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Prior notice of location of regular shareholders' meeting and agenda	Days before	14	14	14
Date of auditor's report pre-disclosure before shareholders' general meeting notice	Days before	0	0	0
No. of investor presentations	Times	1	1	1
No. of voluntary disclosure	Cases	2	1	2

Anti-Bribery and Anti-Corruption Policy

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Percentage of governance body members that the organization's anti-corruption policies have been communicated to	%	100	100	100
Percentage of employees that the organization's anti-corruption policies have been communicated to	%	100	100	100

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Percentage of governance body members that the organization's anti-corruption policies have been communicated to	%	100	100	100
Percentage of employees that the organization's anti-corruption policies have been communicated to	%	100	100	100

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Percentage of governance body members that the organization's anti-corruption policies have been communicated to	%	0	0	0
Percentage of employees that the organization's anti-corruption policies have been communicated to	%	0	0	0

Governance

Ethics Violations and Actions

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
No. of reported Code of Conduct/Ethics violations	Cases	0	0	0
No. of substantiated Code of Conduct/Ethics violations, or incidents under investigation.	Cases	0	0	0
Total No. of corruption cases	Cases	0	0	0
No. of employees who were disciplined/terminated due to corruption	Cases	0	0	0
No. of suppliers who were disciplined/terminated due to corruption	Cases	0	0	0

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
No. of reported Code of Conduct/Ethics violations	Cases	0	0	0
No. of substantiated Code of Conduct/Ethics violations, or incidents under investigation.	Cases	0	0	0
Total No. of corruption cases	Cases	0	0	0
No. of employees who were disciplined/terminated due to corruption	Cases	0	0	0
No. of suppliers who were disciplined/terminated due to corruption	Cases	0	0	0

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
No. of reported Code of Conduct/Ethics violations	Cases	0	0	1 ¹
No. of substantiated Code of Conduct/Ethics violations, or incidents under investigation.	Cases	0	0	1 ¹
Total No. of corruption cases	Cases	0	0	1 ¹
No. of employees who were disciplined/terminated due to corruption	Cases	0	0	1 ¹
No. of suppliers who were disciplined/terminated due to corruption	Cases	0	0	0

1. One case of corruption that occurred in 2022 was immediately referred to the Human Resources Committee and the person involved was dismissed after an internal audit.

Grievance Mechanisms

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
No. of grievances within the grievance mechanism	Cases	0	0	0
No. of grievances within the grievance mechanism that have been resolved	Cases	0	0	0
Percentage of grievances within the grievance mechanism that have been resolved	%	0	0	0

HANSAE CO., LTD.¹

Category	Unit	2020	2021	2022
No. of grievances within the grievance mechanism ²	Cases	-	13	36
No. of grievances within the grievance mechanism that have been resolved	Cases	-	13	36
Percentage of grievances within the grievance mechanism that have been resolved	%	-	100	100

1. Disclosure for the headquarters only

2. The grievance handling channel for employees was officially launched on Oct 28, 2020 and has been operated since then.

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
No. of grievances within the grievance mechanism	Cases	0	0	0
No. of grievances within the grievance mechanism that have been resolved	Cases	0	0	0
Percentage of grievances within the grievance mechanism that have been resolved	%	0	0	0

Governance

Anti-Corruption (Ethics management) Training

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Total No. of governance body members that have received training on anti-corruption	Persons	0	0	0
Percentage of governance body members that have received training on anti-corruption	%	0	0	0
No. of employees trained in anti-corruption by position	Persons	0	0	0
Percentage of employees trained in anti-corruption by position	%	0	0	0

HANSAE CO., LTD.

Category	Unit	2020	2021	2022 ¹
Total No. of governance body members that have received training on anti-corruption	Persons	0	0	0
Percentage of governance body members that have received training on anti-corruption	%	0	0	0
No. of employees trained in anti-corruption by position	Persons	-	-	7,951 ²
Percentage of employees trained in anti-corruption by position	%	-	-	34
Total No. of employees that have received training on anti-corruption, broken down by country	Persons	-	-	7,951
- Vietnam	Persons	-	-	2,621
- Indonesia	Persons	-	-	4,192
- Myanmar	Persons	-	-	774
Percentage of employees that have received training on anti-corruption, broken down by country	%	-	-	34
- Vietnam	%	-	-	29
- Indonesia	%	-	-	98
- Myanmar	%	-	-	62

1. Launched since 2022

2. A total of 364 employees from countries except Vietnam, Indonesia, and Myanmar received anti-corruption education.

HANSAEMK CO.,LTD.¹

Category	Unit	2020	2021	2022
Total No. of governance body members that have received training on anti-corruption	Persons	0	0	0
Percentage of governance body members that have received training on anti-corruption	%	0	0	0
No. of employees trained in anti-corruption by position	Persons	0	0	0
Percentage of employees trained in anti-corruption by position	%	0	0	0
Total No. of employees that have received training on anti-corruption, broken down by nationality	Persons	0	0	0
Percentage of employees that have received training on anti-corruption, broken down by nationality	%	0	0	0

1. Training will be available in 2022.

Governance

Corruption Risk Assessments

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
No. of business sites that conducted corruption risk assessments	ea	0	0	0
Ratio of business sites that conducted corruption risk assessments	%	0	0	0

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
No. of business sites that conducted corruption risk assessments	ea	109	123	121
Ratio of business sites that conducted corruption risk assessments	%	100	100	100

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
No. of business sites that conducted corruption risk assessments	ea	0	0	0
Ratio of business sites that conducted corruption risk assessments	%	0	0	0

Violation of Laws

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
No. of legal/regulatory violations	Cases	0	0	0
Instances for which fines were incurred	Cases	0	0	0
Instances for which non-monetary sanctions were incurred	Cases	0	0	0
Fines for instances of non-compliance with laws and regulations	KRW 1M	0	0	0

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
No. of legal/regulatory violations	Cases	1	1	1
Instances for which fines were incurred	Cases	1	1	1
Instances for which non-monetary sanctions were incurred	Cases	1	1	1
Fines for instances of non-compliance with laws and regulations ¹	KRW 1M	291.3	270.4	271.5

1. Penalties incurred due to failure to meet the mandatory employment rate under the Employment Promotion and Vocational Rehabilitation of Disabled Persons Act

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
No. of legal/regulatory violations	Cases	1	1	1
Instances for which fines were incurred	Cases	1	1	1
Instances for which non-monetary sanctions were incurred	Cases	1	1	1
Fines for instances of non-compliance with laws and regulations ¹	KRW 1M	109	104	146

1. Penalties incurred due to failure to meet the mandatory employment rate under the Employment Promotion and Vocational Rehabilitation of Disabled Persons Act

Governance

Unfair Trade Practices

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
No. of legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Cases	0	0	0

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
No. of legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Cases	0	0	0

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
No. of legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Cases	0	0	0

Donations

HANSAE YES24 HOLDINGS

Organization	KRW
HANSAE YES24 FOUNDATION	110,000,000
KOREA GREEN FOUNDATION	3,000,000

HANSAE CO., LTD.

Organization	KRW
Seoul National University Scholarship Association	9,800,000
Waste Free Oceans	13,672,300
FRIENDS OF NATIONAL MUSEUM OF KOREA	12,000,000
KOREAN NATIONAL BALLET	5,000,000

HANSAEMK CO.,LTD.

Organization	KRW
Good Neighbors International	7,986,000
Corporation mirea	2,000,000
YÉOL	1,000,000

Financial

Organization Financial¹

HANSAE YES24 HOLDINGS

Category	Unit	2020	2021	2022
Total assets	KRW 1M	1,840,013	2,241,273	2,036,964
Total liabilities	KRW 1M	1,094,228	1,291,921	1,205,446
Total equity	KRW 1M	745,785	949,352	831,518
Total revenue	KRW 1M	2,797,947	2,798,896	3,322,114
Operating profit (Loss)	KRW 1M	81,651	134,682	192,869
Net profit (Loss)	KRW 1M	70,484	75,870	49,482
Total comprehensive income (Loss)	KRW 1M	173,969	225,088	(84,907)
Earnings (Loss) per share	KRW 1M	0.001	0.001	0.000

HANSAEMK CO.,LTD.

Category	Unit	2020	2021	2022
Total assets	KRW 1M	149,682	129,058	224,810
Total liabilities	KRW 1M	71,843	82,127	186,181
Total equity	KRW 1M	77,839	46,931	38,629
Total revenue	KRW 1M	220,214	207,665	271,480
Operating profit (Loss)	KRW 1M	(18,862)	(12,087)	(21,131)
Net profit (Loss)	KRW 1M	(23,006)	(30,982)	(37,767)
Total comprehensive income (Loss)	KRW 1M	(22,605)	(30,908)	(33,420)
Earnings (Loss) per share	KRW 1M	(0.002)	(0.003)	(0.002)

HANSAE CO., LTD.

Category	Unit	2020	2021	2022
Total assets	KRW 1M	1,021,056	1,216,241	1,239,211
Total liabilities	KRW 1M	599,704	751,824	702,125
Total equity	KRW 1M	421,352	464,417	537,086
Total revenue	KRW 1M	1,698,262	1,671,997	2,204,761
Operating profit (Loss)	KRW 1M	64,864	106,694	179,586
Net profit (Loss)	KRW 1M	25,827	67,341	85,635
Total comprehensive income (Loss)	KRW 1M	23,556	62,685	92,287
Earnings (Loss) per share	KRW 1M	0.000	0.002	0.002

1. Consolidated financial statements in business reports as of December 2022

GRI Content Index

Statement of Use	For the period from January 1, 2022 to December 31, 2022, HANSAE YES24 Group applies the GRI Standards to report information on its sustainable management.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Currently unavailable (as of June 2023 (publication date), the GRI standards have not been published for the industry to which HANSAE YES24 Group belongs)

GRI 2: General Disclosures				
Category	Index	Content	Page	Remarks
GRI 2: The organization and its reporting practices	2-1	Organizational details	8, 9, 11	
	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	2	For modified data, separate annotations have been indicated
	2-5	External assurance	116-117	
GRI 2: Activities and workers	2-6	Activities, value chain and other business relationships	8-13	
	2-7	Employees	85-86	
	2-8	Workers who are not employees	-	Insufficient information (not disclosing the total number of employees of the suppliers in accordance with the Fair Transactions in Subcontracting Act)
GRI 2: Governance	2-9	Governance structure and composition	64, 68, 71	
	2-10	Nomination and selection of the highest governance body	64, 68, 71	
	2-11	Chair of the highest governance body	64, 68, 71	
	2-12	Role of the highest governance body in overseeing the management of impacts	17-18	
	2-13	Delegation of responsibility for managing impacts	17-18	
	2-14	Role of the highest governance body in sustainability reporting	17-18	
	2-15	Conflicts of interest	-	Refer to business reports
	2-16	Communication of critical concerns	78	
	2-17	Collective knowledge of the highest governance body	65, 69	
	2-18	Evaluation of the performance of the highest governance body	66, 69, 72	
	2-19	Remuneration policies	66, 69, 72	
2-20	Process to determine remuneration	66, 69, 72		
2-21	Annual total compensation ratio	-	Non-disclosure of confidential information	

GRI 2: General Disclosures				
Category	Index	Content	Page	Remarks
GRI 2: Strategy, policy, and practices	2-22	Statement on sustainable development strategy	4-6	
	2-23	Policy commitments	47-49, 74-76	
	2-24	Embedding policy commitments	47	
	2-25	Processes to remediate negative impacts	78	
	2-26	Mechanisms for seeking advice and raising concerns	49, 75	
	2-27	Compliance with laws and regulations	107	
	2-28	Membership associations	118	
	2-29	Approaches to stakeholder engagement	20	
	2-30	Collective bargaining agreements	91	

GRI 3: Material Topics				
Category	Index	Content	Page	Remarks
Disclosures on material topics	3-1	Process to determine material topics	21	
	3-2	List of material topics	21	
	3-3	Management of material topics	31, 36, 42, 50, 54, 74	

Economic Performances				
Category	Index	Content	Page	Remarks
GRI 201 : Economic Performance 2016	201-1	Direct economic value generated and distributed	100	
	201-2	Financial implications and other risks and opportunities due to climate change	31-35	
GRI 203 : Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	62	
	203-2	Significant indirect economic impacts	22-29	
GRI 205 : Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	107	
	205-2	Communication and training about anti-corruption policies and procedures	74-76, 106	
	205-3	Confirmed incidents of corruption and actions taken	105	
GRI 206 : Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	No lawsuits related to anti-trust violations and anti-competitive practices

GRI Content Index

Environmental Performances				
Category	Index	Content	Page	Remarks
GRI 301 : Materials 2016	301-2	Recycled input materials used	36-39	
GRI 302 : Energy 2016	302-1	Energy consumption within the organization	82	
	302-3	Energy intensity	82	
	302-4	Reduction of energy consumption	40	
GRI 303 : Water and Effluents 2018	303-1	Interactions with water as a shared resource	45	
	303-2	Management of water discharge-related impacts	45	
	303-5	Water consumption	83	
GRI 304 : Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	45	
	304-2	Significant impacts of activities, products and services on biodiversity	45	
GRI 305 : Emissions 2016	305-1	Direct (Scope 1) GHG emissions	81	
	305-2	Energy indirect (Scope 2) GHG emissions	81	
	305-4	GHG emissions intensity	81	
	305-5	Reduction of GHG emissions	31-34	
GRI 306 : Waste 2020	306-1	Waste generation and significant waste-related impacts	42	
	306-2	Management of significant waste-related impacts	42-44	
	306-3	Waste generated	84	
	306-4	Waste diverted from disposal	84	
	306-5	Waste directed to disposal	84	
GRI 308 : Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	97-98	
	308-2	Negative environmental impacts in the supply chain and actions taken	97-98	

Social Performances				
Category	Index	Content	Page	Remarks
GRI 401 : Employment 2016	401-1	New employee hires and employee turnover	87-89	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	58-59	
	401-3	Parental leave	90	
GRI 402 : Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	57	
GRI 403 : Occupational Health and Safety 2018	403-1	Occupational health and safety management system	51-53	
	403-2	Hazard identification, risk assessment, and incident investigation	52	
	403-3	Occupational health services	53	
	403-4	Worker participation, consultation, and communication on occupational health and safety	52-53	
	403-5	Worker training on occupational health and safety	52-53	
	403-6	Promotion of worker health	53, 59	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	53	
	403-8	Workers covered by an occupational health and safety management system	94	
	403-9	Work-related injuries	94-96	
GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	92	
	404-2	Programs for upgrading employee skills and transition assistance programs	57	
	404-3	Percentage of employees receiving regular performance and career development reviews	93	
GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	26-27	
	405-2	Ratio of base salary and remuneration of women to men	91	
GRI 406 : Non- discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	49, 97	
GRI 408 : Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	49	
GRI 409 : Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	49	
GRI 413 : Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	62	
GRI 418 : Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	No complaints of customer privacy violations or lost customer information

SASB Index

HANSAE YES24 Group discloses relevant data in accordance with the Sustainability Accounting Standard Board (SASB) Framework, a voluntary industry-specific disclosure standard for sustainability issues developed by the SASB. By disclosing such data, we aim to provide useful information for various stakeholders, including investors, to make informed decisions. The SASB Comparison Table has been prepared in accordance with the Apparel, accessories & footwear industry standard in the consumer goods sector under the Sustainable Industry Classification System (SICS).

Category	Code	Accounting Index	Unit	Page
Management of Chemicals in Products	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	-	43
	CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	-	43
Environmental Impacts in the Supply Chain	CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	%	43
	CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	%	42
Labor Conditions in the Supply Chain	CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	%	47
	CG-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	%	51
	CG-AA-430b.3	Description of the greatest (1) labor and (2) environmental, health, and safety risks within the supply chain	-	50, 52
Raw Material Sourcing	CG-AA-440a.1	Description of environmental and social risks associated with the sourcing of priority raw materials	-	33
	CG-AA-440a.2	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	%	37

TCFD Index

In response to the escalating environmental challenges brought about by climate change, HANSAE YES24 Group is actively formulating a range of policies for climate change adaptation. Furthermore, led by its parent company, HANSAE CO., LTD., has established a mid- to long-term goal of achieving carbon neutrality by 2050. Through major climate change response strategies such as installing solar power facilities, utilizing Renewable Energy Certificates(RECs), implementing our own smart manufacturing system (Hansae Advanced Manufacturing System, HAMS), and transitioning to electric vehicles, we aim to reduce carbon emissions and take a leading role in the eco-friendly fashion ecosystem. We are committed to converting climate change risks into opportunities, thereby contributing to the global aspiration of achieving carbon neutrality.

Governance

Subject of Recommendation		Page
A	Describe the board's oversight of climate-related risks and opportunities.	32
B	Describe management's role in assessing and managing climate-related risks and opportunities	

Strategies

Subject of Recommendation		Page
A	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	32-35
B	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
C	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	

Risk Management

Subject of Recommendation		Page
A	Describe the organization's processes for identifying and assessing climate-related risks	35, 78
B	Describe the organization's processes for managing climate-related risks	
C	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

Metrics and Targets

Subject of Recommendation		Page
A	Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process	31, 34
B	Disclose Scope 1 (Direct emissions), Scope 2 (Indirect emissions), and Scope 3 (Miscellaneous indirect scope) greenhouse gas (GHG) emissions, and the related risks	
C	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	

UN SDGs

HANSAE YES24 Group strives to meet the Sustainable Development Goals (SDGs) which are composed of 17 goals and 169 specific targets aimed at addressing economic, environmental, and social issues facing the planet and achieving sustainable development. HANSAE YES24 Group has aligned its corporate goals and activities with 10 out of 17 SDGs and created tangible social value and, moving forward, we will further expand our activities to make more contribution to achievement of SDGs.

Category	Principle	Main Activities of HANSAE YES24 Group	Page
Goal 03 	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> • Provided medical checkup to employees • Operated a mental health promotion program for employees 	53, 59
Goal 04 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> • Providing living support to families with financial constraints and supporting cultural exchange projects among Asian countries etc. • Initiation of local CSR activities where overseas operations are located. • Increased professional job training and opportunities to develop competence 	25, 57, 62
Goal 05 	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> • Pursued fair recruitment under the DE&I principle • Operated In-house maternity care programs to reduce childcare burden 	54-55
Goal 06 	Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> • Established a clothing production system utilizing used fabric waste • Operated water recycling systems and conducted environmental impact assessments • Carried out monitoring to protect and restore water-related ecosystems 	22-23, 42-43, 45
Goal 08 	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> • Operated training programs for workforce development in overseas business sites • Implemented policies to prohibit and eradicate child labor 	49, 62

Category	Principle	Main Activities of HANSAE YES24 Group	Page
Goal 09 	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> • Transformation of social infrastructure through the adoption of resource-efficient and environmentally safe technologies and industrial processes • Generated continuous operating profit through responsible management by the leadership 	33, 42-43
Goal 10 	Reduce inequality within and among countries	<ul style="list-style-type: none"> • Supported the growth of female managers • Expanded the recruitment of employees with disabilities • Increasing the number of employees with disabilities 	54-55
Goal 12 	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> • Expanded production lines and product line-up for eco-friendly products • Conducted eco-friendly campaigns to promote upcycling of products • Minimized overproduction and inventory by utilizing IT technologies 	33, 37, 38-39
Goal 13 	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> • Conducted activities to reduce GHG emissions and energy use 	31, 33-34
Goal 16 	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> • Implemented ethical management • Complied with conflict mineral regulations 	74, 76
Goal 17 	Strengthen the means of implementation and revitalize the global partnership for sustainable development	<ul style="list-style-type: none"> • Expanded communication channels and platforms for key stakeholders • Maximized customer satisfaction through continuous customer engagement 	20

UN Global Compact commitment

HANSAE YES24 Group strives to meet the Sustainable Development Goals (SDGs) which are composed of 17 goals and 169 specific targets aimed at addressing economic, environmental, and social issues facing the planet and achieving sustainable development. HANSAE YES24 Group has aligned its corporate goals and activities with 10 out of 17 SDGs and created tangible social value and, moving forward, we will further expand our activities to make more contribution to achievement of SDGs.



Category	Principle	Page
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and	47
	2. make sure that they are not complicit in human rights abuses.	48
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	57
	4. the elimination of all forms of forced and compulsory labour;	49
	5. the effective abolition of child labour; and	49
	6. the elimination of discrimination in respect of employment and occupation.	56
Environment	7. Businesses should support a precautionary approach to environmental challenges;	31-35, 40-45
	8. undertake initiatives to promote greater environmental responsibility; and	31-35, 40-45
	9. encourage the development and diffusion of environmentally friendly technologies.	37
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	76, 78

Third Party Assurance Statements

To: The Stakeholders of HANSAE YES24 Group

Introduction and Objectives of Work

BSI Group Korea (hereinafter "the Assurer") was requested to verify HANSAE YES24 Group Sustainability Report 2023 (hereinafter "the Report"). This assurance statement applies only to the relevant information included in the scope of the assurance. HANSAE YES24 Group is solely responsible for all information and assertion contained in the Report. The responsibility of the Assurer is to provide HANSAE YES24 Group Management with independent assurance statement based on its expert opinions by applying the verification methodology for the specified assurance scope. It is also to provide the information to all stakeholders of HANSAE YES24 Group.

Standards and Levels

This assurance was based on the AA1000AS (Assurance Standard) v3 (2020) Assurance Standard and confirmed that the Report was prepared in accordance with the GRI Standards, the international standards guidelines of sustainability reports. In accordance with the AA1000 AS, the assurance level was Moderate Level, and conducted against Type 1 to confirm compliance with the four principles of the AA1000 AP (AccountAbility Principles) 2018.

Scope

The scope of assurance applied to the Report is as follows;

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

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

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

Methodology

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

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

Limitation

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

Assurance Opinion

On the basis of our methodology and the activities described above, it is our opinion that

- The information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement.
- The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards)
- The assurance opinions on the four principles presented in the AA1000 AP (2018) are as follows.

AA1000 AP (2018)

Inclusivity: Stakeholder Engagement and Opinion

HANSAE YES24 Group defined customers, shareholders/investors, supply chain, subsidiaries,

Third Party Assurance Statements

employees, government and local communities as key stakeholder groups, and operated communication channels for each stakeholder group for engagement. HANSAE YES24 Group reflected key issues derived from stakeholder channels to sustainability management decisions and disclosed the process in the Report.

Materiality: Identification and reporting of material sustainability topics

HANSAE YES24 Group established the strategy related to sustainability management and established the process to derive reporting issues. HANSAE YES24 Group identified financial and social/environmental impacts and derived 6 material esg issues based on the analysis of media research, benchmarking global advanced companies in its field, and analysis of major global initiatives related to sustainability.

Responsiveness: Responding to material sustainability topics and related impacts

HANSAE YES24 Group established the management process for material issues determined by the materiality assessment, and implemented a response plan for each issue to appropriately respond to the derived core issues that reflects the expectations of stakeholders. HANSAE YES24 GROUP disclosed the relevant process including establishing policy and indicators, activity and response performance on key reporting issues in the Report.

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

HANSAE YES24 Group established the process to identify and evaluate the impact on organizations and stakeholders related to material issues. HANSAE YES24 Group used impacts, risk and opportunity factor analysis results for material issues to make decisions to develop response strategies for each issue, and disclosed the process in the Report.

Key areas for ongoing development

- HANSE YES24 Holdings has a responsibility as a holding company to lead the group's sustainability strategy and framework. As a holding company, it may be helpful to advance group's overall sustainability management system by specifying the sustainability strategy and direction of the HANSE YES24 Group and internalizing the process of deriving social/environmental indirect economic effects and performance systems based on the sustainability performance of each business company.
- It may be helpful to advance the sustainability management system by disclosing the achievement

of major sustainability (such as environment and social) performance based on HANSAE CO., LTD., and HANSAEMK CO.,LTD.'s sustainability strategies, sustainability issues and stakeholders' requirements.

Statement of independence and competence

The Assurer is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services. No member of the assurance team has a business relationship with HANSAE YES24 Group. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Evaluation against GRI 'In Accordance' Criteria

The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the following Universal Standards and Topic Standards Indicators based on the data provided by HANSAE YES24 Group, the sector standard was not applied.

[Universal Standards]

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

[Topic Standards]

201-1~2, 203-1~2, 205-1~3, 206-1, 301-2, 302-1, 302-3~4, 303-1~2, 303-5, 304-1~2, 305-1~2, 305-4~5, 306-1~5, 308-1~2, 401-1~3, 402-1, 403-1~9, 404-1~3, 405-1~2, 406-1, 408-1, 409-1, 413-1, 418-1

28 June 2023

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



Membership Status & Awards

Awards

Company name	Data	Award Name	Subject
HANSAE CO, LTD.	September 2, 2020	Ministerial Recognition for Advancing Gender Equality	Ministry of Gender Equality and Family
	August 27, 2020	2020 Korea-Guatemala Corporate Social Responsibility (CSR) Forum	Embassy of Republic of Korea in Guatemala, Centrarse
	September 16, 2022	'2022 WIN AWARD' Recognized as a Gender Equality Leader	WIN Women in Innovation
HANSAEMK CO.,LTD.	February 14, 2022	MODA Outlet Excellent Partners	MODA Outlet

Associations



THANKS TO

HANSAE YES24 HOLDINGS



- Human Resource Team
- Analysis 1 Team
- Analysis 3 Team
- External Relations Team

HANSAE fashion worldwide



- Compliance Team
- HR Team
- People & Culture Team
- Accounting Team
- Sales Intelligence Team
- IT Operation Team
- Smart Factory Team
- Color&Touch Co, Ltd

HANSAE MK



- Administration Dept
- General Affairs Team
- Accounting Team
- Marketing 3 team
- Moimoln Business Dept