



BGF 2025 Sustainability Report

# Be Good Friends **BGF**

**BGF**

# About This Report

## Report Overview

With this report, BGF Group introduces our initiatives in 3 purposes & 9 different sectors to achieve our ESG management goals, presenting the activities and outcomes as well as the objective and progress. Moving forward, BGF Group will continue to publish this ESG report annually, transparently disclosing our ESG management activities and achievements and proactively communicating them with stakeholders.

## Reporting Standards

This report is prepared with reference to the GRI (Global Reporting Initiative) Standards 2021, a global reporting guideline for sustainable management. It also reflects the indicators and goals of ISO 26000, the UN Sustainable Development Goals (SDGs), and the UN Global Compact (UNGC).

## Reporting Period and Scope

The report contains our ESG activities and outcomes from 1 JAN 2024 to 31 DEC 2024. To enable quantitative trend analysis, the report provides data from the last 3 years (from 2022 to 2024); some of which includes activities conducted in 1H 2025. The data has been sourced from BGF, the holding company of the BGF Group, as well as BGF Ecomaterials in the materials sector and BGF Retail in the distribution sector, and is focused on ESG management activities and outcomes. This data also includes some of the achievements of other affiliates. The business performance is on the basis of consolidated financial data, which reflects K-IFRS. Where the scope of reporting differs, the scope of reporting of such information is indicated separately in the notes.

## Statements About Future Prospects

The report may include statements which are predictive in nature, such as facts that are relevant not only to current and past points in time but also future points in time. Investors must recognize that the actual results may differ substantially from what is delineated or implied in future predicting statements, and are cautioned not to rely on them excessively. Excluding legal and regulatory obligations, we are not responsible for updating statements on future prospects when the prospects change due to new information, future events or other outcomes.

## Reporting Inquiries

If you have any inquiries concerning this report, please contact us.

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- Issue Date** June 2025

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# CEO Message

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## Dear Stakeholders of BGF

BGF is committed to addressing challenges and making transformative decisions, with a focus on enhancing customer convenience and providing high-quality services, guided by the vision: "We achieve growth as a corporation that provides the best quality products and services, realizes customer values, and contributes to social development." BGF is moving forward with an ambitious plan to become a global leader in distribution and manufacturing, based on the synergy between two industries: the distribution sector, where we are setting a new standard for the global convenience store industry, and the materials industry, where we are providing safe and reliable products.

2024 was a particularly difficult year due to the high unpredictability caused by a domestic economic downturn and high prices, in addition to low growth and foreign exchange market fluctuations related to global instability. As well, the accelerated transformation brought about by AI and digital technology and the emergence of extreme weather events related to climate change such as wildfire and heavy rainfall have formed new societal and environmental paradigms.

In response, BGF has proactively coped with the changes by leading ESG management initiatives tailored to the needs of our industry, taking responsibility for our environment and society as a corporate citizen. We have provided innovative products and services to improve customer satisfaction and offer an inclusive shopping experience for all generations, while also developing the Protecting and Reporting system for children, senior citizens and economically marginalized individuals to build a tighter social safety net. Our Materials Sector company is strengthening market competitiveness, pursuing an environment-friendly portfolio and developing our next growth engine; in particular, it is focused on transitioning our business structure to a circular material use cycle, which can reduce the environmental impact of materials. In addition, BGF is implementing business strategies based on ethics and integrity so that we commit to our core principles and build transparent and healthy governance.

Beyond this, BGF is expanding its business globally, entering into overseas markets one by one. Moving forward, BGF will focus on its commitments, pursuing ESG business activities and being mindful of our environmental and social responsibilities.

Guided by our sustainable goal of "Good Friends with the Earth and Society" we will continue to do business responsibly for our stakeholders, including our shareholders, customers, partners, and the local communities in which we operate. We are grateful for your ongoing attention and support for our activities.

Thank you.

JUNE 2025

BGF  
CEO & Vice-Chairman  
**Jung-Kook Hong**

# Company Profile

## Group Overview

Rooted in BGF's corporate vision of "Be Good Friends," our commitment, which is to become a corporation that can better our customers' daily lives, has been implemented across our businesses. BGF Group is leading various businesses such as distribution, manufacturing, services, etc., and working proactively to bring convenience to consumers and create new value.

Company name	BGF Co., Ltd
Headquarter Location	405 Taehaeran-ro, Gangnam-gu, Seoul, South Korea
CEO	Hong Jung Kook
Foundation	December 1, 1994
Total assets	KRW 2,300.9 billion
Key Businesses	Holdings and Investment businesses
Employees	53 persons (Separate basis)
Homepage	<a href="http://www.bgf.co.kr">http://www.bgf.co.kr</a>

(Unit: KRW 100 million)

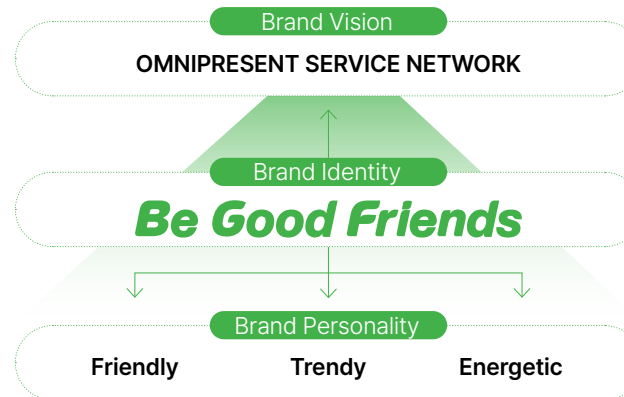
Category	2022	2023	2024
Sales Revenue	4,349	3,563	4,340
Operating Income	612	605	552
Net Income	261	691	947

## About BGF Groups

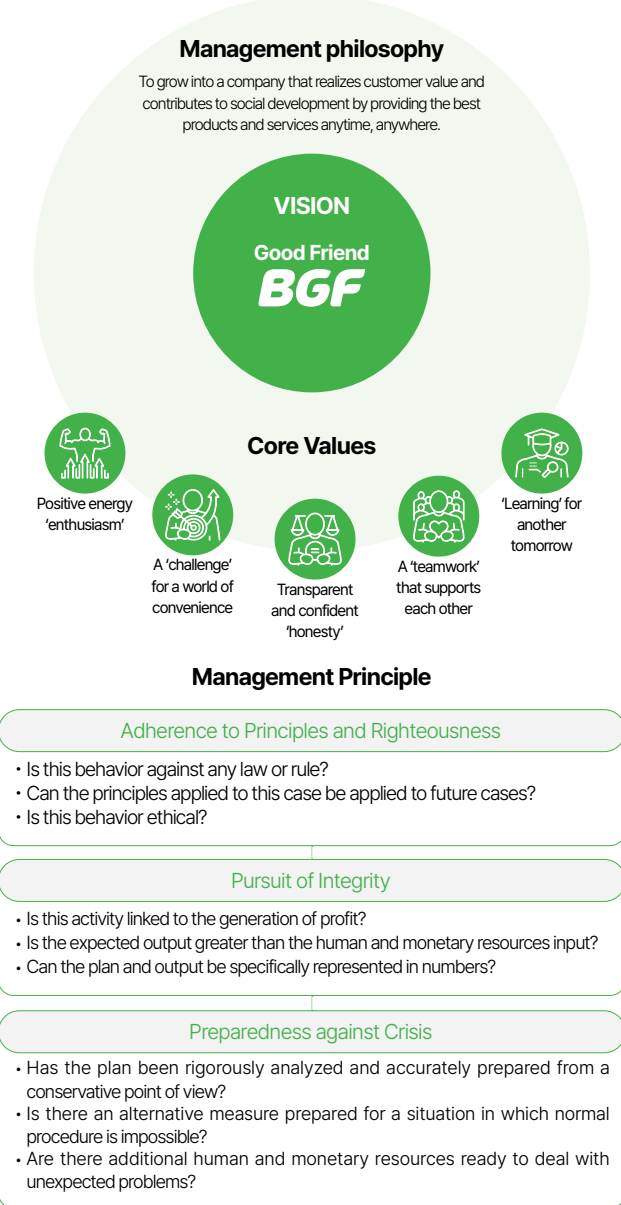
BGF Group is operating various businesses that create and add value to customers' lives, in areas that include distribution, manufacturing, services, and others. The company was founded in October 1990 as a convenience store business, and established a legal entity to begin a franchising business in 1994. In 2017, to enhance the transparency of its business and pursue quality growth, the company did a share split to establish a new company pursuing the convenience store business known as BGF Retail, changing the name of the surviving company to BGF. BGF is a holding company, primarily focusing on investment. Its major profits come from the franchise fees collected from BGF brand users, service fees (by delivering business services), extra dividends provided by its subsidiaries and rentals.

## Brand Value Organization

BGF is guided by its brand vision of "Omnipresent Service Network," and adopts the following brand system.

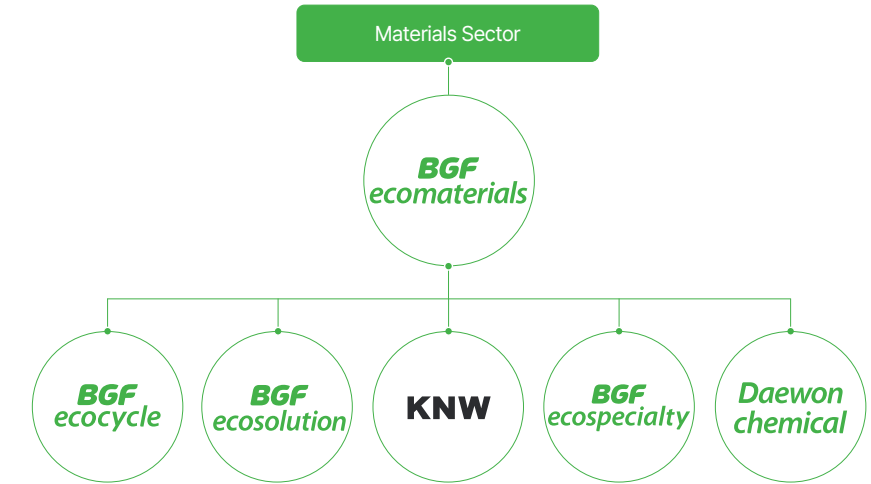
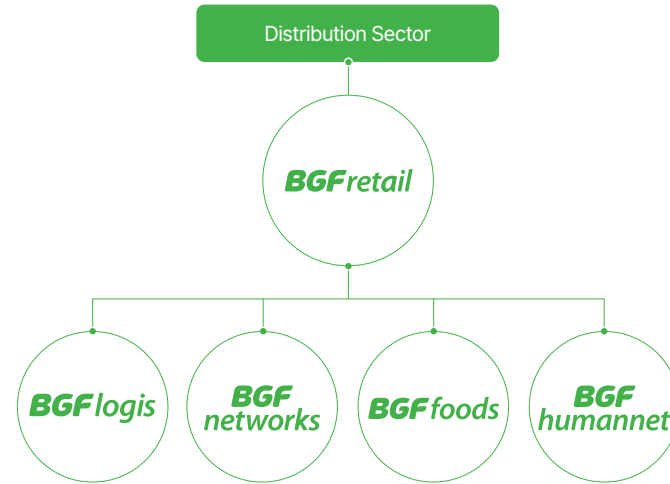


## Corporate Philosophy



# Affiliates & Value Chain

## Major Affiliates



### Distribution Sector

Classification	BGF Retail	BGF Logis	BGF Networks	BGF Food	BGF Humannet
CEO	Seung-bae Min	Min-jae Lee	Jeong-wook Yeon	Young-min Song	Eung-sun Lee
Date Established	1 Nov 2017	15 Nov 1999	1 Feb 2016	21 Jan 2008	23 Mar 2009
Major Business	Convenience Store Franchising	Logistics and Warehousing	Advertising, courier, and e-commerce businesses	Food Manufacturing and Distribution	Staffing agencies, outsourced operations
Headquarters	405, Teheran-ro, Gangnam-gu, Seoul	58, Giheong-ro, Giheung-gu, Yongin-si, Gyeonggi-do	403, Teheran-ro, Gangnam-gu, Seoul	66, SansusanDan-ro, Deoksan-eup, Jincheon-gun, Chungbuk	22, Nonhyeon-ro 85-gil, Gangnam-gu, Seoul
Revenue (KRW 100 million)	86,988	3,338	830	1,856	853
Employees (Based on full-time employees)	2,603 persons	490 persons	59 persons	80 persons	58 persons

### Materials Sector

Classification	BGF Ecomaterials	BGF Ecocycle	BGF Ecosolution	KNW	BGF Ecospecialty	Daewon Chemical
CEO	Jung-hyuk Hong	Byung-kwon Hong (CEO)	Jung-hyuk Hong	Hyun-dal Park	Jung-hyuk Hong	Jung-hyuk Hong
Date Established	13 Oct 1997	21 Jan 2021	18 Sep 2011	12 Jan 2001	12 Jul 2005	24 Sep 2008
Major Business	Manufacturing and Sale of Engineering Plastic Materials	Comprehensive Waste Recycling and Regeneration Processing Business	Manufacturing and Sale of Biodegradable Eco-friendly Products	Manufacturing and Sale of Industrial Tapes and Films	Processing, Manufacturing, Distribution, and Sale of Fluorine Compounds	Compounding, Manufacturing and Sale of Plastic Products
Headquarters	142, Sangduwon-gil, Jangan-myeon, Hwaseong-si, Gyeonggi-do	11, Geonji-ro 121beon-gil, Seo-gu, Incheon	185, Parang-ro, Seo-gu, Incheon	51, Donyu 3-ro, Munsan-eup, Paju-si, Gyeonggi-do	100, Ijin-ro, Onsan-eup, Uiju-gun, Ulsan	67-34, Cheonheung 8-gil, Seonggeo-eup, Seobuk-gu, Cheonan-si, Chungnam
Revenue (KRW 100 million)	1,807 (excluding domestic legal entities)	130	120	248 (excluding domestic legal entities)	478	464
Employees (Based on full-time employees)	162 persons	81 persons	38 persons	51 persons	134 persons	56 persons

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# Affiliates & Value Chain

## Value Chain



Good Friends with the Earth and Society



To grow into a company that realizes customer value and contributes to social development by providing the best products and services anytime, anywhere.

### BGFlogis

Providing optimal total logistics services to reliably supply CU convenience store products through a nationwide logistics network

Ⓞ Contributing to regional economic revitalization and logistics efficiency

### BGFnetworks

Providing lifestyle-oriented services and specialized digital marketing services such as digital signage advertising, mobile services, and parcel delivery based on the CU platform

Ⓞ Providing customer convenience services

### BGFfoods

Operating an integrated food manufacturing management system for developing and producing ready-to-eat meals supplied to CU convenience stores

Ⓞ Creating local jobs and providing safe food

### BGFhumannet

Supporting efficient store operations through convenience store consignment management, store support, and worker dispatch services

Ⓞ Enhancing customer satisfaction

## Distribution

### BGFretail

Operating a convenience store chain and managing 'CU,' Korea's largest convenience store chain

Providing customers with everyday convenience and differentiated value

### BGFecomaterials

Researching eco-friendly materials and producing high-quality materials

Providing eco-friendly solutions and contributing to customer satisfaction management

## Materials

### BGFecosolution

Developing and manufacturing biodegradable and bio-plastic products

Ⓞ Contributing to the promotion of a circular economy

### BGFecycle

Producing recycled materials using waste plastics

Ⓞ Contributing to the promotion of a circular economy

### KNW

Developing and producing the adhesive tapes and films used for automotive interior materials and electronic product manufacturing materials

Ⓞ Realizing customer value through the development and production of customized materials

### BGFecospecialty

Specialized in producing high-value-added fluorochemical products and specialty gases for semiconductors and automotive applications

Ⓞ Securing supply chain stability through the localization of the industrial gas business

### Daewon chemical

Developing and producing PP materials and engineering plastics used in automotive, electrical/electronic, and various other industries

Ⓞ Realizing customer value through the development and production of customized materials

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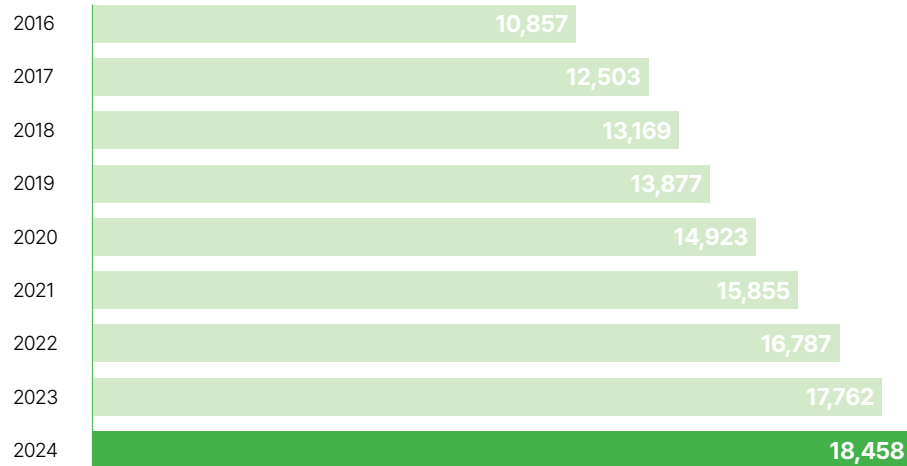
## Distribution Sector

### BGFretail

The primary business of BGF Retail is convenience store franchising, with its brand "CU." After opening its first store in Garaksiyoung in 1990, BGFretail launched CU brand in 2012. In the years since, the company has established CU as one of the leading convenience store brands, expanding its presence into overseas markets such as Mongolia, Malaysia, Kazakhstan, and the USA (Hawaii). BGF Retail's convenience store franchising business has been a model win-win relationship between the franchisor and the franchisees. BGF Retail, and the franchisees. BGF Retail provides the support and training required for its franchisees' management activities, and allows them to use its trademark, service mark, company name, business sign and mark. Franchise operators utilize the resources of BGF Retail such as quality standards, sales methods and systems to sell products and run the stores. Each franchise shares a fixed rate of the profit from their sales with the franchisor. BGF Retail, with branches across the nation, delivers diverse products and services that meet the needs of customers and the conditions of each location through the convenience store business. All franchisees handle a variety of items, which are primarily food and beverage items and other general merchandise. No individual item accounts for more than 5% of the total revenue.

#### Status of Domestic Franchises

(Unit : Stores)



## Distribution and Product Brand

BGF Retail is operating its PB (Private Brand) that fulfills the needs of customers with its leading convenience store brand "CU" that has nationwide branches.

### Distribution Brand

"CU," good friend to Customer and Society



Convenient, Pleasant Space

Friendly Place

Happy Rest Area in Life



### Product Brand

PB (Private Brand) that fulfills customer needs.



CU's integrated private brand portfolio is designed to address customers' unmet needs by providing snacks, beverages, dairy products, and instant noodles of high quality at competitive prices.



A coffee brand that delivers the authentic taste of coffee anytime, anywhere.



A brand of iced beverages packaged in cups and pouches, offering innovative flavors at affordable prices.

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## Distribution Sector | Major Affiliates

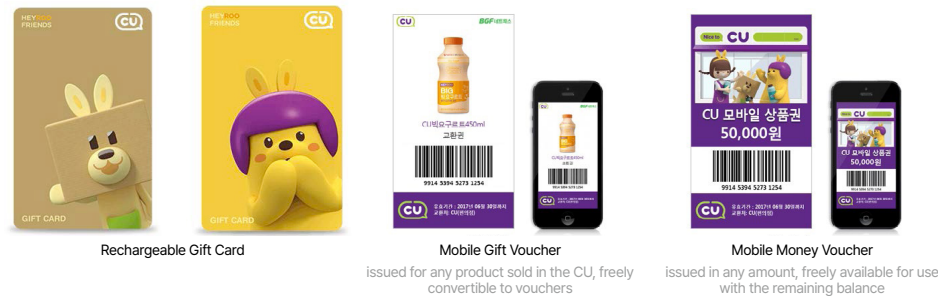
### BGFfoods

To provide the safest and best quality food to CU convenience stores across the nation, BGF Foods handles the entire manufacturing process, from raw materials sourcing, processing and supply to food production. In addition, BGF Foods serves as a control tower for manufacturing convenience food, developing recipes and overseeing the entire manufacturing system. BGF Foods is HACCP (Hazard Analysis and Critical Control Points) certified, and manages its own quality control unit that researches safe food products based on thorough hygiene.



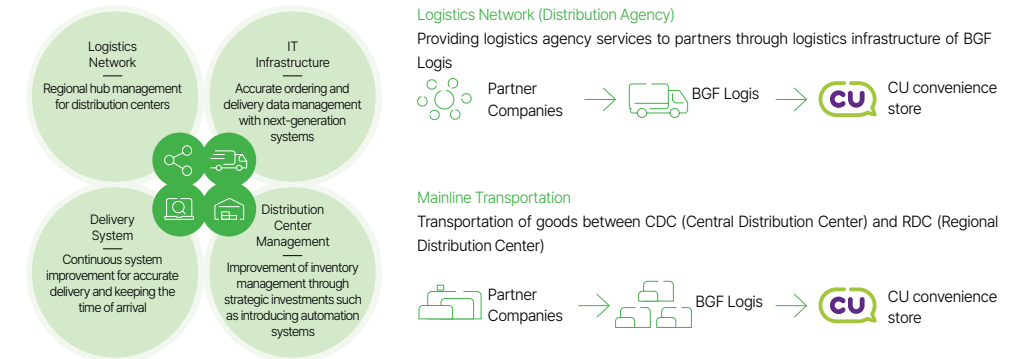
### BGFnetworks

BGF Networks leverages the CU platform to offer a range of everyday services—including parcel delivery, digital signage advertising, and mobile services such as e-gift cards—alongside specialized digital marketing solutions that enhance customer convenience. Notably, the company operates 24/7 convenience store-based parcel delivery services, as well as pick-up, express, and home delivery options. It also issues and manages rechargeable gift cards and mobile vouchers. Through CU's extensive nationwide network of stores, BGF Networks delivers digital signage content, providing optimal exposure for advertisers.



### BGFlogis

In 1992, BGF Logis became the first in the industry to establish a dedicated logistics center for convenience stores (CVS). Since then, the company has built logistics centers in key locations nationwide, securing a regionally optimized supply network. In 2018, BGF Logistics reinforced its logistics infrastructure by opening the Jincheon Central Distribution Center (CDC), the largest of its kind in the industry. Serving as the central hub, the CDC enables more seamless and efficient operations across the regional distribution centers (RDCs). BGF Logistics supports efficient CVS logistics through an IT-based infrastructure, delivering optimized services that ensure the right products are supplied at the right time and place.



### BGFhumannet

BGF Humannet supports outsourced operations and workforce management to enhance the operational efficiency of CU stores. It cultivates CVS (Convenience Store) operation specialists to manage stores in special locations such as airports, parks, and event venues. In addition, it provides various store support services—including store openings, inventory checks, and closures—to ensure the smooth operation of franchise stores.



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## Materials Sector

### BGFecomaterials

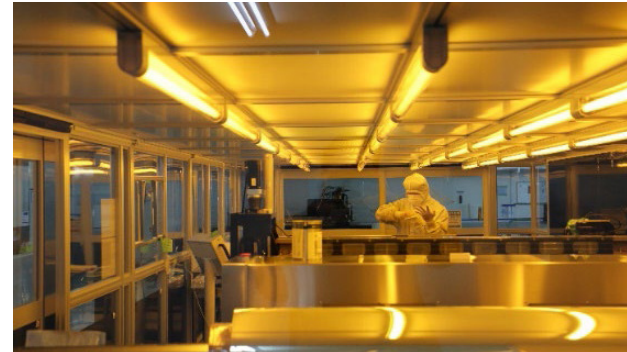
BGF Ecomaterials is a company that is engaged in the engineering plastics and chemical materials business, specializing in the production and sale of functional polymer compound materials. Its products are used in a wide range of industries, but particularly in the automotive, electronics, and furniture sectors, and the company serves a broad range of end-users. Notably, BGF Ecomaterials supplies component materials directly to major automobile manufacturers. Polymer materials offer numerous advantages in the automotive field, including vehicle lightweighting, improved fuel efficiency, enhanced ride comfort and safety, and reduced emissions. Thanks to their excellent mechanical properties—such as heat resistance, chemical resistance, impact resistance, and high rigidity—the demand for and significance of these materials continues to grow. BGF Ecomaterials also has affiliates in the electronics, automotive parts, and semiconductor materials sectors. The company is expanding its portfolio from advanced fluorine-based materials to sustainable solutions, including bio-based and recycled materials.



**BGFecomaterials**  
**BGFecosolution**  
**BGFecocycle**  
**Daewon chemical**

Engineering Plastics and Chemical Materials Business

BGF's materials sector is engaged in a wide range of polymer materials businesses, including engineering plastics used in the automotive and electronics industries, bio-based plastics applied to consumer goods and packaging, and PCR (post-consumer recycled) plastics, for which the entire process—from collection to recycling—is fully integrated in-house.



**KNW**

Electronic and Automotive Component Processing Materials Business

In the electronic and automotive component materials sector, KNW produces high-value-added processed materials such as the adhesive and bonding films used across various industries—including displays, automotive, and electronics—as well as specialized fibers used in automotive seats and interior materials. The business is primarily focused on supplying intermediate materials.



**BGFecospecialty**

Fluorine-based Materials Manufacturing Business

Within BGF Group's materials sector, the fluorochemical business focuses on producing key fluorine-based industrial gases—such as F<sub>2</sub> gas and SF<sub>6</sub> gas—used in the semiconductor (electronics), secondary battery, and automotive industries. These gases perform critical functions as cleaning/etching agents, insulating gases, electrolyte solvents, and additives. BGF is actively expanding its portfolio of fluorochemical products, and is working to establish greater self-sufficiency in industrial gas production, thereby enhancing the stability of the domestic supply chain.

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## Materials Sector | Major Affiliates

### BGF Ecosolution

BGF Ecosolution is specialized in environment-friendly materials, and is dedicated to researching and developing bio-degradable plastic materials that can replace conventional petroleum-based plastics. The company's R&D is focused on sustainable materials that can be effectively degraded under various conditions, through a technology that enables degradable plastic compounds and foamed materials to have mechanical attributes equivalent to universal plastics. With this unique technology, the company is diversifying its business into a range of areas spanning from general consumables to packaging materials, disposable materials to agriculture, industrial materials and more. The company is also building a sustainable materials ecosystem, contributing to a reduction in carbon emissions and a circular materials economy by utilizing technology covering the entire process from raw materials sourcing to compound development, processing technology, and applied product development.



**Brand in Operation**

BGF Ecosolutions launched its white bio-materials brand, Revert, with the vision of "Return to Nature."

### BGF Ecocycle

BGF Ecocycle is a recycling company that collects, sorts, and recovers used plastics from households and businesses, processing them into regenerated materials. The company is particularly focused on recycling the high-value plastic waste generated by industries such as automotive and electronics, producing high-quality PCR (post-consumer recycled) materials. Through this business model, BGF Ecocycle helps reduce the contaminants, odors, and VOCs (volatile organic compounds) associated with waste, contributing to a circular economy for plastic resources.

### Daewon chemical

Daewon Chemical applies compounding technology to plastic materials to produce and supply high-performance plastics with enhanced heat resistance, strength, and impact durability. Focusing on composite polypropylene (PP) production, the company delivers optimized material solutions for a range of industries, including automotive, electronics, and furniture. Backed by extensive experience and expertise, Daewon Chemical is also committed to developing eco-friendly materials for the future.

### KNW

KNW develops and supplies processing materials used in vehicle manufacturing and the electrical/electronics sectors such as adhesive tapes and films, etc. based on the company's own adhesion technology. KNW produces value-added adhesion film materials, which are applied in different industries ranging from electrical/electronics and vehicle manufacturing to display, as well as processed materials such as special fabrics for car seats or interior parts. In addition, the company provides material solutions tailored to the specific needs of each application, such as automotive interior components and materials used in electrical and electronic manufacturing processes—contributing to enhanced product quality and greater customer value.

### BGF Ecospecialty

BGF Ecospecialty specializes in the manufacturing of fluorochemical products, supplying essential fluorine-based materials used across key industries such as semiconductors, secondary batteries, and energy. The company produces industrial fluorinated gases that serve as core materials for cleaning and etching gases, insulating gases, and electrolyte solvents and additives. It is actively expanding its portfolio of fluorochemical products. Significantly, BGF Ecospecialty is working to localize the highly import-dependent industrial gas sector, helping to strengthen the resilience of domestic supply chains.

**| Major Products**

- F<sub>2</sub> (Fluorine)  
High-purity fluorine is used in semiconductor, display, and solar cell manufacturing processes, including cleaning and etching. Compared to other specialty gases, it offers a more environmentally friendly profile.
- SF<sub>6</sub> (Sulfur Hexafluoride)  
Sulfur hexafluoride is a non-toxic, inert gas with high dielectric strength and thermal stability. It is used as an insulating gas in semiconductor etching processes, as well as in high-voltage cables and transformers.
- FEC (Fluoro ethylene carbonate)  
FEC is one of the four key raw materials used in electrolytes for secondary batteries. It acts as a solvent and additive that enhances battery safety, minimizes performance degradation, and extends battery lifespan.

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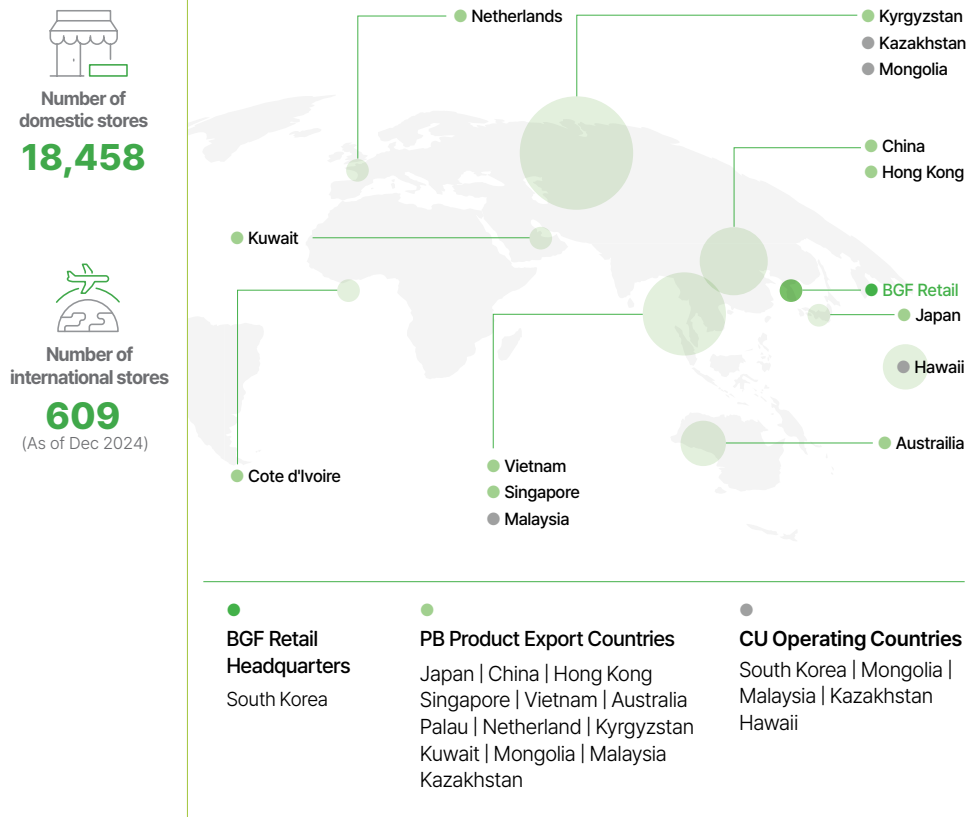
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# Global Network

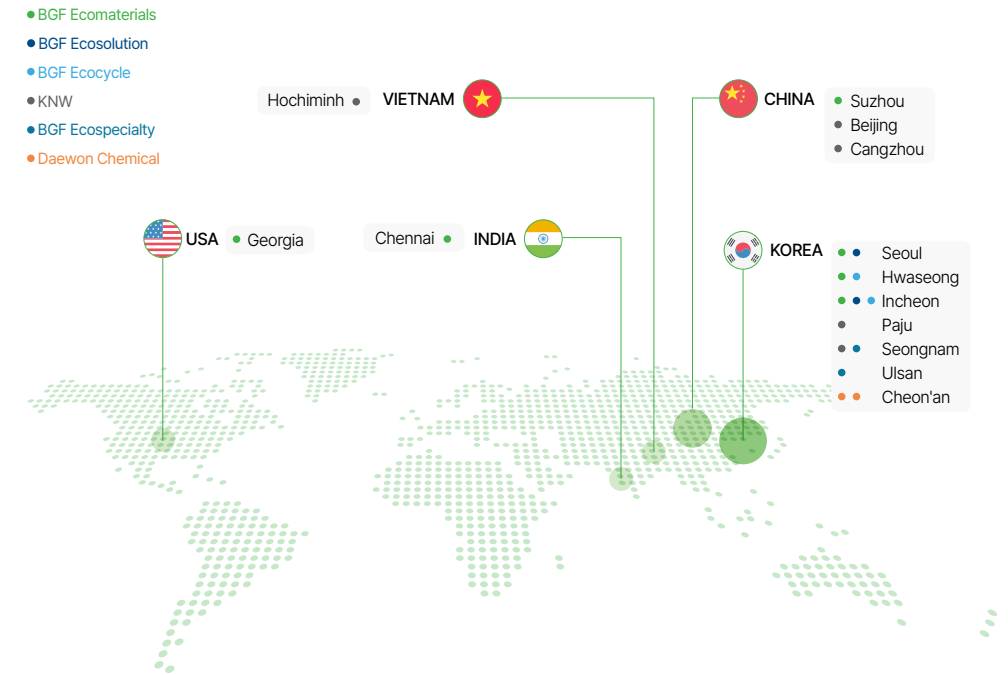
## Distribution Sector | Global Network

BGF Retail has leveraged its domestic convenience store expertise to expand globally, beginning with Mongolia in 2018. It signed master franchise agreements (MFCs) with retail partners in Malaysia in 2020, Kazakhstan in 2023, and Hawaii, USA in 2025. In June 2023, BGF Retail became the first Korean convenience store brand to enter the Kazakhstani market, opening its first store there in March 2024. In May 2025, it further accelerated its global expansion by entering the Hawaiian market. As of 2024, CU operates 18,458 stores in Korea and 609 stores overseas. Beyond physical expansion, BGF Retail continues to grow its global network by exporting CU private-label (PB) products internationally. By the end of 2024, CU PB products were being exported to 13 countries, helping our small and mid-sized Korean partners to broaden their global reach and promoting shared growth.



## Materials Sector | Global Network

BGF Ecomaterials and its subsidiaries operate manufacturing facilities and offices in 13 cities across five countries—including South Korea, the United States, China, India, and Vietnam. To actively respond to global demand, they have established overseas subsidiaries dedicated to production and sales.



Korea		Asia		America	
Seoul	Offices	China Suzhou	Production corporation	USA Georgia	Production corporation
Hwaseong	Headquarters/Factory/R&D	China Beijing	Offices		
Incheon	R&D	China Cangzhou	Production corporation		
Paju	Headquarters/Factory/R&D	Vietnam Hochiminh	Production corporation		
Seongnam	Offices	India Chennai	Sales corporation		
Ulsan	Headquarters/Factory/R&D				
Cheon'an	Offices				

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# Key Performance in 2024

## Major Business Activities

### BGF Ecomaterials

Investment in building an anhydrous hydrofluoric acid (AHF) production facility to strengthen the semiconductor materials business within the materials division.



### BGF Ecomaterials

Diversification of the PP-based recycled materials business through the acquisition of Daewon Chemical

### BGF Retail

CU surpasses 400 stores in Mongolia and achieves overseas profitability for the first time; launches first K-convenience store in Central Asia with opening in Kazakhstan



## Environmental Performance

### BGF Ecocycle



**Signed MOU with Michuhol-gu, Incheon to promote resource circulation**  
Collaboration underway at the 'Our Neighborhood ESG Center' to produce recycled products

### BGF Retail



**Certified as an Excellent Green Logistics Company for Five Consecutive Years**  
| Ministry of Land, Infrastructure and Transport, Korea Transportation Safety Authority

**Recognized for Contributions to Promoting Recycling of Electrical and Electronic Products**  
**Awarded the Minister of Environment Award**  
| Ministry of Environment, Korea Electronics Recycling Cooperative

## Social Performance

### BGF Ecospecialty

**Ulsan Semiconductor Manufacturing Plant Investment and Construction**  
To create local jobs and contribute to revitalizing the regional economy by prioritizing the employment of local residents (scheduled for completion in 2026)

### BGF Retail



**Opening of Convenience Stores (No. 1-3) for Persons with Severe Disabilities to Create Job Opportunities for People with Disabilities**  
| Ministry of Health and Welfare, Korea Disabled People's Development Institute



**Awarded the Highest Rating in the Win-Win Growth Index**  
| Korea Commission for Corporate Partnership (KCCP)

## Governance Performance

### BGF Retail



**BGF Retail : Awarded a Commendation for Promoting Integrity and Ethical Management**  
| The Anti-Corruption & Civil Rights Commission

# ESG MANAGEMENT



Overview

**ESG Management**

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Planet | BGF, Implementing Eco-friendly Value Chain

Partner | BGF, Pursuing Stakeholder-centered Management

People | BGF, Fostering a Transparent and Safe Corporate Culture

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# ESG Management Strategy

## Direction of ESG Management

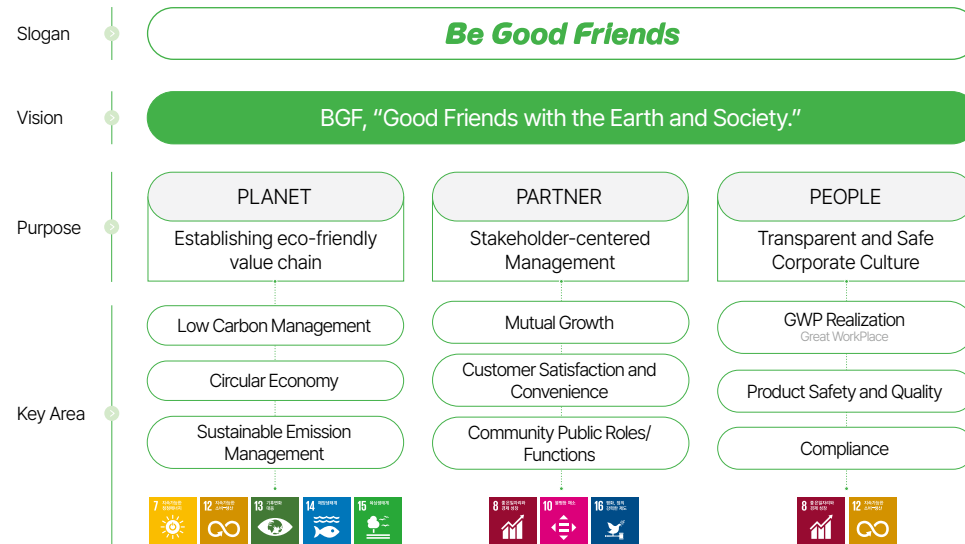
BGF Group pursues ESG management with the goal of creating integrated value by combining economic value—through profit generation and shareholder value maximization—with social value as a responsible corporate citizen. To achieve this, the company strives to clearly understand the expectations of its various stakeholders and reflect them in its policies, with the goal of maximizing economic, environmental, and social value. Through these efforts, BGF aims to realize its ESG vision of becoming a “Good Friend with the Planet and Society.”

## Declaration of Support for UNGC

In November 2008, BGF joined the United Nations Global Compact (UNGC), committing to uphold its ten principles in the areas of human rights, labor, environment, and anti-corruption. As a member of the UNGC, BGF fulfills its responsibilities by publishing an annual implementation report. Additionally, through the UNGC Korea Network, the company has officially declared its support for the United Nations Sustainable Development Goals (UN SDGs) by signing the CEO Statement of Support.

## ESG Strategy

To implement a purpose-driven ESG strategy, BGF has established three key goals and nine core focus areas centered on environmental and social priorities. These objectives are actively communicated and shared with both internal and external stakeholders.



## Internalizing ESG Management Practices

In July 2022, BGF strengthened its ESG management across the entire group by implementing an ESG Commitment Declaration for employees and expanding awareness and engagement in all business operations. The company defined a set of behavioral principles to guide employees in aligning their daily work with ESG values, and provided clear direction and guidelines for practice. To embed ESG into the organizational culture, BGF also conducts ESG training for new hires and employees. Notably, BGF Retail, which operates CU convenience stores, has actively promoted ESG Stakeholder Engagement campaigns targeting franchise owners—fostering a shared understanding of ESG across its business ecosystem.

## Employee ESG Commitment Declaration

- 01** We present and practice environmental protection rules to establish a climate-friendly culture.
- 02** We actively communicate and cooperate with stakeholders to achieve mutual growth.
- 03** We continually innovate to benefit the environment and society through BGF Infrastructure.

## External ESG Assessment

In 2024, BGF received an overall rating of 'A' in the ESG evaluation conducted by the Korea Institute of Corporate Governance and Sustainability (KCGS). By category, the company was rated 'A' in Environmental, 'A+' in Social, and 'B+' in Governance.

### | BGF

Agency Name	Environmental	Social	Governance	Total Rating
KCGS	A	A+	B+	A
Sustainvest	-	-	-	AA

### | BGF Affiliates (KCGS)

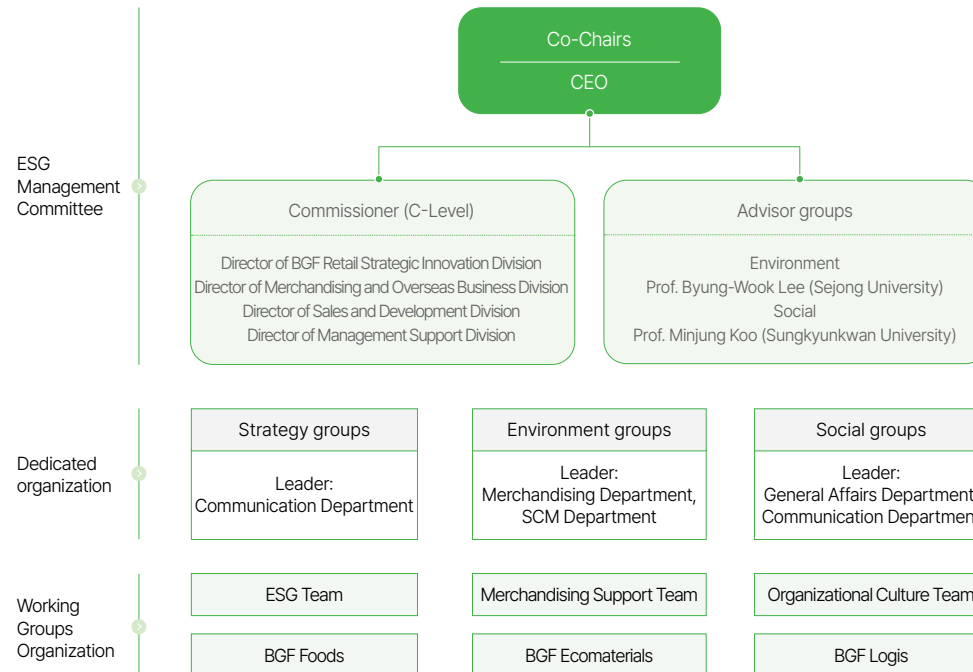
Agency Name	Environmental	Social	Governance	Total Rating
BGF Retail	A	A+	A	A
BGF Ecomaterials	B	B	B	B

# ESG Governance

## ESG Governance

To advance authentic ESG management, the BGF Group established the ESG Management Committee in 2021 and set three mid-to-long-term goals—Planet, Partner, and People—along with nine core focus areas centered on environmental and social priorities. In January 2025, the strategic goals and core areas were partially revised to better reflect key ESG issues across business sectors and subsidiaries. As global regulations and disclosure requirements related to environmental and social issues continue to intensify, BGF plans to continuously review and manage its ESG agenda in collaboration with its key affiliates, including BGF Retail.

### | ESG Governance Structure and Role



\* Co-chair : CEO of BGF Retail Co.

## ESG Management Committee

BGF Group proactively identifies and addresses ESG risks that may arise across its business operations, striving to turn these risks into new opportunities. The ESG Management Committee, a collaborative body involving BGF and its key affiliates, with BGF Retail at its core, reviews mid-to-long-term ESG strategies, policies, and risks. The committee analyzes sustainable management performance each quarter and discusses areas for improvement. In support of this, key ESG issues are monitored by dedicated strategy, environmental, and social groups. A dedicated organization reports quarterly on the progress of ESG initiatives aligned with the group's strategies and policies to the ESG Management Committee. In addition, an advisory panel composed of experts in the environmental and social fields provides guidance on ESG risk management and critical issues. The ESG Management Committee escalates significant ESG matters discussed to the Board of Directors, which reviews and approves them, thereby overseeing the BGF Group's ESG management activities. Notably, BGF Retail integrates environmental management performance into the evaluation metrics for the relevant department heads, linking these assessments to compensation to ensure that decisions and activities translate into tangible results.

### | 2024 BGF Board of Directors ESG Agenda

Category	Type	Report Agenda	Date of Report
	Environmental - Society	• Report on Changed/Newly Established Employee Welfare Support Programs	Jan 2024
		• Regarding Donation Payments	Nov 2024
Board of Directors	Governance	• Report on the Operation Status of the Internal Accounting Control System by the Internal Accounting Manager	Feb 2024
		• Report on the Implementation of the Board of Directors Evaluation	Dec 2024
		• Introduction of Electronic Voting System for the 31st Annual General Meeting of Shareholders (2025)	Feb 2025
		• Review and Approval of Material ESG Issues for 2025	Mar 2025

## Training for Board of Directors

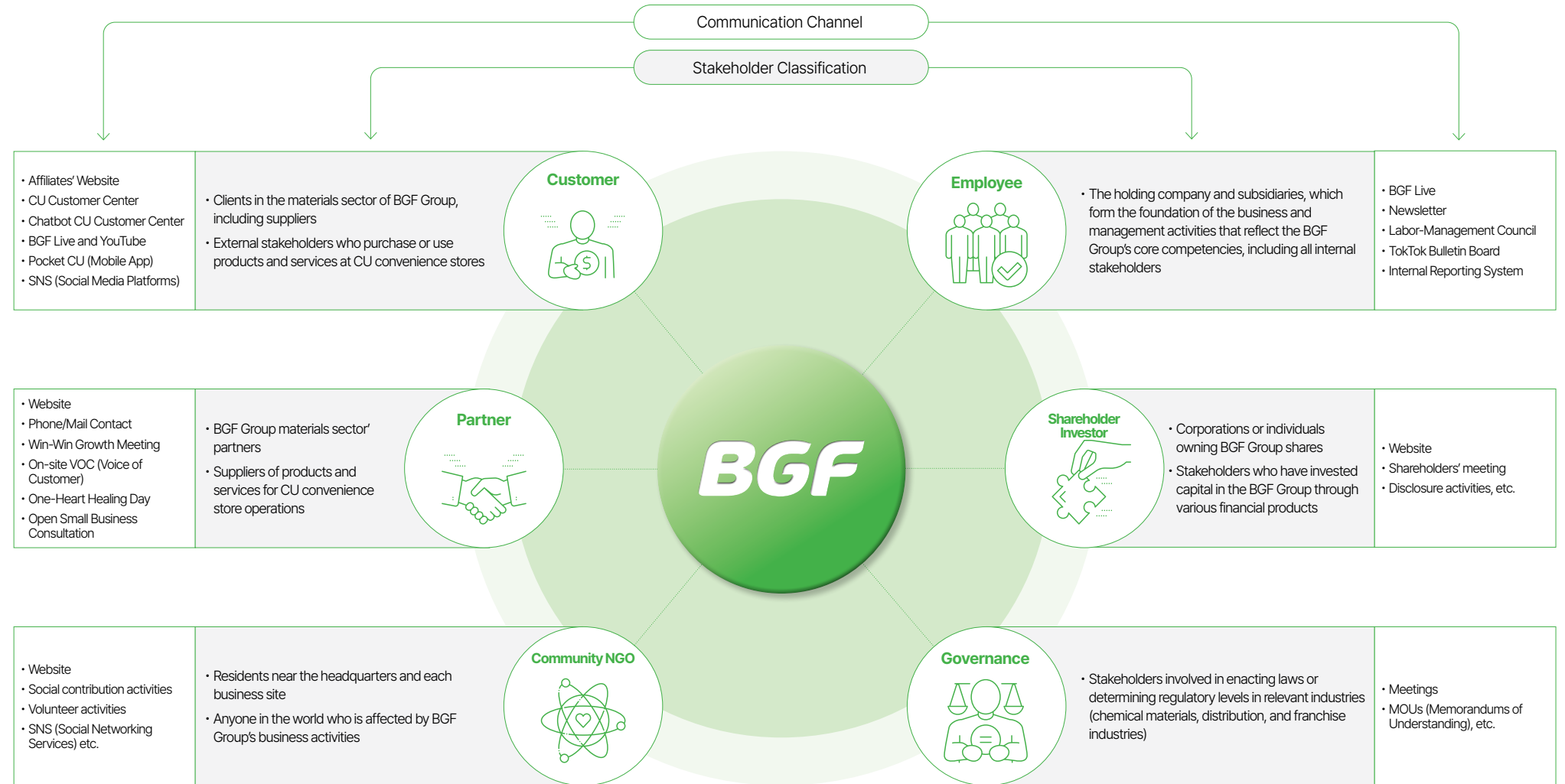
BGF conducts annual board education to strengthen the ESG expertise of the Board of Directors. In 2024, the board received training focused on corporate management and environmental issues, with expert-led sessions centered on key environmental risks such as the strengthening of global environmental regulations and disclosure requirements.



ESG Training Provided to Independent Directors and C-Level Executives

# Stakeholder Engagement

The BGF Group has identified and categorized various stakeholders across its entire business operations to achieve its vision of being a “Good Friend with Our Earth and Society.”The company continuously collects feedback through tailored communication channels suited to each stakeholder group, striving to understand and respond to their key concerns. Moving forward, BGF Group will continue to pursue sustainable growth based on an open and ongoing dialogue with its stakeholders.



# Double Materiality Assessment

## Double Materiality Assessment Process

The BGF Group conducted a Double Materiality Assessment to identify issues that affect both corporate sustainability and business performance. This assessment considers both the impact of the company's operations on the environment and society (Impact Materiality) and the influence of external environmental factors on the company's financial performance (Financial Materiality).

The BGF Group analyzed the major issues identified by assessing their environmental, social, and stakeholder impacts, as well as the company's financial risks and opportunities. The group conducted an IRO (Impact, Risk, Opportunity) analysis involving both internal and external stakeholders, which resulted in the identification of 15 key material issues. The BGF Group integrates these key material issues into its risk management and strategy development processes, and transparently discloses the outcomes to stakeholders through its Sustainability Report.

### Double Materiality Assessment

STEP 1	STEP 2	STEP 3	STEP 4
Forming an issue pool (Long-list)	Identifying short-list	Analyzing impacts	Key material issues
Form and identify issue pools	Internal strategy and external materiality test	Analyze impacts by issues	Determine key material issues
Forming a pool of material issues (Long-list) based on domestic and global ESG standards and industrial material issues	Identifying material issues (Short-List) through internal strategy and external environment analysis	Identifying social/environmental and financial impacts and analyzing IROs based on the types identified	Identifying key material issues by reflecting impacts and priorities of each sustainability topic
<ul style="list-style-type: none"> <li>• Review of initiatives such as GRI, TCFD, KCGS, and EcoVadis</li> <li>• Industry-specific issues (including holding companies, chemical materials industry, retail, etc.)</li> <li>• Material issues identified in the previous year</li> </ul>	<ul style="list-style-type: none"> <li>• Internal sustainability strategy analysis</li> <li>• Analysis of domestic and international laws and regulations</li> <li>• Review of ESG-related standards and evaluation indicators</li> <li>• Benchmarking domestic and international peers</li> <li>• Media analysis</li> <li>• Surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of potential social and environmental impacts</li> <li>• Analysis of potential financial impacts</li> <li>• Consideration of the alignment of social/environmental and financial impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Prioritization of key material issues that are considered to have a high impact on BGF Group's sustainability management</li> </ul>
A pool of 38 Issues (Long-List)	Identification of 15 material issues (Short-List)	Impact analysis of 2 for each of the 15 material issues	Selection of 15 key material issues through identifying impacts

# Double Materiality Assessment

## Results of Key Material Issues

The BGF Group identified key issues in the distribution and materials industries, and conducted survey evaluations with a diverse range of internal and external stakeholders. Through this process, the most significant issues were prioritized based on their level of impact, leading to the selection of key material issues. Significantly, by analyzing both social and environmental impacts (Impact) alongside financial implications (Financial), the following issues were found to be of the highest importance: waste discharge management, product safety and quality, environmental pollutant management, climate change response, and worker safety and health management. BGF Group plans to prioritize the management of these, along with a total of 15 key material issues.

Meanwhile, BGF Group has institutionalized the double materiality assessment as a core, ongoing process—integrating it into its sustainable management strategy development and risk management systems rather than treating it as a one-time analysis. The results of the assessment were submitted to and approved by the Board of Directors. Moving forward, BGF Group will continue to comprehensively consider the impacts of the key material issues the assessment identified across all business activities, setting strategic priorities accordingly and maintaining a continuous response through a company-wide management system.

Rating	Key Issue	Social and Environmental Impact	Materiality of Impact		Value Chain Affected	Financial Impact	Financial Materiality
1	Waste discharge management	Increased carbon emissions and accelerated climate change due to rising incineration and landfill	Actual	Negative	Company/Business Site	Increased operational cost burden due to rising waste treatment expenses	Risk
2	Product safety and quality	Strengthened quality control systems to reduce waste and improve resource efficiency	Actual	Positive	Company/Business Site /Customer	Increased customer satisfaction and sales growth through improved product quality	Opportunity
3	Management of environmental pollutants	Protection of the local environment and improvement of air quality through reduction of air pollutants	Potential	Positive	Company/Business Site	Short-term financial burden due to increased investment and maintenance costs for environmental facilities	Risk
4	Climate change response	Deterioration of the climate environment and occurrence of environmental disasters due to rising greenhouse gas emissions	Potential	Negative	Company/Business Site	Fines incurred from non-compliance with carbon emission regulations	Risk
5	Worker safety and health management	Accident prevention and enhanced partner safety by raising worker awareness of safety and health	Actual	Positive	Company/Business Site /Partner	Cost savings and productivity improvement through the prevention of industrial accidents	Opportunity
6	Expansion of sustainable packaging	Increased resource waste and environmental burden from single-use packaging hinders the establishment of a circular economy	Potential	Negative	Company/Business Site /Customer	Decline in sales and market share due to failure to respond to eco-friendly consumer trends	Risk
7	Community contribution activities	Weakening cooperation with local communities increases operational risks within those communities	Potential	Negative	Company/Customer	Financial benefits from tax incentives and government support	Opportunity
8	Establishment of ethical management system	Spread of corruption and unethical management practices leads to decreased corporate credibility	Potential	Negative	Company/Business Site	Limited business opportunities due to declining trust in anti-corruption efforts	Risk
9	Product development with environmental and social considerations	Fulfilling social responsibility through product development that considers environmental and social impacts	Actual	Positive	Company/Customer	Increased costs of eco-friendly certifications and rising risk of greenwashing due to strengthened regulations	Risk
10	Win-win partnership between headquarters and franchisees	Realizing shared growth through fair contracts with franchisees	Potential	Positive	Franchise	Long-term brand value enhancement through stable franchise operations	Opportunity
11	Building a great workplace culture	Improving employee health and reducing job stress to enhance productivity	Actual	Positive	Company	Improved corporate image leading to the attraction and retention of top talent	Opportunity
12	Enhancing customer convenience	Inadequate consumer protection systems lead to increased customer harm	Potential	Negative	Customer	Legal and compensation costs arising from increased customer complaints	Risk
13	Establishment of environmental management system	Responding to environmental regulations enhances corporate credibility and fulfills social responsibility	Potential	Positive	Company/Customer	Management of legal risks and enhancement of corporate image with thorough environmental risk management	Opportunity
14	Employee capacity building and training	Continuously developing employee capabilities enhances corporate competitiveness	Potential	Positive	Company	Revenue growth through enhanced corporate competitiveness	Opportunity
15	Sustainability management of partner companies	Managing ESG risks among partner companies helps build a healthy ecosystem	Potential	Positive	Partner	Positive financial impact from reduced supply chain risks	Opportunity

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BGF 2025 Sustainability Report

# ESG PERFORMANCE



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# Planet

## BGF, Implementing an Eco-friendly Value Chain

### • IMPACT

The accelerating climate change, marked by extreme weather events such as heat waves and heavy rainfall, together with the increasing use of single-use and plastic waste, poses significant risks to the ecosystems we live in and the survival of future generations. In particular, waste management, control of environmental pollutants, and climate change response have been identified as core material issues for BGF Group, requiring systematic corporate action and continuous improvement.

BGF Group operates in the distribution and materials industries, sectors with inherent environmental risks such as greenhouse gas emissions and waste generation from business activities. In the Materials Sector, social demands for the use of eco-friendly raw materials and waste recycling are steadily growing, while in the distribution sector, concerns over single-use packaging and plastic waste remain high.

To proactively respond to recently strengthened circular economy policies and eco-friendly consumption trends, BGF Ecomaterials and its subsidiaries are dedicated to minimizing environmental impact through a resource circulation business model focused on waste collection and recycling. Meanwhile, BGF Retail is steadily working to improve the environmental impacts of packaging for convenience foods and private brand products, as well as fostering a culture that reduces single-use item consumption.

Moving forward, BGF Group will continue to identify environmental impacts arising from its business operations, pursue improvement activities, and steadily contribute to the realization of a sustainable future.

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# Eco-Friendly Management System

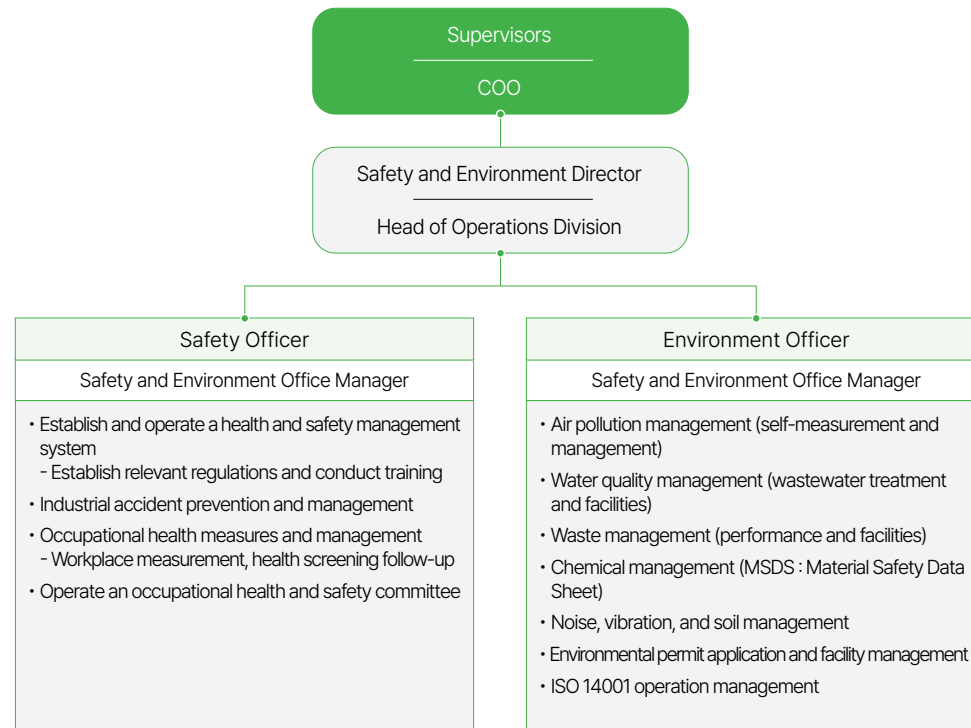
## Governance

### Environmental Management Organization

BGF Ecomaterials has established a systematic approach to environmental management by appointing the COO (Chief Operating Officer) as the Environmental Management Officer. The Safety and Facility Operations Team serves as the dedicated unit, regularly reviewing environmental matters and making decisions accordingly. In addition, KNW has designated its CEO as the Chief Environmental Officer. Various departments—such as production, research, and administration—are responsible for specific environmental areas at each site and carry out environmental management activities, reporting on their progress accordingly. As well, BGF Ecomaterials participates in the ESG Management Committee led by the BGF Group, at which it reports on environmental management performance and goals whenever significant environmental issues arise.

### | Organization

### BGF Ecomaterials



## Strategy

### Environmental Management Policy

BGF Group has established a unified environmental management policy to ensure that its subsidiaries continuously improve their environmental performance and effectively manage environmental risks throughout all business activities. This policy is grounded in the company's core values, reflecting the BGF Group's commitment to contributing to the global environment by providing eco-friendly products and services and utilizing all management resources as efficiently as possible to realize a sustainable society.

- 01 We comply with laws and establish the industry-leading, both international and nationwide, environmental goals.
- 02 To provide eco-friendly services, we seek continuous innovation in the entire process of our business.
- 03 As corporate citizens, we proactively work for the environmental improvement of the local community based on our social responsibility.
- 04 We disclose our information transparently and communicate with stakeholders earnestly.
- 05 We prioritize the natural environment in all our business activities to follow these policies.

### Environmental Management System

### BGF Ecomaterials KNW

BGF Ecomaterials and KNW have established environmental management systems that comply with global standards and regularly undergo third-party verification by accredited external organizations to ensure the credibility of their environmental management activities. Both companies proactively identify potential environmental risks in their manufacturing processes, set environmental objectives, and continuously implement improvement initiatives. BGF Ecomaterials holds ISO 14001 certification for its environmental management system at its Hwaseong facility in Korea, as well as at major overseas sites in the United States and China, in connection with its engineering plastics compound manufacturing operations. The Safety and Facility Operations team, responsible for environmental management, holds monthly meetings to regularly review and evaluate compliance with manufacturing-related laws covering air quality, noise, waste, and water resources. KNW maintains ISO 14001 certification focused on the full manufacturing process of industrial specialty films, primarily at its Paju factory, a major domestic facility.

Company Name	Business Site
<b>BGF Ecomaterials</b>	Domestic (Hwaseong-si), Overseas (U.S.A, China)
<b>KNW</b>	Paju Factory



BGF Ecomaterials ISO14001 Certificate

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# Eco-Friendly Management System

## Performance

### Environmental Education

### BGFecomaterials

BGF Ecomaterials conducts regular in-house environmental training once a year, led by the Safety and Facility Operations team. In addition, environmental training is provided annually to employees responsible for environmental management at both BGF Ecomaterials and KNW, which operate in the manufacturing sector, where environmental management is critically important. BGF Ecomaterials employees have completed mandatory legal training related to environmental technologies, including air quality, water quality, waste management, and noise/vibration control. KNW personnel have completed specialized training focused on air and waste management.

### BGFecomaterials

Training Title (2024)	Unit	Participants
Training on Utility Fee & Energy Saving (2 times)	Person	55

### KNW

Training Title (2024)	Unit	Participants
Environmental Training on Air and Waste Management	Person	35
Emergency Response Training for Chemical Leaks	Person	36
Training Chemical Handling Site Workers	Person	35
Hazardous Chemical Manager Training	Person	2



### Environmental Investment

### BGFecomaterials KNW

BGF Ecomaterials and KNW are actively implementing various environmental improvement initiatives to reduce the air pollutants generated at their sites and enhance energy efficiency. Notably, BGF Ecomaterials undertook energy efficiency improvements in 2024 by replacing extrusion motor equipment and installing insulation sleeves on barrels. Meanwhile, KNW carried out activities such as replacing the activated carbon in dust collection systems to reduce air pollution emissions, and installing IoT (Internet of Things) systems on air pollution emitting and prevention facilities.

### Environmental Regulations

BGF Ecomaterials must ensure its compliance with a total of 17 environmental laws related to its industry, including the Atmospheric Environment Conservation Act, the Soil Environment Conservation Act, the Chemical Substances Control Act, and the Act on the Promotion of Circular Economy and Social Transition. To prevent environmental risks, the company conducts an annual compliance evaluation to ensure adherence to these regulations.

Regulatory Response Strategies	Key Areas of ESG	Detailed Response Strategies
ACT ON PROMOTION OF TRANSITION TO CIRCULAR ECONOMY AND SOCIETY	<ul style="list-style-type: none"> <li>Waste management</li> <li>Expansion of sustainable packaging</li> </ul>	BGF Ecomaterials is committed to implementing waste management and expanding sustainable packaging, identified as key material issues within BGF Group's ESG management strategy. In compliance with environmental regulations, the company ensures the lawful management of all waste generated at its sites, and actively works to reduce waste through resource circulation activities. Its affiliates—BGF Ecocycle and BGF Ecosolution—are particularly focused on developing and producing biodegradable and bio-based plastics, as well as operating a business model that collects and recycles waste plastics into regenerated materials. Furthermore, BGF Ecomaterials continues to apply recycled raw materials in certain products, obtaining Global Recycled Standard (GRS) certification. These efforts will be regularly reported through the group's annual sustainability report.
WASTES CONTROL ACT		

## Environmental Management Performance



### Environmental Training

(Unit: Person)

Classification	2022	2023	2024
<b>BGFecomaterials</b>	-	55	55
<b>KNW</b>	1	1	1



### Environmental Investment Cost

(Unit: KRW million)

Classification	2022	2023	2024
<b>BGFecomaterials</b>	10	303	164
<b>KNW</b>	14.8	7.3	17.4

\* Based on investment in facilities improvement to ultimately achieve better environments (energy and air pollution reduction)



### Environmental Law Violations

(Unit: Case)

Classification	2022	2023	2024
<b>BGFecomaterials</b>	0	0	0
<b>KNW</b>	0	0	0

\* Based on the number of violations reported in Annual Reports.

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# Low Carbon Management

## Performance

### Greenhouse Gas(GHG) Emission Reduction Efforts

BGF Retail, the distribution sector of the BGF Group, has established mid- to long-term quantitative targets for reducing greenhouse gas (GHG) emissions. The company discloses related information to internal and external stakeholders through its sustainability report, in line with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). Key emissions reduction initiatives are focused on logistics centers—BGF Retail’s major GHG-emitting sites—and include optimizing delivery operations, introducing high-efficiency equipment, and installing solar panels in unused areas of logistics facilities. BGF Ecomaterials, the BGF Group’s materials sector, is also undertaking voluntary initiatives to reduce GHG emissions and energy consumption at its sites, based on proactive environmental investments. Going forward, the company plans to gradually strengthen its emissions management to enhance the long-term sustainability of its business.

### Low Carbon Management Efforts

#### | Enhancing Energy Efficiency by Replacing Extruder Motors

**BGFecomaterials**

BGF Ecomaterials replaced two main extruder motors at its Hwaseong plant, switching from DC motors to inverter-controlled AC motors to improve energy efficiency. Based on the verified energy savings from this replacement, BGF Ecomaterials plans to continue upgrading motors sequentially.

#### | Reducing Energy Use by Installing Insulation on Extruder Barrel & Sleeve

**BGFecomaterials**

The barrel sleeve is a component inside the extruder barrel that protects its interior surface from the high temperature and pressure generated during extrusion. To minimize heat loss from the extruder barrel while maintaining product quality, BGF Ecomaterials conducted a pilot installation of insulation on one barrel sleeve heater line and verified the energy-saving effect. Based on the results of this pilot project, the company plans to progressively install insulation across all extruder lines in 2025, to further reduce energy consumption.

#### | Investing in Facilities to Reduce Air Pollution Emissions

**KNW**

KNW is implementing improvements to reduce air pollution and comply with the Clean Air Conservation Act by installing IoT (Internet of Things) systems on air pollution emission and prevention facilities, enabling the real-time monitoring of facility operation status. In addition, KNW is continuing its efforts to enhance air quality, such as replacing the activated carbon in dust collection equipment.

## Low Carbon Management Performance Indicators



### | Greenhouse Gas Emission Goals and Reported Emissions

(Unit : tCO<sub>2</sub>eq)

Classification	2022	2023	2024	Goal	
				2024	2025
Scope1	0	0	0	0	0
Scope2	7,367	7,586	7,529	7,586	7,453
<b>BGFecomaterials</b> Total Emissions	7,367	7,586	7,529	7,586	7,453
Intensity (tCO <sub>2</sub> eq/KRW 100 million)	4.1	4.5	4.2	4.5	4.0

\* Scope: Hwaseong Business Site



### | Energy Consumption

(Unit : GJ)

Classification	2022	2023	2024	Goal	
				2024	2025
Total Energy Consumption	55.5	57.1	56.7	57.7	56.1
Direct Energy Consumption	0	0	0	0	0
<b>BGFecomaterials</b> Indirect Energy Consumption	55.5	57.1	56.7	57.7	56.1
Intensity (GJ/KRW 100 million)	2.7	2.2	3.1	2.2	3.0

\* Scope: Hwaseong Business Site

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# Waste Management

## Strategy

### Waste Management Response

BGF Ecomaterials, in cooperation with its affiliate, BGF Ecocycle, operates a circular waste management system by collecting, selecting, purifying and regenerating plastic wastes and ultimately transforming them into useful resources. Through this process, BGF Ecocycle develops and produces recycled materials such as PCR (Post-Consumer Recycled), PIR (Post-Industrial Recycled), and R-Compound resins. By reusing discarded plastics during the manufacturing stage, the company reduces energy use and lowers carbon emissions. The recycled materials are utilized across a wide range of applications, including automotive interior and exterior components, electronic and electrical parts, furniture, home appliances, and consumer goods.

### | Waste Plastics Recycling Process BGFecocycle BGFecomaterials



## Performance

### Product Life Cycle Assessment (LCA)

**BGFecomaterials**

BGF Ecomaterials has independently established its own LCA (Life Cycle Assessment) process to quantitatively measure the carbon reduction impact of its products. Notably, the company voluntarily conducts LCA assessments focused on low-carbon products, such as PCR (Post-Consumer Recycled)-based materials. In 2024, BGF applied the LCA evaluation process to 13 automotive fuel door components, identifying a carbon emissions reduction effect of approximately 37.4%.

### Development of White Bio-Based Compounds

**BGFecosolution**

BGF Ecosolution is actively engaged in the production and development of bio-based and biodegradable plastics, including PLA (Polylactic Acid) and PBAT (Polybutylene Adipate Terephthalate). This encompasses the full value chain—from sourcing white bio-based raw materials to compounding and product development. Its affiliate, BGF Ecosolution, specializes in replacing conventional fossil-based plastic components with renewable biological alternatives such as plant-based ingredients, microorganisms, and enzymes. The company is focused on the development of white bio-based compounds and semi-finished products. White bio-materials decompose more quickly than traditional plastics and offer significant carbon reduction benefits during production. Products made with BGF Ecomaterials' white bio-based compounds are used in various industries, including PLA foam semi-finished goods, packaging for electronics and electrical appliances, and packaging for food and consumer products. Notably, these materials also contribute to reducing environmental issues such as endocrine-disrupting chemicals and microplastics, helping to mitigate the broader environmental impact of plastic use.

### | Biodegradability and compostability certifications

In June 2021, BGF EcoSolution became the first white biotech company in Korea to acquire three globally recognized certifications for biodegradable and compostable materials: OK Compost Industrial (European compostability certification), BPI (North American biodegradability certification), and CMA (North American compostability certification). Obtaining these certifications involves rigorous testing at accredited international laboratories to verify criteria such as the presence of hazardous substances, biodegradability, disintegration, compostability, and soil toxicity. These certifications serve as a testament to the global safety and reliability of BGF Ecosolution's PLA products. Building on its proprietary PLA foaming technology, BGF Ecosolution continues to conduct R&D on compounding biodegradable plastics—including PLA—to enhance their thermal properties and mechanical strength, driving the development of advanced biodegradable compounds.



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# Waste Management

## Performance

### Expanding the Use of Recycled Materials in Products

**BGFecocycle BGFecomaterials**

BGF Ecomaterials is increasing its use of recycled raw materials in its products to promote resource circularity. As part of these efforts, the company has obtained Global Recycled Standard (GRS) certification for select products, which verifies its incorporation of recycled content. GRS certification requires an assessment of the entire supply chain—from raw materials collection and processing to final product manufacturing and sales—and is granted only to products containing at least 20% recycled materials. In 2024, the company reduced waste by a total of 5,525 tons through the use of GRS-certified recycled materials.

### | Waste Generation

**BGFecomaterials**

(Unit: Ton)

Classification	2022	2023	2024	Goal		
				2024	2025	
Total Waste Generation	348	426	456	398	452	
General Waste	Total	294	369	406	356	402
	Landfilling	56	47	37	46	36
	Incineration	93	312	69	300	68
	Recycling	145	10	300	10	298
Designated Waste	Total	55	56	51	56	50
	Landfilling	-	-	-	-	-
	Incineration	55	56	46	42	45
	Recycling	-	-	5	-	5
Designated Waste Rate (%)	15.8	13.1	11.2	10.6	11.1	

\* Based on Domestic Business Sites (Hwaseong, Cheongra Business Sites)

## Waste Performance Indicators

### | Number of GRS-Certified Product Items

Classification	Unit	2022	2023	2024
GRS-certified Product Item	PC	3	3	60

### | Waste Reduction Amount through GRS Recycling

Classification	Unit	2022	2023	2024
Waste Reduction Amount	Ton	3,902	4,250	5,525

### | Waste Reduction Amount through GRS Recycling

Classification	Unit	2022	2023	2024
Amount of Recycled Production	Ton	18,339	26,238	35,967
Recycled Output Volume	Ton	11,237	17,976	25,871

### | Number of Items Subject to LCA Assessment

Classification	Unit	2022	2023	2024
Number of Items for LCA Assessment	PC	0	0	13

### | BGF Ecosolution PLA Manufactured Products

Classification	Unit	2022	2023	2024
Bag (Including PBAT)	Ton	1,018	1,139	1,411
Triangular Sandwich Tray	1,000 PC	21,994	25,072	21,791
Lunchbox Tray	1,000 PC	367	403	2
Inari Sushi Tray	1,000 PC	11,059	10,437	6,098

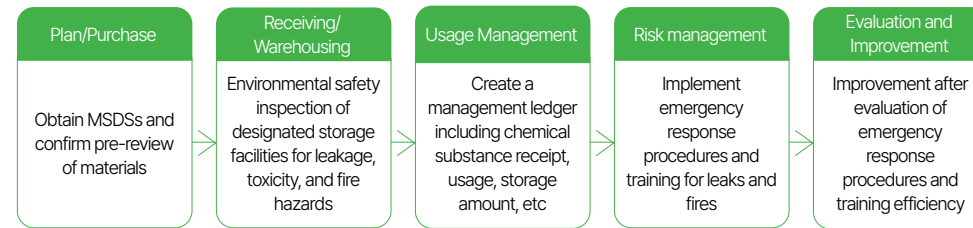
# Hazardous Chemicals Management

## Risk Management and Performance

### Chemical Risk Management

BGF Ecospecialty, a subsidiary of BGF Ecomaterials, produces fluorine-based materials and manufactures chemical products, including specialty gases for semiconductors. Another subsidiary, KNW, focuses on the production of materials for the electronics and automotive parts. Both companies engage in chemical processes involving raw and subsidiary materials, and have strengthened their chemical substance management practices accordingly. In line with internal chemical safety regulations, both companies operate hazardous chemical handling facilities and provide regular chemical safety training. BGF Ecomaterials conducts annual MSDS (Material Safety Data Sheets) training for employees and attaches GHS (Globally Harmonized System) warning labels to secondary containers on-site, proactively managing potential risks and ensuring workplace safety.

### | Risk Management



### | Chemical Management Training

Classification	Title of Training (2024)	Participants
<b>BGFecomaterials</b>	MSDS Training	75 persons
	Emergency Response Training for Chemical Spill Incidents	36 persons
<b>KNW</b>	Training for Employees Handling Hazardous Chemicals	35 persons
	Training for Hazardous Chemical Managers	2 persons

### | Chemical Emissions

Classification	Unit	2022	2023	2024
<b>BGFecomaterials</b>	Ton	0.2	0.3	0.2
<b>KNW</b>	Ton	2.57	2.57	1.75

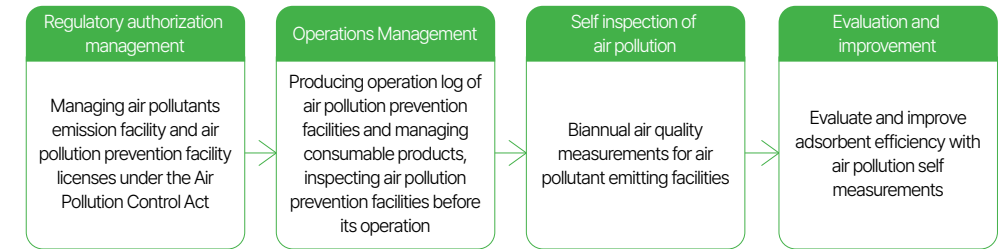
# Air Pollutant Management

## Risk Management and Performance

### Air Pollutant Risk Management

**BGFecomaterials KNW**

BGF Ecomaterials and KNW have established their own risk management processes to minimize the air pollution generated during production and to manage air pollution risks that may arise across all business operations. Based on these internal systems, the companies actively engage in monitoring, control, and continuous improvement efforts to reduce their environmental impact.



### Air Pollutant Risk Management Activities

To minimize emissions of air pollutants from its production facilities, BGF Ecomaterials undertook duct line maintenance work on its air pollutant emission facilities in 2024. In addition, the company shortened the replacement cycle of activated carbon filters from twice to four times a year to enhance pollutant removal efficiency. In compliance with the Clean Air Conservation Act, BGF Ecomaterials plans to install eight IoT-based air pollution prevention units by June 2025, as required for Type 4 emission facilities. Meanwhile, KNW is actively reducing emissions by regularly replacing the activated carbon in its air pollution control systems to improve adsorption capacity. The company has also replaced the conventional burners in its boilers with low-NOx burners to significantly reduce nitrogen oxide (NOx) emissions.

### | Dust Emissions

Classification	Unit	2022	2023	2024
<b>BGFecomaterials</b>	Ton	0.03	0.03	0.025
<b>KNW</b>	Ton	0.32	0.32	0.422

### Water Pollutant Management

BGF Ecomaterials outsources the treatment of all wastewater generated from its Type 5 discharge facilities to external agencies specialized in it. To effectively manage water pollutants, we have initiated the Water Baro System (Water Usage Management System) to monitor the wastewater treatment process operated by outsourcing companies.

# Partner

## BGF, Pursuing Stakeholder-centered Management

### • IMPACT

#### Partner Sustainability Management |

For sustainable corporate management, mutual cooperation and shared growth with partners are essential. In response to increasingly stringent ESG regulations, BGF Retail has established a Supply Chain Code of Conduct and a Supply Chain Sustainability Policy to jointly practice ESG management with its partners. Since 2023, an annual ESG self-assessment has been conducted to proactively identify and address ESG risks among partners through dedicated support programs. In 2024, BGF Retail dispatched ESG experts directly to partners to provide environmental and ESG management consulting. The company also offers incentives to outstanding partners, demonstrating its commitment to elevating the overall sustainability performance of its partner network.

#### Enhancing Customer Convenience |

BGF Group recognizes customer satisfaction and convenience through the provision of high-quality products and services as critical priorities for sustainable management. Accordingly, BGF Group affiliates operate customer complaint management systems and multiple communication channels, striving to increase customer satisfaction and foster continuous enhancements. Notably, given that the nature of its business means material quality and completeness directly impact customer satisfaction, BGF Ecomaterials focuses on rigorous quality control processes to enhance customer satisfaction and service sophistication.

#### Social Contribution Activities |

BGF Retail, a BGF Group affiliate, operates a nationwide network of 18,500 CU convenience stores, maintaining close relationships with local stakeholders. In alignment with BGF's corporate vision of being "a good friend to customers and communities," the company actively engages in diverse social contribution initiatives from its CU stores and logistics centers. These include child safety programs, disaster relief efforts, and support for socioeconomically vulnerable groups within local communities. In 2024, BGF Ecomaterials signed an agreement with the City of Ulsan to establish a semiconductor materials production plant. The company is also advancing the domestic production of anhydrous hydrofluoric acid to ensure a stable supply of materials. Upon completion of the plant, hiring of local residents will be prioritized, to contribute to job creation and economic revitalization in the region.

# Partner Sustainability

## Performance

### Support for Supply Chain ESG Management *BGFretail*

BGF Retail, a distribution affiliate of BGF Group, is committed to reducing social and environmental risks throughout the business process and complying with global supply chain regulations by actively managing the ESG performance of its partners. To this end, BGF Retail has established and shared a Supply Chain Code of Conduct, enabling partners to understand ESG standards in advance and jointly pursue sustainable management. In addition, the company conducts an annual ESG self-assessment for key partners involved in manufacturing private brand and differentiated products. Identified ESG risks are addressed through support programs aimed at facilitating improvement. Recognizing the challenges some partners face in implementing environmental management and ESG activities, BGF Retail dispatched experts directly to partner sites in 2024 to provide consulting, demonstrating its commitment to enhancing the sustainability capabilities of its supply chain partners.

### | Partner ESG Management System



### | Supply Chain ESG Management Support Program

Classification	Content
Support for ESG Management Improvement	<ul style="list-style-type: none"> <li>Free Provision of ESG Management Diagnostic Solutions</li> <li>Ongoing Support for General ESG-Related Inquiries from Partner Companies</li> <li>Provision of ESG Training Content for Partner Companies</li> </ul>
Outstanding Enterprise Award	<ul style="list-style-type: none"> <li>Awards Program for ESG Leadership</li> </ul>

### | Supply Chain Self-assessment

Classification	Unit	2022	2023	2024
Participating Company	Company	-	98	69

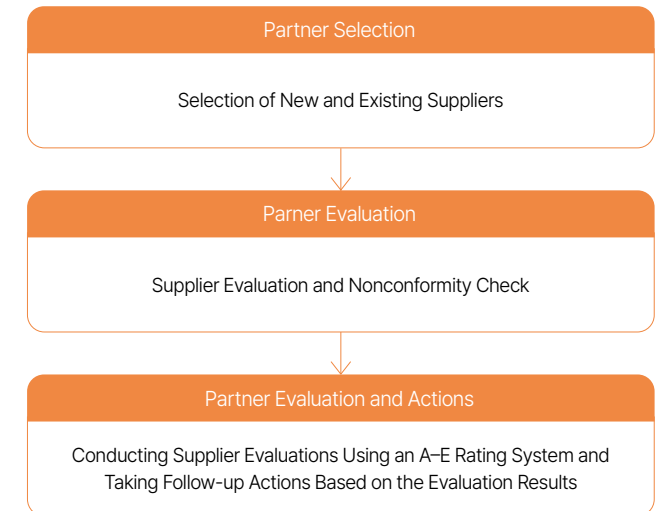
### | Partner ESG Audit and Consulting

Classification	Unit	2022	2023	2024
ESG Management Consulting	Case	-	-	10
Environment Consulting	Case	-	-	3

### Supply Chain Risk Management *BGFecomaterials*

BGF Ecomaterials, a materials sector company within the BGF Group, has raw materials manufacturers, processed goods and packaging suppliers, and standardized product vendors as its key partners. To mitigate any quality risks within the supply chain, purchasing personnel conduct an annual evaluation of these partners. The main evaluation criteria include possession of quality management system certifications, customer satisfaction, on-time delivery rates, and product quality compliance. Based on these criteria, suppliers are graded from A to E, with management tailored according to their rating.

To minimize overall supply chain risks, BGF Ecomaterials maintains contracts only with suppliers rated C or higher. In addition, the company has established a supply chain sustainability policy, which is publicly disclosed on its website.



# Customer Satisfaction and Convenience

## Customer Satisfaction Governance and Strategy

### Customer Satisfaction and Convenience

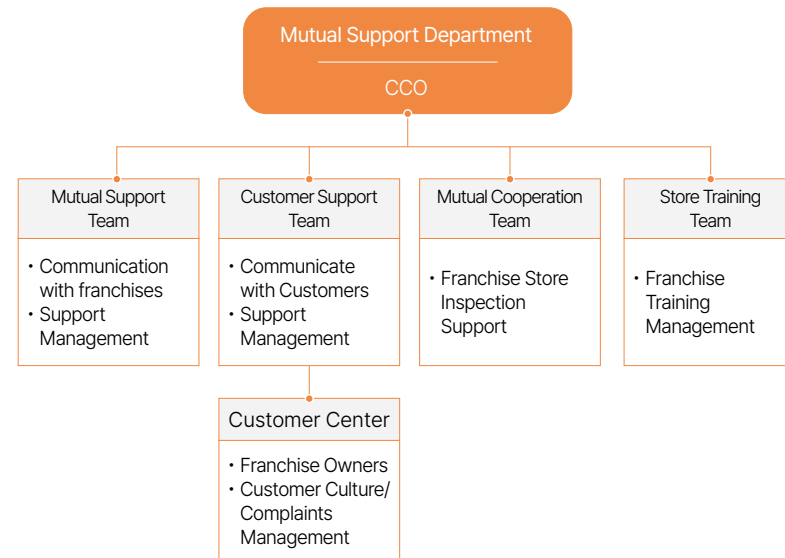
Guided by its corporate goal of being a trusted partner to both customers and society, BGF Group places customers at the heart of its business operations. The company maintains systems that consistently deliver high-quality products and services across all customer touchpoints, and actively fosters communication to continuously improve customer satisfaction.

### Customer-Focused Management

**BGFretail**

BGF Retail, the distribution sector of BGF Group, has designated a Chief Customer Officer (CCO) to oversee the development and execution of company-wide customer strategies, ensuring a structured approach to customer-centric management. To further protect customer rights and enhance service quality, the company has adopted the Customer Centered Management (CCM) certification, and has been re-certified for seven consecutive terms. To prepare for consumer disputes, BGF Retail has also established a dedicated response system that prioritizes the protection of customer interests.

### | Organization



## Performance

### Customer Rights Protection Activities

#### | VOC Handling Process **BGFecomaterials**

BGF Ecomaterials has established a standardized customer complaint management system to systematically respond to customer grievances. When an issue arises, the complaint is logged in the customer complaint register (ERP system) and shared with the Quality department and other relevant departments. Corrective measures are then developed and reported to the customer. The company also conducts effectiveness evaluations to review the resolution outcomes.

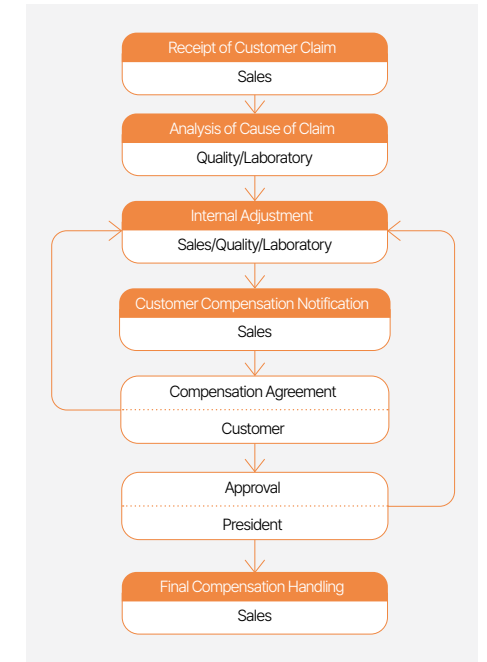
#### **KNW**

KNW collects customer feedback, also referred to as VOC (Voice of Customer), through phone calls, emails, and in-person visits. Customer feedback and requests are categorized and promptly forwarded to the relevant departments. Each department identifies the root cause, completes internal corrective actions, and informs the customer of the outcomes and improvement measures. All customer VOCs are recorded in the system and regularly analyzed to drive quality enhancements and internal improvement initiatives.

#### | Customer Satisfaction Survey

BGF Ecomaterials conducts an annual satisfaction survey targeting key clients to enhance customer trust through continuous communication, and to drive ongoing improvements in products and services. The survey evaluates areas such as customer service responsiveness, product satisfaction, and other relevant factors. Based on the survey results, the company identifies shortcomings and implements improvement measures. These survey findings and related actions are regularly reported to the CEO.

#### | Claim Handling Process



#### | Quality Inspection Agreement for Key Products

To improve customer satisfaction by ensuring stable product quality, BGF Ecomaterials has entered into a Quality Inspection Agreement with its partners. This agreement mandates pre-shipment inspections of key products. When defects are detected, shipments are halted until the root cause is analyzed and a decision on reshipment is made. This proactive quality management system not only prevents customer complaints but also enables the delivery of safer and more reliable products.

# Customer Satisfaction and Convenience

## Cybersecurity Governance and Strategy

### Information Security Activities

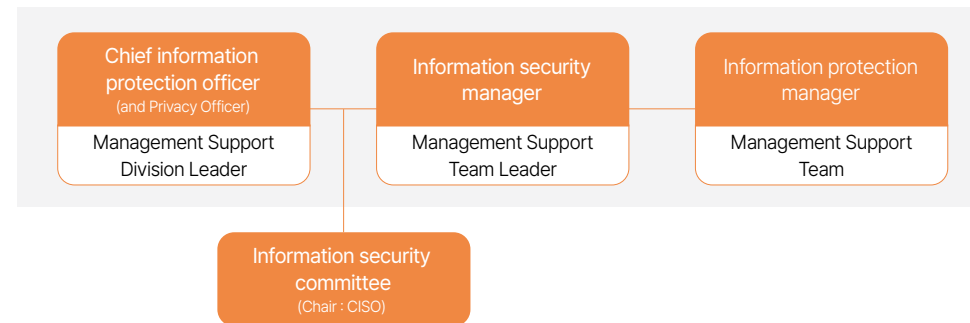
BGF Ecomaterials provides regular training to all employees and external partners to ensure compliance with its information security policies. These efforts aim to prevent the leakage of personal information and critical data assets. The company also promptly reflects any amendments to relevant data protection laws in its internal regulations, and continuously enhances its systems to keep pace with the latest trends in cybersecurity, reinforcing its overall information security capabilities.

### Governance Structure

**BGF**ecomaterials

BGF Ecomaterials has appointed the Head of the Management Support Division as the Chief Information Security Officer (CISO), who oversees the establishment and operation of the company's information protection framework, including the prevention of security incidents. The company's cybersecurity strategy is led by the Head of the Information Security Committee, who also serves as the Head of the Management Support Division. Under this structure, the Information Security Committee and its dedicated security team develop policies and processes to manage all matters related to information security. In addition, the Business Support Team, which functions as the security management department, continuously monitors the information security status in accordance with its internal manuals, and engages in ongoing activities to prevent data breaches.

### | Information security department

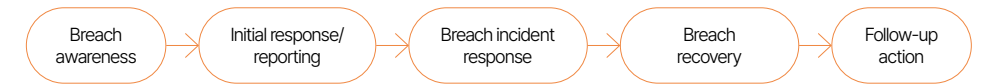


## Performance

### Information Security Incident Response

BGF Ecomaterials has established a clear and efficient incident response process to ensure prompt and effective action in the event of an information security breach. In such cases, the designated incident response team is immediately mobilized in accordance with internal security incident response protocols. Over the past three years, the company has recorded zero cases of personal data breaches, information security violations, or cybersecurity-related complaints.

### | Accident Response Process



### Leak and Violation Cases

**BGF**ecomaterials

Classification	Unit	2022	2023	2024
Personal Information Leak	Case	0	0	0
Information Protection Violation	Case	0	0	0
Cyber Security Breackage	Case	0	0	0

# Social Contribution Activities

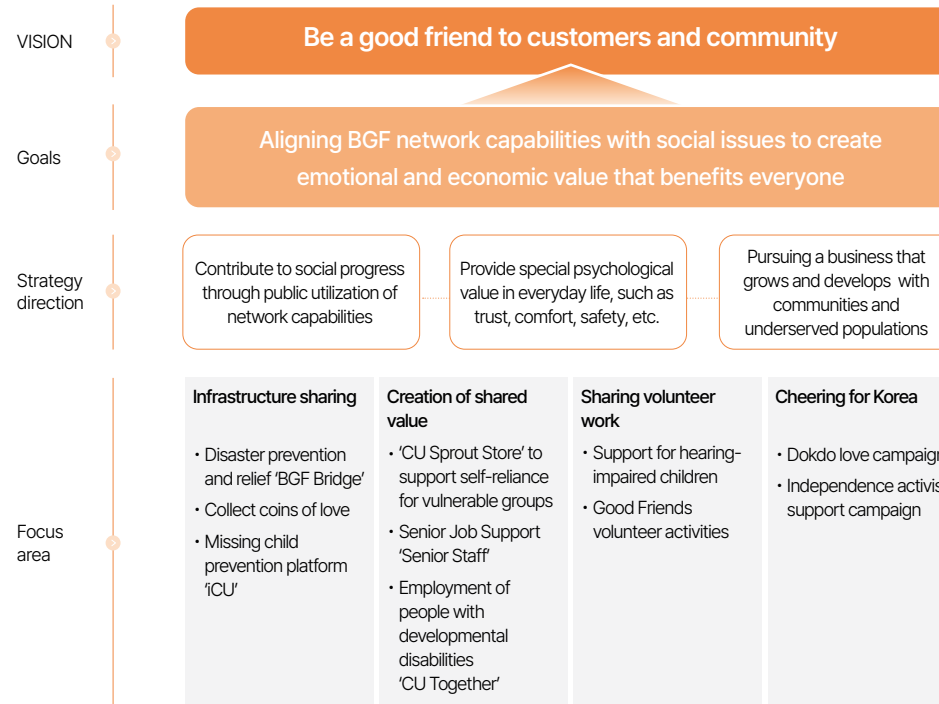
## Strategy

### Social Contribution Vision and Strategic Framework



BGF Group, guided by the vision of being a "Good Friend to Our Customers and Local Communities," views shared growth with the community as a core corporate social responsibility. The Group is committed to carrying out social contribution activities that address the real needs of local communities. In particular, BGF Retail leverages its nationwide logistics and store network to promote initiatives such as child safety protection, disaster relief, and support for socioeconomically vulnerable groups. These activities are aligned with the UN Sustainable Development Goals (SDGs) to ensure global relevance and impact. Moreover, the direction and performance of BGF Retail's social contribution efforts are reported quarterly to the ESG Management Committee, and major issues related to the use of donations are transparently and responsibly reviewed through quarterly reports to the Board of Directors.

### Corporate Social Responsibility Vision



## Performance

### BGF Retail's Major Social Contribution Activities



#### | Disaster Relief Activities BGF Bridge

BGF Retail operates BGF Bridge, a social contribution program that leverages its core competencies and logistics/distribution infrastructure to support communities in times of large-scale natural or social disasters. In 2015, BGF Retail became the first in the industry to sign an MOU on disaster prevention and relief with the Ministry of the Interior and Safety and the National Disaster Relief Association. Since then, the company has been actively providing emergency relief supplies to disaster-stricken areas—such as those affected by earthquakes, heavy rainfall, and wildfires—delivering aid swiftly to victims and volunteers.



#### | Child-Friendly Social Contribution I-CU

I-CU is BGF Retail's child safety social contribution program, designed to protect vulnerable individuals such as lost children, dementia patients, people with intellectual disabilities, and abused children. When such individuals are found, CU convenience stores across the country use their POS (Point of Sale) systems to promptly alert the police and provide a safe shelter until help arrives. As of the end of 2024, the program has successfully reunited 200 individuals with their families. In addition, BGF Retail actively engages in nationwide awareness campaigns to prevent children from going missing. These efforts include an annual children's safety drawing contest, and the distribution of posters outlining prevention guidelines and appropriate response measures when a child is lost. These posters are displayed in schools, daycare centers, and other public facilities.



#### | Job Creation for Persons with Severe Disabilities Inclusive CU Stores

In March 2024, BGF Retail signed a business agreement with the Ministry of Health and Welfare and the Korea Disabled People's Development Institute to launch a CU convenience store initiative aimed at promoting economic independence and social inclusion for persons with severe disabilities. These inclusive stores are designed with a barrier-free environment to ensure accessibility and convenience for both employees with disabilities and customers. Features include Braille signage, assistance call bells, and a widened store layout to accommodate wheelchair users—demonstrating BGF Retail's commitment to building a more inclusive society.

Overview

ESG Management

**ESG Performance**

Planet | BGF, Implementing Eco-friendly Value Chain

Partner | BGF, Pursuing Stakeholder-centered Management

**People | BGF, Fostering a Transparent and Safe Corporate Culture**

Governance

APPENDIX

# People

## BGF, Fostering a Transparent and Safe Corporate Culture

### • IMPACT

#### Quality Management Activities |

BGF Group operates in both the retail and materials sectors, and quality management activities across all affiliates have become a core issue directly tied to customer trust and financial performance. In the retail sector, BGF manages the quality of the products and services delivered to CU convenience stores through the operation of its Quality Safety System (QSS). A risk prediction management process has also been implemented to ensure the stable quality of products and proactively address potential quality issues. In the materials sector, the company focuses on precise quality control of raw materials and maintaining the integrity of the production process. These efforts aim to reduce the rate of defects and minimize raw materials waste, ultimately increasing customer satisfaction through enhanced quality management practices. Recognizing the importance of quality management, BGF Group has obtained and operates under the ISO 9001 (Quality Management System) certification in both its retail and materials sector. In addition, annual assessments are conducted by external professional organizations to continuously advance and refine the group's quality management system.

#### Ethical Management Activities |

BGF Group strives to foster an ethical and transparent corporate culture by pursuing fair and principled business activities across all areas of operation. Unethical corporate behavior—such as corruption, bribery, or weak internal controls—can negatively impact both internal and external stakeholders, as well as erode trust in the company, thereby hindering sustainable management efforts. To address this, BGF has established a code of ethics and detailed practice guidelines, which are shared with employees across all group affiliates. The company also conducts regular training programs to raise awareness of ethical management. Thanks to these continued efforts, in 2024 BGF Retail received a commendation from the Anti-Corruption and Civil Rights Commission of Korea for its outstanding contributions to promoting ethical management practices. Going forward, BGF Group remains committed to embedding a culture of ethical management by proactively preventing corruption risks and simultaneously securing the company's sustainability and financial soundness.

# GWP Realization

## Strategy

### Fair Human Resources Management System

BGF Group establishes strategic workforce plans to recruit and retain the talent essential for corporate sustainability. We strive to secure outstanding talent through fair and transparent hiring processes. BGF Retail, a subsidiary in the distribution sector, conducts a large-scale public recruitment twice a year, offering extensive job information through various platforms such as online recruitment briefings, dedicated recruitment websites, and internships. Other BGF Group subsidiaries also provide related recruitment information via their dedicated recruitment websites.

### Performance Evaluation and Compensation System

The BGF Group designs and operates a fair and objective evaluation system aligned with HR goals focused on talent development, fair system operation, and motivation. Evaluations follow an MBO (Management by Objectives) approach, and are conducted twice annually (first and second half). The final evaluation involves a three-step process: self-assessment, first-level evaluation, and second-level evaluation, including performance development interviews. To ensure fairness, an appeals procedure for evaluation results is in place, managed and reviewed by the Evaluation Secretariat. The compensation system is structured based on BGF's compensation principles, reflecting rewards for performance, roles and responsibilities, and the operational efficiency of the compensation system.

#### BLP(BGF Leader Program)

As a core talent development program for all affiliates, BGF aims to secure substantial growth engines by providing BLP training to foster experts. Those in responsible positions are supported to develop practical skills through training on changes in the distribution environment, digital marketing, big data analysis and utilization, and product and marketing strategy, while those in senior positions are provided with training on organizational innovation and leadership to develop them into experts in organization and leadership.



## Performance

### Welfare Benefits for Work-Life Balance

BGF Group operates various programs to enhance employees' quality of life and support a sound work-life balance. Equal welfare benefits are provided to both regular and non-regular employees, including health check-ups, group accident insurance, group medical expense insurance, and flu vaccinations. In addition, the Group offers Employee Assistance Program (EAP) services to support proper stress management and resolution. Notably, BGF Retail runs lifecycle-tailored support programs such as reduced working hours during pregnancy and childcare periods, maternity and paternity leave, paid parental leave, and tuition assistance for employees' children. In 2021, BGF Retail was certified as a family-friendly company, and continues to expand its family-friendly programs. BGF Ecomaterials also operates the 'Work, Life, Family' welfare program, exemplifying a healthy balance between work and life.

#### | Employee Support Programs

**BGFecomaterials**

Classification	Supporting policies
Work	Employee recognition, work anniversary rewards, company clubs
Life	Medical check-up, medical expense reimbursement, cafeteria within company and dorm
Family	Child tuition, condolence vacation and incentives, birthday and anniversary celebrations

### Labor-Management Council Operation

BGF Group operates labor-management councils at each subsidiary as representative bodies to promote mutual interests and foster a cooperative labor-management culture while enhancing communication between the company and its employees. Specifically, BGF Ecomaterials and KNW hold quarterly labor-management council meetings to improve welfare benefits, office environment, organizational culture, and related systems. The discussions and outcomes are transparently shared with all employees via the company groupware system.

Classification	Number of Meetings (Case)	Number of Agendas (Case)	Agenda Execution Rate (%)
<b>BGFecomaterials</b>	4	18	100
<b>KNW</b>	4	8	100

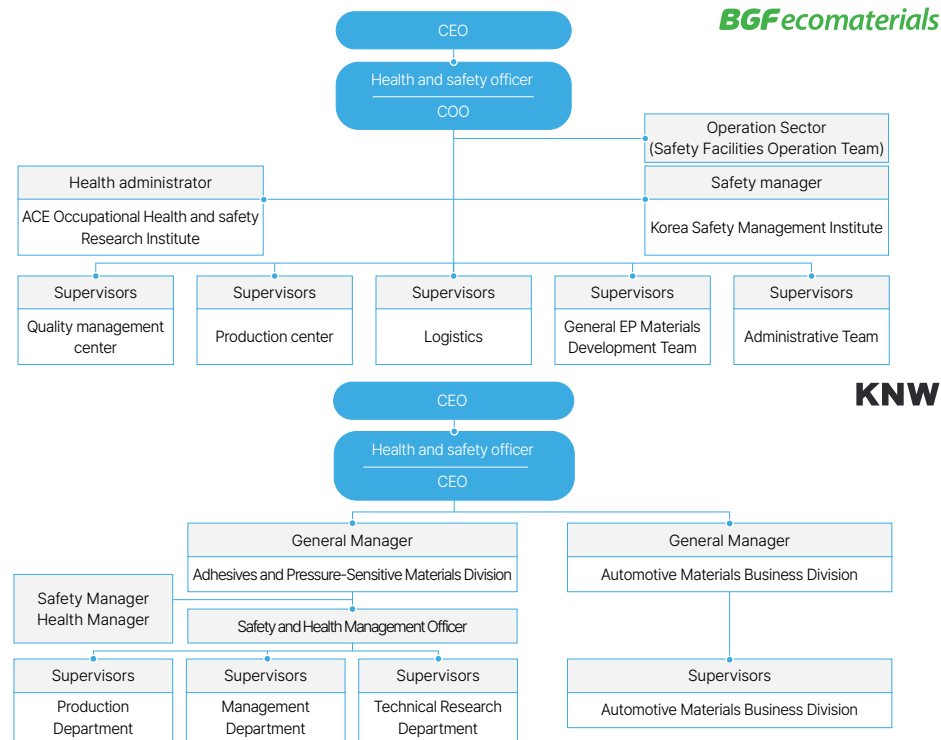
# Safety and Health Management

## Governance

### Occupational Health and Safety Management and Organization

BGF Ecomaterials has appointed the Chief Operating Officer (COO) as the person responsible for occupational health and safety management, and has established a dedicated Safety Facilities Operations Team to carry out related activities. Under the supervision of the occupational health and safety management organization, the company formulates health and safety plans, systematically manages legal requirements and implementation plans, and conducts quarterly MSLTs (Management Safety Leadership Tours), during which executives inspect workplaces. Safety and health meetings are also held regularly with supervisors. In addition, weekly on-site inspections are carried out to ensure compliance with the 10 essential safety rules outlined in the BSGR (BGFEM Safety Golden Rule). At KNW, the CEO has been appointed as the person responsible for occupational health and safety management, and a similar safety and health organizational structure is in place.

### Organization



### Occupational Health and Safety Committee

BGF Ecomaterials and BGF Retail hold quarterly Occupational Health and Safety Committee meetings to deliberate and make decisions on key matters related to workplace health and safety. The committee at BGF Ecomaterials is composed of three employer representatives and three employee representatives. Similarly, BGF Retail's committee consists of five employer representatives and five employee representatives. Matters discussed during the meetings are shared with employees via the company's intranet bulletin board, and finalized resolutions are implemented across all business sites to ensure organization-wide compliance.

### Status of Occupational Health and Safety Committee Operations

Classification	Number of Meetings (Case)	Number of Agendas (Case)	Agenda Execution Rate (%)
<b>BGF Ecomaterials</b>	4	17	100
<b>KNW</b>	4	18	100

### 2024 Major Agendas

BGF Ecomaterials	BGF Retail
<ul style="list-style-type: none"> <li>Report on risk assessment results</li> <li>Report on workplace environment measurement results for the first and second half of the year</li> <li>Conduct employee safety slogan contest</li> <li>Hold TBM (Tool Box Meeting) competition</li> <li>Report on Safety Golden Award implementation results</li> <li>Report on operation plans for safety guidance system</li> </ul>	<ul style="list-style-type: none"> <li>Operation of employee health campaigns</li> <li>Operation of safe driving campaigns</li> <li>Operation of safety and health communication programs</li> <li>Guidance on protective measures for field workers</li> <li>Heart Saver training</li> </ul>



# Safety and Health Management

## Strategy

### Occupational Health and Safety Policy and Objectives

BGF Ecomaterials and KNW are systematically and efficiently carrying out occupational health and safety activities, with the goal of creating a safe workplace. BGF Ecomaterials has established a safety and health management policy, shared it company-wide, and is enhancing its execution. Safety is recognized as a core element of management, and through activities such as raising employee safety awareness, complying with regulations, and managing risks, the company has built a corporate safety management system and set mid- to long-term goals to establish a safe work environment.

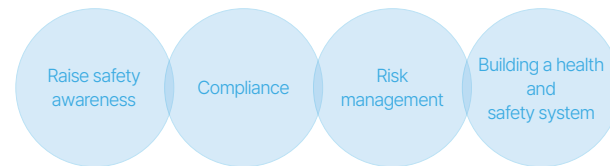
### | Safety and Health Management Policy

**BGF Ecomaterials**

BGF Ecomaterials practices the following items as the highest management value for safety and security to provide the best products and services.

- 01 Establish a health and safety management system to minimize the impact on health and safety across management activities and promote continuous improvement.
- 02 Set goals according to health and safety policies and comply with legal and other requirements.
- 03 As a corporate citizen, we value people's lives and health, and our executives and employees adhere to and actively implement health and safety policies.
- 04 We transparently disclose health and safety-related information and communicate faithfully with stakeholders.

### | Safety and Health Goals



### | Mid-term and Long-term Goals

Classification	2025	2026	2027
<b>BGF Ecomaterials</b>	<ul style="list-style-type: none"> <li>• Drive work standardization</li> <li>- Reinforce occupational safety guidelines and standards</li> <li>• Recruit and develop a health and safety workforce</li> <li>- Establish a training system and capacity building programs</li> </ul>	<ul style="list-style-type: none"> <li>• Diagnose safety environment level</li> <li>- Develop and evaluate BSRS* to establish and operate a diagnostic system</li> <li>• Acquire ISO45001(Health and Safety Management System) certification</li> </ul>	<ul style="list-style-type: none"> <li>• Build a culture by internalizing safe environments</li> <li>• Achieving Advanced Standards in Safety and Environmental Management</li> </ul>
<b>KNW</b>	ISO 45001(Health and Safety Management System) operation and post-audit certificate	ISO 45001(Health and Safety Management System) operation and post-audit response	

\* BSRS(BGF Safety Rating System)

## Risk Management

### Risk Evaluation

**BGF Ecomaterials**

BGF Ecomaterials conducts annual risk assessments to identify and address occupational health and safety risks within its workplaces. In 2024, a total of 590 items were reviewed through the occupational health and safety risk assessment, among which 30 were identified as high-risk. To mitigate key risk factors—such as collisions, falls, and slips—which were identified as major causes of high-risk items, BGF Ecomaterials implemented safety measures within the workplace such as installing mirrors, leveling uneven floors, and installing safety railings. A risk mitigation report was prepared for each action taken. Furthermore, after corrective measures were implemented, the company assessed whether the risks had been effectively reduced and confirmed the outcomes, to ensure recurrence prevention through ongoing improvement activities.

### | Safety and Health Evaluation

**BGF Ecomaterials**

Classification	Details	Remarks
Position holder evaluation	<ul style="list-style-type: none"> <li>• Safety and Health Management Officer and Supervisor training completion and performance evaluation (semi-annual)</li> <li>• Evaluation of compliance with safety and health-related laws</li> </ul>	<ul style="list-style-type: none"> <li>• Management Officer (1 person)</li> <li>• Supervisors (4 persons)</li> </ul>
Compliance with laws evaluation	<ul style="list-style-type: none"> <li>• Evaluation of compliance with safety and health-related laws</li> </ul>	Once per half-year
Risk assessment	<ul style="list-style-type: none"> <li>• Annual assessment of workplace hazards and establishment of mitigation measures</li> </ul>	<ul style="list-style-type: none"> <li>• Total reviews conducted: 590</li> <li>• Improvements made on 30 high-risk items</li> </ul>
Evaluation of outstanding safety activity performers	<ul style="list-style-type: none"> <li>• Stakeholder Engagement in safety slogan contests</li> <li>• Conducting TBM (Tool Box Meetings) and safety exercises</li> <li>• Near-miss identification and improvement activities</li> <li>• Compliance with BSGR's 10 essential safety rules</li> <li>• Operation of the Safety Golden Award program</li> </ul>	Annual awards for outstanding safety activities

### | Risk Evaluation

(Unit: Case, %)

Classification	Number of Reviews	Number of Risks	Number of Measures	Action Rate(%)
<b>BGF Ecomaterials</b>	590	30	30	100
<b>KNW</b>	93	56	44	79

# Safety and Health Management

## Performance

### Safety and Health Training

**BGFecomaterials**

BGF Ecomaterials conducts safety and health training each year for its employees and workers at key business sites to establish a safety-first organizational culture. In addition to legally mandated safety training, the Hwaseong Plant, one of the main business sites, provides separate training sessions focused on raising safety awareness, the results of risk assessments, and workplace environment measurement outcomes.

Classification	Training	Targets	Timing
Statutory safety and health training	• BSA training	All employees	Throughout the year
Safety and health job-specific training	• Statutory job training on industrial safety and health	Safety and Health Management Officer (1 person) Supervisors (4 persons)	Throughout the year
Other safety and health training	• Training on risk assessment results • Safety awareness enhancement training • Training on workplace environment measurement results	Employees at Hwaseong Plant	Throughout the year
Fire drills	• Emergency evacuation drills • Fire drills	Employees at Hwaseong Plant	Throughout the year

### Safety Culture Promotion

BGF Ecomaterials strives to foster a safety-conscious mindset among its employees by conducting various safety trainings and campaigns for workers at its business sites. In 2024, the company proactively identified a total of 53 near-miss incidents to minimize the likelihood of safety accidents. In addition, four Management Safety Leadership Tours (MSLT) were conducted, in which executives and safety managers jointly inspected workplace safety compliance, discovering 33 improvement points. Beyond this, BGF Ecomaterials promotes a workplace culture of safety through contests, competitions, and award programs.

#### Employee Safety Slogan Contest

- Increased engagement through an employee contest around the theme of Stakeholder Engagement in Safety (90 participants in total)

#### TBM(Tool Box Meeting) Contest

- Strengthening employee Stakeholder Engagement in safety activities through unit-level safety competitions

#### Operation of the Safety Golden Award Program

- Year-end evaluation and awards based on individual performance to improve safety awareness
- Evaluation criteria: Compliance with the 10 essential safety rules, Stakeholder Engagement in the safety slogan contest, TBM (Tool Box Meeting) competition, implementation of risk assessments and improvement activities, near-miss identification and corrective actions, etc.

## Occupational Health and Safety Management Performance Indicators

### | Safety and Health Training

(Unit : Person(s), %)

Classification	Type	Unit	2022	2023	2024
<b>BGFecomaterials</b>	Trainees	Person(s)	150	169	162
	Completion Rate	%	100	100	100
<b>KNW</b>	Trainees	Person(s)	205	232	225
	Completion Rate	%	99	100	100

### | Industrial Accident Rate

(Unit : %)

Classification	2022	2023	2024	
<b>BGFecomaterials</b>	Accident	0	0	0.48
	Disease	0	0	0
<b>KNW</b>	Accident	2.38	2.50	0
	Disease	0	0	0

# Human Rights and Diversity

## Strategy

### Human Rights Management Policy

BGF respects the dignity and the right to pursue happiness of all its stakeholders, including employees, customers, franchisees, and partners. In addition, BGF supports the human rights and labor-related international standards and guidelines outlined in the UN Global Compact's Ten Principles (UNGC 10 Principles), and strives to comply with labor and human rights laws in all regions in which it operates.

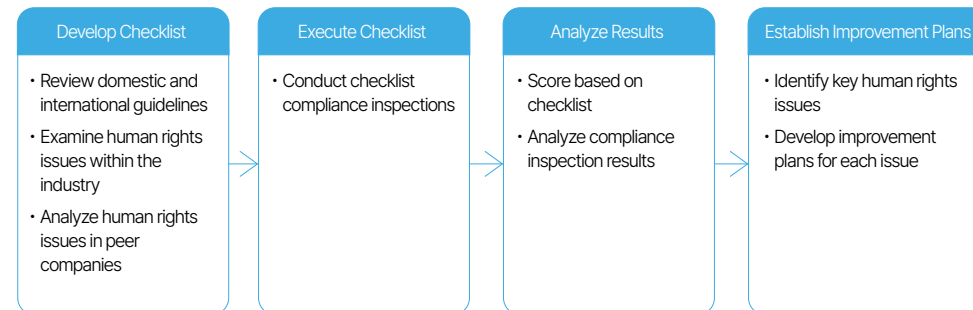
## Risk Management

### Human Rights Impact Assessment and Risk Identification

**BGFretail**

BGF Retail, the distribution sector of BGF Group, conducted a human rights impact assessment to proactively identify and prevent potential human rights risks that may arise throughout its business activities. Referring to known human rights issues in the industry and domestic and international human rights guidelines, BGF Retail selected a total of 74 indicators across 9 categories to create a checklist. Based on this, compliance among employees was evaluated and the overall status of human rights management was systematically assessed. The results identified areas needing improvement in 'human rights management system establishment,' 'non-discrimination in employment,' and 'responsible supply chain management,' and plans are in place to address these issues step-by-step.

### | Human Rights Impact Assessment Process



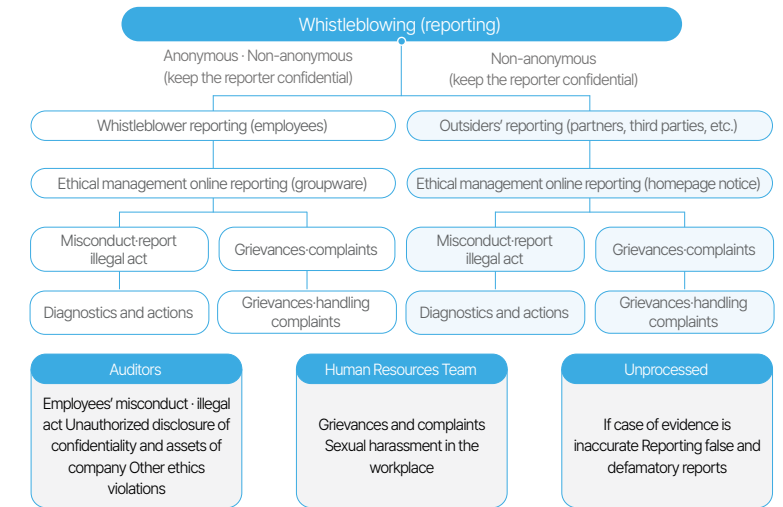
## Performance

### Human Rights Grievance Channel

BGF operates a Cleanline system that allows anyone to report any experiences or observations of violations of human rights management principles. Cleanline operates on a platform managed by an independent external organization, ensuring strict confidentiality and anonymity of the reporter and the reported content. In addition, BGF identifies human rights risks through control systems such as hotlines. Affiliates BGF Ecomaterials and KNW receive reports through various channels, including online submissions via groupware, a reporting channel on their websites, and offline suggestion boxes. In 2024, there were no reported human rights-related cases.

### | Ethics Whistleblowing Process

**BGFecomaterials**



### Employee Human Rights Education

BGF provides mandatory legal training to its employees so that they can internalize an awareness of human rights, including prevention of sexual harassment, workplace bullying, and disability awareness. In addition, BGF actively promotes a culture of respect for human rights by providing content through an online education platform (BSA), enabling employees to voluntarily take human rights courses. Notably, BGF Retail established and disclosed a human rights management policy and conducted human rights management training in 2024 for key department practitioners.

# Product Safety and Quality

## Governance and Strategy

### Quality Management Policy and Organization **BGFecomaterials** **KNW**

BGF Ecomaterials and KNW have established and shared a quality management policy to provide the highest level of quality and service to satisfy customers. They have also organized and operate a quality management team. A Chief of Quality Management Officer(COO) and supervisors are designated to responsibly manage the safety and the quality of products.

#### | Quality Management Policy

- 01** Safety and quality are the top priority.
- 02** We supply products that earn customers' trust and maximum satisfaction.
- 03** We carry out quality assurance activities with the participation of all employees.

#### | Organization



#### | Quality Management Certification Activities

BGF Ecomaterials and KNW have obtained the international quality management certification ISO 9001 (Quality Management System), covering the entire scope of their manufacturing activities. In addition, they continuously enhance their quality management operations through annual surveillance audits conducted by third-party organizations. Moreover, in 2006 BGF Ecomaterials acquired the IATF 16949 certification, an international quality management system standard for the plastic materials and new materials used in the automotive industry.



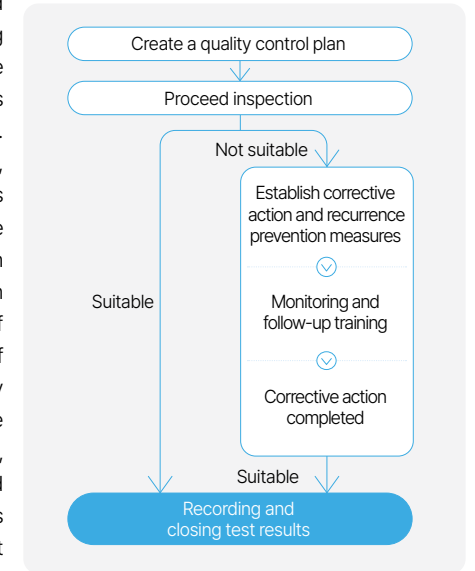
## Risk Management

### Quality Management System

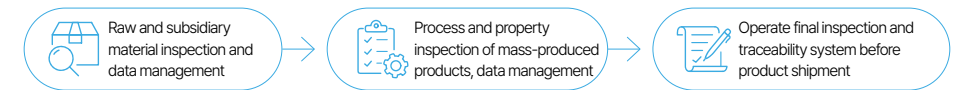
BGF Ecomaterials is a company that manufactures materials using various raw and subsidiary materials. It has established a quality management process that spans all manufacturing stages, and strives to produce safe products and ensure quality assurance. BGF Ecomaterials systematically manages product quality operations by utilizing an ERP system. Through annual inspections, it identifies quality-related risks, registers them by type, and establishes corrective actions and recurrence prevention measures. In addition, the company promotes product quality stabilization through regular inspections of its partners, and signs inspection agreements for all product items. It monitors Certificates of Analysis (CoA) to evaluate the safety and compliance of specific products and raw/subsidiary materials with quality requirements. Furthermore, by maintaining close communication with its partners during quality inspections, BGF Ecomaterials proactively prevents quality issues related to raw and subsidiary materials. The company also has established a quality claim process to provide prompt feedback and carry out improvement activities.

### **BGFecomaterials**

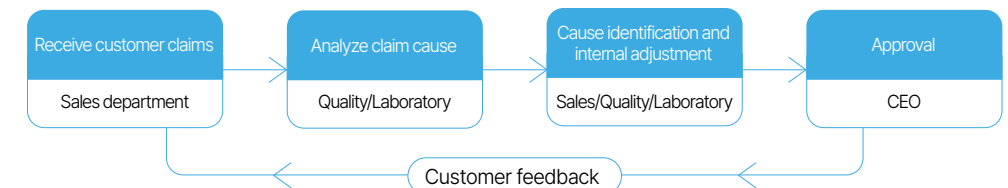
#### | Quality Management Process



#### | Quality Risk Management per Product



#### | Quality Claim Process



# Product Safety and Quality

## Risk Management

### Quality Risk Prediction and Management Process



BGF Retail, the distribution sector of BGF Group, operates CU convenience stores nationwide. To ensure that products delivered to stores are safely provided to customers, BGF Retail employs a sophisticated data analysis system based on a quality risk prediction management system and a QSS (Quality Safety System)-based risk prediction model to prevent food safety violations and manage quality risks.

### | Risk Prediction Management

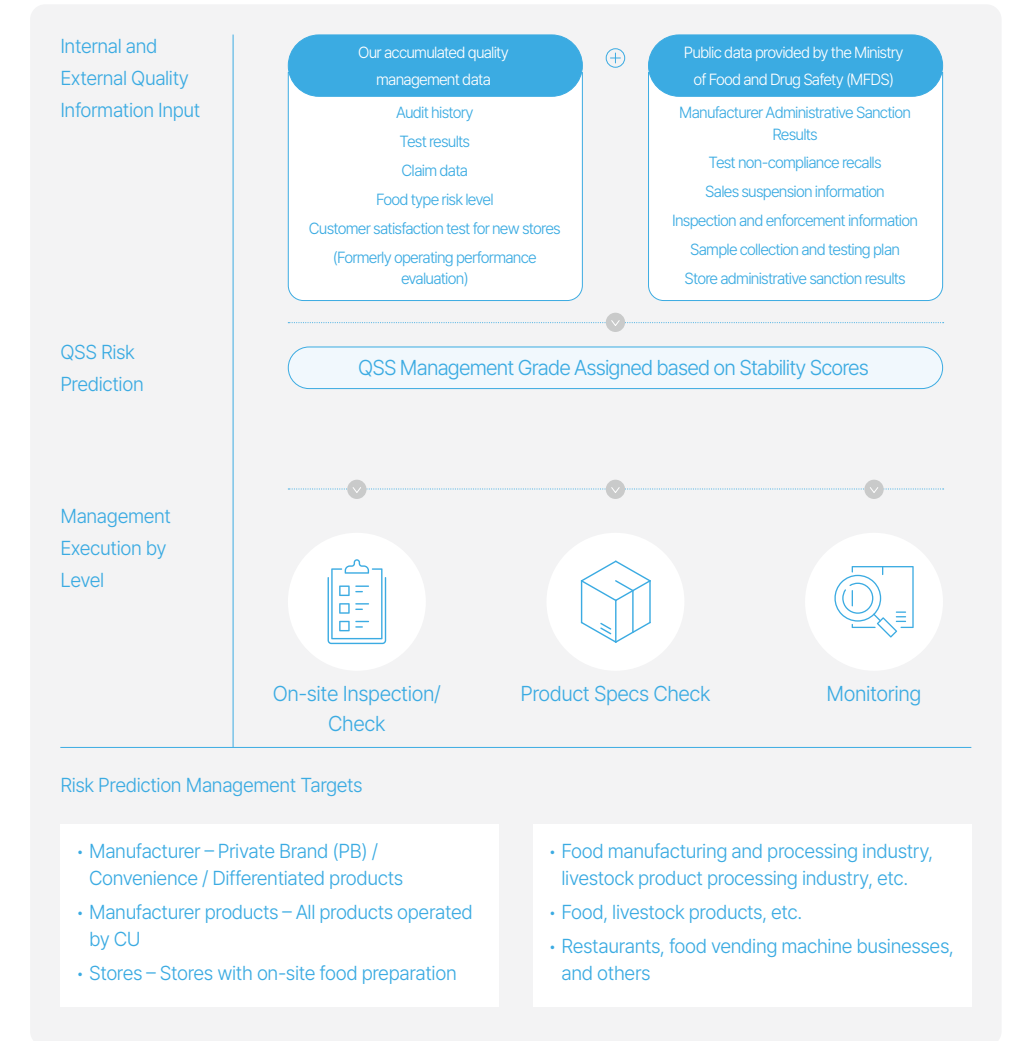
Type	Expected Risk Management	Emergency Response Management
Control Criteria	According to the QSS Risk Prediction Management 'Stability Score'	When quality issues arise in the QSS Safety Management Status
Control Frequency	Selection of subjects once a month	Immediately
Control Method	<ul style="list-style-type: none"> <li>• Inspection: On-site inspections, subcontractor audits, phone-based verifications, and review of management documents</li> <li>• Testing: Microbiological, physicochemical, PCR, and EPM testing</li> <li>• Monitoring: Tracking of claim trends and additional collection and verification of related quality information</li> </ul>	

### Implementation of Quality Safety System (QSS)



BGF Retail has introduced the QSS (Quality Safety System) to enhance product safety, systematically managing product quality by integrating its internal data with public data from the Ministry of Food and Drug Safety. Since 2022, the company has proactively identified and responded to manufacturers and stores with potential risk factors. Products are evaluated for their risk level and classified into grades A to C, with tailored management measures such as on-site inspections and standard testing applied according to the grade to proactively prevent quality issues.

### | QSS Risk Prediction Management Process



# Ethical Management and Compliance

## Governance

### Ethical Management Promotion Organization

BGF considers ethical management to be a core foundation of sustainable management, and oversees the implementation and compliance of related policies through the Management Diagnosis Team. The responsible department monitors the execution and adherence to ethical management policies and guidelines, managing ethical risks by proactively preventing fraud and misconduct. To systematically manage ethical risks at a company-wide level, BGF conducts business diagnostics and audit activities, promoting the spread of the ethics policies and guidelines throughout the group.

## Strategy

### Ethical Management Policies and Strategies

BGF prioritizes ethical business conduct and compliance management as its foremost management principles, ensuring that all stakeholders perform their duties based on ethical judgment. The company commits to ensuring compliance with the laws, internal regulations, and various work-related principles, conducting all business transparently and making reasonable decisions that enhance the value of all stakeholders. These core principles of ethical management are deeply embedded within the organizational culture.

#### | Fundamentals of Ethical Management

- 01 Have all laws, company regulations, and various principles related to business been complied with?
- 02 Have public and private matters been strictly separated, and have tasks been carried out transparently?
- 03 Have you made reasonable decisions that will enhance value for all stakeholders related to the company?

## Strategy

### Code of Ethics and Conduct

BGF has established a code of ethics and detailed implementation guidelines to enable employees to make the right decisions in their business activities based on ethical judgment. Recognizing its responsibility as a global corporate citizen to fulfill its obligations to various stakeholders including customers, partners, employees, and society as a whole, BGF revised its code of ethics in July 2022. The revised code includes company-wide standards of conduct covering corruption and bribery, discrimination, information protection, conflicts of interest, anti-trust/anti-competitive practices, money laundering and insider trading, environment, health and safety, and whistleblowing systems. BGF also makes the employee ethics regulations publicly available on its website.

#### | BGF Code of Ethics

- 01 We provide good products and services in a timely manner to satisfy our customers and do our best to meet their needs and expectations.
- 02 We make compliance with laws and ethics the top priority of our business activities and strictly separate business and personal affairs.
- 03 We grant equal opportunities to all partners based on a spirit of mutual trust and recognize them as strategic business partners and pursue common development.
- 04 We reject improper solicitations, gifts, entertainment, hospitality, and monetary transactions when dealing with stakeholders, including partners and public officials, we don't solicit or offer immoral behavior, such as endorsements, and does not take any unfair advantage.
- 05 We will not personally use company property, information, or positions to further our personal interests, and we will not engage in any dishonest behavior such as fraud, embezzlement, or misappropriation.
- 06 We strive to generate stable profits for the company through sound management activities, respect the rights of shareholders, and provide long-term benefits.
- 07 We form a clean organizational culture based on mutual trust and respect, and strive to improve the quality of life for all employees.

# Ethical Management and Compliance

## Risk Management and Performance

### Ethical Management Reporting and Whistleblowing System

BGF operates an Ethical Management Hotline to facilitate reporting and whistleblowing related to ethical management. This hotline serves as a control system for employees to report unethical behaviors such as fraud and corruption through online platforms, telephone, or mail, and to ensure the appropriate corrective actions are taken. BGF strictly protects the identity of whistleblowers, and conducts confidential investigations upon request. The Management Diagnosis Team, which is the dedicated department for ethical management, reviews and verifies the reported facts and provides feedback to the whistleblower regarding the outcome. When necessary, relevant cases are shared internally to foster a culture of ethical management and prevent the recurrence of violations within the company.



### Promotion of Ethical Management Culture

BGF Group employees share a commitment to ethical management through a pledge to comply with the Code of Conduct, helping to foster a culture of ethical practice. To raise awareness and uphold integrity, all forms of monetary or gift exchanges—including holiday gifts—are strictly prohibited. To communicate this commitment to its stakeholders, BGF sends a letter of ethical management cooperation signed by the CEO before major holidays such as Lunar New Year and Chuseok. When employees unavoidably receive gifts, the company handles them according to internal procedures. If returning the gifts is not feasible, voluntarily reported items are auctioned within the company, with the proceeds anonymously donated to fund cochlear implant surgeries for children with hearing impairments.

### Ethical Management Training

BGF conducts various ethics-related training programs annually for all employees, including those of its subsidiaries. These programs cover ethical management practices, prevention of sexual harassment, workplace bullying awareness, and disability awareness improvement. In addition, BGF offers separate ethics training tailored to employees by rank and position. To unify the company's ethical culture, ethics workshops are also held specifically for subsidiary employees.

## Compliance

### Internal Control System

BGF has established responsibilities, duties, and reporting structures within its internal control system to promote ethical management practices. This system aims to enhance employees' ethical awareness and meet societal expectations for corporate ethics. In accordance with the internal audit regulations, BGF annually develops an audit plan and conducts comprehensive audits that evaluate the effectiveness of its operational processes and functional workflows, identifying and addressing any issues with the recommended improvements. Follow-up audits are then conducted to verify the implementation of the corrective actions. Special audits are also carried out irregularly to address violations of the code of conduct, including personal data protection, bribery and anti-corruption, and discrimination. Results of special audits related to employee code of conduct violations are disclosed to employees via the company intranet.

## Performance

### | Recognition for Promoting Integrity and Ethical Management Practices

In February 2025, BGF Retail, the distribution sector of BGF, was recognized for its commitment to ethical management with the "Integrity and Ethical Management Practice Promotion Award," presented by the Anti-Corruption and Civil Rights Commission. To proactively identify and address corruption risks, BGF Retail operates a number of communication channels, including an internal reporting system and anonymous bulletin boards. Centered on the seven principles of the Code of Ethics and ethical standards, it prioritizes ethical management in all business activities. In addition, BGF Retail implements various programs to ensure ethical management that include a dedicated Compliance Program (CP) team and framework, employee ethics pledges, regular ethics training, corruption risk identification and control processes, and internal and external clean lines.





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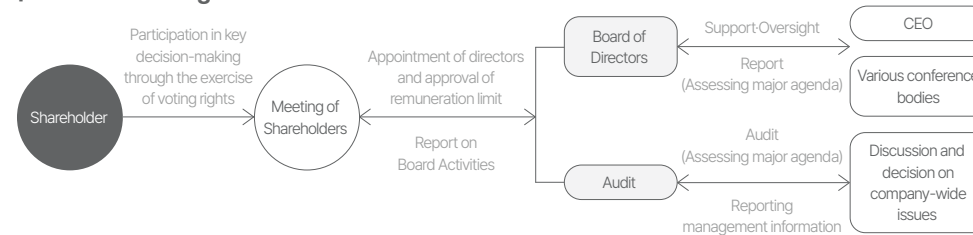
# Governance

## Board of Directors

### Decision-Making Bodies

BGF has established institutional frameworks to facilitate the rational coordination of opinions from both internal and external stakeholders, ensuring that management decisions and operational execution are carried out fairly within an effective organizational structure. Through a board-centric governance system, BGF promotes a balanced relationship of mutual checks and balances between the Board of Directors and management. This approach aims to maximize shareholder interests and corporate value while establishing sound corporate governance. The Board of Directors resolves on matters stipulated by laws, the Articles of Incorporation, or delegated by the General Shareholders' Meeting, including key policies and important issues related to business execution. The Board reflects stakeholder opinions, supports appropriate decision-making by management, and oversees management in the execution of their duties.

### | Decision-making Process



### Board of Directors Operations

BGF holds regular meetings of the Board of Directors to resolve on matters stipulated by laws, the Articles of Incorporation, and key management issues. Extraordinary board meetings may be convened as needed, and any director or auditor may request the Chairperson of the Board to convene a meeting by presenting the agenda and reasons. In accordance with Article 8 of the Board Regulations, notice of a meeting must be given to each director at least 12 hours in advance; where all directors consent, the Board may convene a meeting at any time without following the formal notice procedure. In addition, pre-meetings with independent directors are held to provide detailed explanations of agenda items before the Board meeting, enhancing operational efficiency. Board resolutions are passed by a majority of the directors present, provided that more than half of all directors attend, except where special provisions under the applicable laws apply. The Board is composed of a majority of independent directors to ensure independent oversight and checks on management. Furthermore, directors with a special interest in any agenda item are restricted from exercising their voting right on that item to prevent conflicts of interest. In 2024, the Board convened a total of 10 times, during which 29 agenda items were reported or approved. The attendance rate of board members was 100%.

### Board Expertise and Diversity

BGF strives for a Board of Directors that balances expertise and diversity to ensure sustainable corporate growth and enhance both corporate and shareholder value. Although not mandated to have an Independent Director Nomination Committee, BGF established an Independent Director Nomination Committee in 2021 to enhance the independence and fairness of the independent director selection process. The committee selects candidates who possess rich experience in their respective professional fields and meet the qualification criteria for independent directors. Furthermore, BGF does not impose restrictions based on gender, age, region of origin, nationality, ethnicity, experience, or background when appointing independent directors, ensuring that no specific stakeholder interests are disproportionately represented. The Board actively embraces diversity to facilitate broader perspectives in decision-making. In cases where shareholder proposals related to director appointments are made in accordance with the applicable laws, the Board submits these proposals as agenda items for the General Shareholders' Meeting, within the legal scope.

### | Board of Directors Composition

(As on May 2025)

Classification	Name	Gender (age)	Professional Fields	Job Title	Key Experience	Period (Initial Appointment Date / Term Expiration Month)
Executive Directors	Jung-Kook Hong	Male (40s)	General management	• Chairman of the Board • Independent Director nomination Committee members	Current) CEO of BGF Former) Head of BGF Retail Business Strategy Division	2013.11.12 ~2028.03
	Chul-Han Ryu	Male (50s)	General management	• Internal Transaction Committee Member	Current) BGF Finance Officer Former) BGF Retail Financial Support Manager	2020.03.25 ~2026.03.
Independent Directors	Young-Hoon Sung	Male (60s)	Legal	• Chair of the Internal Transactions Committee • Independent Director Nomination Committee members	Current) Attorney at Law Firm Pacific Former) 5th Chairperson of the National Human Rights Commission	2020.03.25 ~2026.03.
	Bong-Hwan Kim	Male (50s)	Economy	• Internal Transactions Committee Member • Independent Director Nomination Committee Chair	Current) Professor, Seoul National University School of Public Administration Current) Independent Director and Audit Committee Member, Hanwha Ocean Co., Ltd.	2023.03.28 ~2026.03.

# Governance

## Board of Directors

### Director Appointment Process and Term of Office

In accordance with Article 382 of the Korean Commercial Act and Article 32 of its Articles of Incorporation, BGF appoints directors through resolutions at the General Shareholders' Meeting. For executive directors, a candidate pool is formed from among non-registered executive officers, and individuals are selected based on their track record, vision, and leadership capabilities. For independent director candidates, the Independent Director Nomination Committee conducts an independent and fair review and discussion process to select individuals with proven expertise, extensive experience, and sound judgment. Candidates must also be capable of overseeing the company's management independently, without any conflicts of interest with the company or its largest shareholders. Each independent director candidate is presented for a vote as a separate agenda item at the shareholders' meeting, and their term of office is up to three years from the date of appointment.

### Independence and Transparency of Independent Directors

BGF stipulates in its Articles of Incorporation that at least one-quarter of the Board of Directors must be composed of independent directors. Currently, independent directors make up 50% of the Board, representing the majority of its members. Of the board committees, independent directors account for 66.7% of both the Internal Transactions Committee and the Independent Director Nomination Committee, with both committees chaired by independent directors, ensuring their independence in operation. In accordance with the Articles of Incorporation, the Chairperson of the Board also serves as the CEO, a structure designed to enhance management efficiency and shareholder value by leveraging deep industry knowledge and enabling swift decision-making. To safeguard the independence of independent directors, BGF clearly defines the roles and responsibilities of directors in board regulations and supports their independent function through mechanisms such as Directors and Officers (D&O) Liability Insurance. Furthermore, BGF enhances the transparency of governance by disclosing Board and committee activities in its annual business reports and corporate governance reports.

### Evaluation of Directors

Since 2022, BGF has conducted annual evaluations of the Board of Directors and independent directors to enhance the transparency of governance and the effectiveness of board operations. The Board evaluation is carried out once a year, and covers areas such as the board's roles and responsibilities, committee structure, and operational efficiency. It is conducted as a self-assessment involving all board members. A separate self-assessment for independent directors is also conducted, focusing on factors such as diligence, expertise, and contributions. The results of these evaluations are used to identify areas for improvement in board operations, and serve as reference material during candidate selection discussions within the Independent Director Nomination Committee. In 2024, the board and independent director self-evaluation received an outstanding average score of 4.98 out of 5, and the findings and improvement measures were formally reported to the Board.

### Compensation for Board of Directors

The remuneration of registered directors and auditors is paid within the limit approved at the General Shareholders' Meeting, in accordance with the applicable laws and the company's Articles of Incorporation. Compensation consists of base salary, bonuses, variable pay, and other earned income. Of these, variable pay is calculated annually based on performance indicators set by the Board of Directors, with individual performance metrics and weightings applied. Independent directors and auditors receive only a fixed salary, which is paid in monthly installments based on an annual amount divided over 12 months. At the General Shareholders' Meeting held in March 2025, the total remuneration limit approved for directors was KRW 5 billion.

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## Board of Directors

### Training for Board of Directors

In 2024, BGF conducted annual board training sessions to enhance the ESG expertise of its directors. The program for 2024 focused on corporate management and environmental issues, with expert-led training addressing key environmental risks such as the tightening of global environmental regulations and disclosure requirements. BGF Group remains committed to supporting the effective and informed decision-making of its highest governing body by continuing to promote such initiatives going forward.



### Committees Under Board of Directors

BGF operates two board-level committees: the Internal Transactions Committee and the Independent Director Nomination Committee. The Internal Transactions Committee is responsible for reviewing and approving inter-company transactions among affiliates. To enhance transparency in corporate management, the committee operates under the authority delegated by the Board of Directors. The Independent Director Nomination Committee was established by a resolution of the regular Board meeting in November 2021. It is composed of two independent directors and one executive director. Each committee is made up of directors with relevant expertise and functions as a delegated body of the Board, carrying out monitoring and advisory roles in accordance with the applicable laws and the Articles of Incorporation.

## Shareholders

### Protection of Shareholders' Rights

BGF is actively engaging in a range of activities to protect shareholders' rights, and communicates proactively with shareholders and discloses information transparently to realize mutual growth for the company and shareholders and build shareholder trust. We disclose general information about shareholders meetings as promptly as possible within the period specified in the relevant laws in accordance with domestic commercial law and the Articles of Incorporation, so that the maximum number of shareholders can participate in the decision-making process for management and have sufficient time to discuss the agenda. In 2025, we published the date and location of the shareholder's meeting, agendas and other key information on the Electronic Disclosure System 20 days before the actual meeting; we also delivered a letter of notice to shareholders holding 1% or more of the total number of issued stocks.

### Exercise of Voting Rights

At the general shareholders' meeting, shareholders may exercise their voting rights by attending in person, appointing a proxy through a power of attorney, or participating via electronic voting. To facilitate broader shareholder engagement and the easier exercise of voting rights, the company implements a proxy solicitation system and voluntarily participates in the shareholder meeting schedule coordination program promoted by the government. As stipulated in the Articles of Incorporation, the total number of authorized shares is 20,000,000. As of May 2025, the number of issued shares stands at 95,716,791. Excluding 8,025 treasury shares, a total of 95,708,766 shares (99.99% of issued shares) carry voting rights. In accordance with the Korean Commercial Act, all shareholders are entitled to one vote per share. BGF is committed to ensuring the fair exercise of voting rights by all shareholders in accordance with the applicable laws and regulations. In addition, shareholders may exercise their shareholder proposal rights by submitting proposals in writing or electronically up to six weeks prior to the annual general meeting, as permitted under the Korean Commercial Act. Upon receipt of a proposal, the company verifies shareholder eligibility based on internal procedures, conducts a legal review of the proposed agenda item, and reports it to the Board of Directors. If the proposal does not violate any relevant laws or the Articles of Incorporation, it is included as an agenda item for the general meeting. The adoption or rejection of the proposal is communicated to the proposing shareholder via electronic notice. Upon request, the shareholder is also provided an opportunity to explain the proposal at the general meeting, and the relevant content is included in the meeting notice.

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## Business

**BGF**

Classification	Details	Unit	2022	2023	2024	Remark
Direct economic value generated and distributed	Sales Revenue	KRW million	434,997	356,393*	434,085	Consolidated
	Operating Income (Loss)	KRW million	61,204	60,570	55,229	
	Earnings before Income Taxes (Loss)	KRW million	38,895	69,202	70,656	
	Net Income (Loss)	KRW million	26,177	69,137	94,777	
	Total Assets	KRW million	1,938,014	2,171,266	2,300,978	
	Total Equity	KRW million	1,736,523	1,900,643	1,981,103	
	Return on Assets (ROA*)	%	1.3	3.4	4.2	Net income / Average Assets
	Return on Equity (ROE*)	%	1.5	4.8	5.4	Controlling shareholders' net income / Controlling shareholders' equity (average)
	Stakeholders Allocation of economic performance	Shareholders and investors (dividends)	KRW million	11,821	11,901	12,746
Employee salary (except retirement salary)		KRW million	30,325	28,828	43,689	
Partners		KRW million	247,369	186,796	227,588	
Government (cash payments for corporate taxes)		KRW million	18,219	8,032	8,024	
Community (donations)		KRW million	201	17	231	

\* Excluded BGF Networks revenue within existing revenue in 2023 due to the sale of BGF Networks in July 2024

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## Business

**BGF Ecomaterials**

Classification	Details	Unit	2022	2023	2024	Remark
Direct economic value generated and distributed	Sales Revenue	KRW million	263,302	285,659	364,314	Consolidated
	Operating Income (Loss)	KRW million	15,925	17,193	14,011	
	Earnings before Income Taxes (Loss)	KRW million	37,485	(2,384)	18,526	
	Net Income (Loss)	KRW million	28,880	(9,860)	15,489	
	Total Assets	KRW million	352,144	570,459	715,244	
	Total Equity	KRW million	201,945	436,751	493,928	
	Return on Assets (ROA*)	%	8.8	(2.1)	2.2	Net income / Average Assets
	Return on Equity (ROE*)	%	16.1	(3.1)	3.7	Controlling shareholders' net income / Controlling shareholders' equity (average)
	Stakeholders Allocation of economic performance	Shareholders and investors (dividends)	KRW million	2,390	2,869	3,723
Employee salary (except retirement salary)		KRW million	12,229	18,198	34,840	
Government (cash payments for corporate taxes)		KRW million	9,077	5,943	5,871	Refer to the Consolidated Cash Flow Statement
Community (donations)		KRW million	1	3	8	

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## Business

**KNW**

Classification	Details	Unit	2022	2023	2024	Remark
Direct economic value generated and distributed	Sales Revenue	KRW million	99,582	95,370	78,464	Consolidated
	Operating Income (Loss)	KRW million	15,288	5,221	(2,285)	
	Earnings before Income Taxes (Loss)	KRW million	(11,261)	(2689)	(2,791)	
	Net Income (Loss)	KRW million	18,066	2,052	3,442	
	Total Assets	KRW million	142,812	151,824	207,622	
	Total Equity	KRW million	78,466	125,109	128,147	
	Return on Assets (ROA*)	%	12.7	1.4	1.7	Net income / Average Assets
	Return on Equity (ROE*)	%	23.0	1.6	2.7	Controlling shareholders' net income / Controlling shareholders' equity (average)
Stakeholders Allocation of economic performance	Shareholders and investors (dividends)	KRW million	0	0	0	
	Employee salary (except retirement salary)	KRW million	3,331	3,958	3,017	
	Partners	KRW million	0	0	0	
	Government (cash payments for corporate taxes)	KRW million	(651)	637	(2,569)	
	Community (donations)	KRW million	0	0	0	

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## Environment

**BGF**

Greenhouse gases and waste

Classification		Details	Unit	2022	2023	2024	Remark	
Greenhouse Gas emissions	Greenhouse Gas Emissions	Scope 1	tCO <sub>2</sub> e	42	471	418	The Office	
		Scope 2	tCO <sub>2</sub> e	114.6	76.7	67.7		
		Scope 1 & 2	tCO <sub>2</sub> e	156.3	123.8	109.5		
Energy Usage	Greenhouse Gas	Per unit emissions	tCO <sub>2</sub> e/KRW 100 million	0.3	0.1	0.3		
		Direct energy usage	Total	TJ	0.7	0.7		0.7
			Stationary combustion	TJ	0.4	0.2		0.2
			Mobile combustion	TJ	0.3	0.5		0.5
		Indirect energy usage	Total	TJ	2.4	1.6		1.4
			Electricity	TJ	2.4	1.6		1.4
Water and Effluents	Energy Intensity	Per unit consumption	TJ/KRW 100 million	0.006	0.004	0.005		
		Water Usage		m <sup>3</sup>	1,190	848.1	726	
Waste	Amount of waste generated		Total	Ton	15.8	9.4	6.7	
		Household waste	Ton	15.8	9.4	6.7		
	Waste recycling amount	Ton	5.4	3.6	3.2			
	Waste recycling rate	%	34.4	37.9	48.1			
Legal violations	Violation of Environmental Laws		Case	0	0	0		

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## Environment

### BGF Ecomaterials

### Greenhouse gases and waste

Classification	Details	Unit	2022	2023	2024	Remark		
Greenhouse Gas emissions	Scope 1	tCO <sub>2</sub> e	-	-	-			
	Greenhouse Gas Emissions	Scope 2	tCO <sub>2</sub> e	7,367	7,586	7,529		
		Scope 1 & 2	tCO <sub>2</sub> e	7,367	7,586	7,529		
		Scope 3	tCO <sub>2</sub> e	-	-	-		
	Greenhouse Gas Intensity	Per unit emissions	tCO <sub>2</sub> e/KRW 100 million	4.1	4.5	4.2	Hwaseong business site	
Energy Usage	Indirect energy usage	Total	TJ	0.0555	0.0571	0.0567		
		Electricity	TJ	0.0555	0.0571	0.0567		
	Renewable energy usage	TJ	0	0	0			
	Energy Intensity	Per unit consumption	TJ/KRW 100 million	0.0027	0.0022	0.0031		
Water and Effluents	Water Usage	m <sup>3</sup>	12,728	13,043	14,552			
Waste	Waste eneration	Total waste generation	m <sup>3</sup>	65.7	9.6	124	Export of wastewater after total reuse (change to twice a year from 2024)	
		General waste	Landfill	Ton	348	426	456	
			Incineration	Ton	56	47	37	Other dust
			Recycle	Ton	93	312	69	Waste synthetic resin
			Other	Ton	145	10	300	Waste synthetic resin, other dust, spent carbon
			Total	Ton	-	-	-	Hwaseong/Cheongna business site
		Designated waste	Landfill	Ton	293	370	405	
			Incineration	Ton	-	-	-	
			Recycle	Ton	55	56	46	Other waste oils
			Other	Ton	-	-	5	Other waste organic solvents
			Total	Ton	-	-	-	

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**BGF Ecomaterials**

Other environmental metrics

Classification	Details	Unit	2022	2023	2024	Remark	
Raw materials	Total raw material usage	Ton	39,281	43,692	61,424		
	Recycled raw material usage	Ton	11,209	10,560	10,777		
	Ratio of recycled raw materials	%	22	19	18		
Emissions	Air pollutants	Dust emissions	Ton	0.03	0.03	0.025	Hwaseong business site
	Chemical emissions		Ton	0.2	0.3	0.2	
Environmental investments	Environmental Investment Costs	KRW million	10	303	164	- IOT installation and duct improvements: KRW 132 million won - Activated carbon replacement: KRW 22.25 million won - Improvement of diesel storage: KRW 9.4 million won	
Legal violations	Violation of Environmental Laws	Case	0	0	0		
Environmental Management System (ISO 14001)	Number of acquired business sites	Site	3	3	3	BGF Ecomaterials Hwaseong business site, US and China business sites	
Eco-friendly purchasing	Purchase performance	KRW million	22,905	19,710	16,207		
Environmental Education	Number of participants	People	-	55	55		
	Training Hours	Hour	-	110	110		
	Training hours per person	Hour	-	2	2		

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## Environment

**KNW**

Other environmental metrics

Classification	Details	Unit	2022	2023	2024	Remark
Water and Effluents	Water Usage	m <sup>3</sup>	1,760	1,190	1,417	
	Emissions	Air pollutants	Ton	0.32	0.32	0.422
Chemical emissions		Ton	2.57	2.57	1.75	
Environmental investments	Environmental Investment Costs	KRW million	14.8	7.3	17.4	Replacement of activated carbon, replacement of prevention, installation of waste storage
Legal violations	Violation of Environmental Laws	Case	0	0	0	
Environmental Management System (ISO 14001)	Number of acquired business sites	Site	1	1	1	Paju plant

# ESG Data

## Social

**BGF** Employees

Classification	Details	Unit	2022	2023	2024	Remark	
Employment	Total number of employees		56	56	53		
	By contract type	Full-time	People	48	49	46	
		Temporary	People	8	7	7	
		Executive (Male)	People	4	4	3	
		Executive (female)	People	0	0	1	
		Temporary	People	3	0	0	
		Indefinite contract worker	People	1	3	3	
	By gender	Male	People	44	44	38	
		Female	People	12	12	15	
	By age	20s to 30 years old	People	6	7	5	
		30s to 50 years old	People	47	44	44	
		More than 50 years old	People	3	5	4	
	By position	Executives	People	3	3	3	
		P3 and above	People	26	22	23	
		P2 and below	People	27	31	27	
New employment	Total	People	4	11	8		
By contract type	Full-time	People	3	11	8		
	Temporary	People	1	0	0		
By employment type	Open recruitment for high school graduates	People	0	0	0		
	Open recruitment for new college graduates	People	0	9	6		
	Experienced position	People	3	2	2		
By gender	Male	People	3	9	3		
	Female	People	1	2	5		
By region	Metropolitan area	People	4	11	8		
	Non-metropolitan area	People	0	0	0		

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## Social

**BGF**

**Turnover and Retirement pension**

Classification	Details	Unit	2022	2023	2024	Remark
Turnover	Total number of turnover	People	72	10	12	Increase in the number of turnover due to transfers between affiliates in 2022
	Involuntary turnover	Total	People	65	6	8
		Transfers between affiliates	People	65	6	8
		Other	People	0	0	0
	Voluntary turnover	Total	People	7	4	4
	Voluntary transfer ratio	%	12.5	10.7	7.5	Number of voluntary turnover / Total number of employees
Continuous years of service	Average years of service	Year	6.5	6.6	6.8	
	Male	Year	6.9	7.0	7.7	
	Female	Year	5.1	4.9	4.6	
Labor-management relations	Employees participating in the labor-management council	People	56	56	53	Total number of employees
Retirement pension	Subscription rate	%	97	100	94.3	
	By subscription type	Total	People	56	56	50
		Defined benefit type (DB)	People	50	44	45
		Defined contribution type (DC) People	People	6	12	5

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## Social

**BGF**

### Parental Leave and other social metrics

Classification		Details	Unit	2022	2023	2024	Remark
Diversity		Disabled workers	People	1	0	0	
		Disabled worker ratio	%	178	0	0	Number of workers with disabilities / Total number of employees
		Foreign worker	People	0	0	0	
		Foreign worker ratio	%	0	0	0	
Diversity and Equality	By position	Number of manager female employees	People	5	5	8	
		Number of female employees P5 level and above	People	0	1	2	
	Female employees	Number of female employees P3 level and above	People	5	4	6	
		Number of non-manager female employees	People	7	11	7	Match the number of non-manager female employees to the remarks
	By contract type	Full-time female employees	People	12	12	15	
		Ratio of female employees among full-time employees	%	24.5	24.4	32.6	
		Female contract employees	People	0	0	0	
		Ratio of female employees among contract workers	%	0	0	0	
	Salary	Overall average (annual)	KRW million	89	76	93	Correct an error in 2022 and 2023 data
		Female average (annual)	KRW million	61	54	66	
Male average (annual)		KRW million	97	90	102		
Male to female salary ratio		%	62.9	60.0	64.7		
Salary ratio of female employees compared to male employees		%	84.7	111	113.1	Compare between non-executive positions	
Parental leave	Number of people	Male	People	1	0	0	
		Female	People	3	0	0	
	Number of people eligible for return	Male	People	1	0	0	
		Female	People	0	0	0	
	Return rate	Male	%	100	0	0	
		Female	%	0	0	0	
Occupational Health and safety	Number of deaths	People	0	0	0		
	Lost-Time Injuries Frequency Rate (LTIFR)	Number of cases per million working hours	0	0	0		
	Number of industrial accident	Case	0	0	0		
	Accident rate	%	0	0	0		
Employee participation in volunteer activities	Number of people	People	231	311	328		
	Activity time	Hour	1,114	1,288	1,635	Affiliate integration criteria	
	Hours of service per employee	Hour	4.8	4.1	4.98		

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**BGF Ecomaterials**

**Employees**

Classification	Details	Unit	2022	2023	2024	Remark	
Number of employees	Total number of employees		150	169	167		
	By contract type	Full-time	People	125	144	143	
		Temporary	People	25	25	24	
		Executive (Male)	People	23	23	18	
		Executive (female)	People	1	1	1	
		Temporary	People	1	1	5	
		Indefinite contract worker	People	0	0	0	
	By gender	Male	People	142	157	150	
		Female	People	8	12	17	
		20s to 30 years old	People	22	23	21	
	By age	30s to 50 years old	People	100	116	122	
		More than 50 years old	People	28	30	24	
By position	Executives	People	24	24	19		
	P3 and above	People	44	50	47		
	P2 and below	People	82	95	101		
By occupation	General job	People	89	121	116		
	Technical job	People	61	48	51		
New employment	Total		78	45	32		
	By contract type	Full-time	People	62	40	23	
Temporary		People	16	5	9		
By employment type	Open recruitment for high school graduates	People	6	13	15		
	Open recruitment for new college graduates	People	2	2	4		
	Experienced position	People	70	30	13		
By gender	Male	People	74	41	25		
	Female	People	4	4	7		
By region	Metropolitan area	People	78	45	32		
	Non-metropolitan area	People	-	-	-		

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**BGF Ecomaterials**

**Turnover and Retirement pension**

Classification	Details	Unit	2022	2023	2024	Remark	
Turnover	Total number of turnover	People	31	24	40		
	Involuntary turnover	Total	People	13	12	26	
		Transfers between affiliates	People	6	2	6	
		Other	People	7	10	20	Executives, foreigners, etc.
	Voluntary turnover	Total	People	18	12	14	
	Voluntary transfer ratio		%	12	7	8	Number of voluntary turnover / Total number of employees
Continuous years of service	Average years of service	Year	4.6	4.3	4		
	Male	Year	4.5	4.3	4		
	Female	Year	6.3	4.9	4		
Labor-management relations	Employees participating in the labor-management council	People	6	6	6		
Retirement pension	Subscription rate	%	61	79	83		
	By subscription type	Total	People	92	133	139	
		Defined benefit type (DB)	People	80	114	125	
		Defined contribution type (DC) People	People	12	19	14	

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## Social

**BGF Ecomaterials**

Parental Leave and other social metrics

Classification		Details	Unit	2022	2023	2024	Remark	
Diversity		Disabled workers	People	1	1	1		
		Disabled worker ratio	%	0.7	0.6	1		
		Foreign worker	People	19	24	28		
		Foreign worker ratio	%	12.7	14.2	17		
Diversity and Equality	By position	Number of manager female employees	People	4	4	4		
		Number of female employees P5 level and above	People	2	2	2	Above department manager level	
		Number of female employees P3 level and above	People	2	2	2	Above manager level	
	Female employees	Number of non-manager female employees	People	4	8	13		
		Full-time female employees	People	7	10	11		
		By contract type	Ratio of female employees among full-time employees	%	5.6	6.9	8	
			Female contract employees	People	1	2	6	
	Salary		Ratio of female employees among contract workers	%	4.0	8.0	25	
			Overall average (annual)	KRW million	58	64	57	Based on Annual Report
			Female average (annual)	KRW million	50	41	33	
Male average (annual)			KRW million	57	63	60		
Parental leave	Number of people	Male	People	0	1	0	Based on Annual Report	
		Female	People	0	0	1		
	Number of people eligible for return	Male	People	0	1	0		
		Female	People	0	0	0		
	Return rate	Male	%	0	0	0		
		Female	%	0	100	0		
Occupational Health and safety		Number of deaths	People	0	0	0		
		Lost-Time Injuries Frequency Rate (LTIFR)	Number of cases per million working hours	0	0	0.00416		
		Number of industrial accident	Case	0	0	2	2 burn and illness accidents occurred	
		Accident rate	%	0	0	0.48		

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## Social

**KNW** Employees

Classification	Details	Unit	2022	2023	2024	Remark	
Employment	Total number of employees		58	48	51		
	By contract type	Full-time	People	46	41	43	
		Temporary	People	12	7	8	Include non-registered executives
		Executive (Male)	People	12	6	8	
		Executive (female)	People	0	1	0	
		Temporary	People	0	0	0	
		Indefinite contract worker	People	0	0	0	
	By gender	Male	People	47	38	39	
		Female	People	11	10	12	
		By age					
	By age	20s to 30 years old	People	4	4	5	
		30s to 50 years old	People	41	35	36	
		More than 50 years old	People	13	9	10	
	By position	Executives	People	12	7	8	
		P3 and above	People	26	18	22	
P2 and below		People	20	23	21		
By occupation	General job	People	42	35	36		
	Technical job	People	16	13	15		
New employment	Total		13	10	8		
	Full-time	People	13	7	7		
By contract type	Temporary	People	0	3	1	CEO and 2 independent directors in 2023, full-time auditor in 2024	
	By employment type						
New employment	Open recruitment for high school graduates	People	0	0	0		
	Open recruitment for new college graduates	People	0	0	2		
	Experienced position	People	13	10	6		
By gender	Male	People	11	7	6		
	Female	People	2	3	2		
By region	Metropolitan area	People	13	10	8		
	Non-metropolitan area	People	0	0	0		

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## Social

**KNW**

### Turnover and Retirement pension

Classification	Details	Unit	2022	2023	2024	Remark	
Turnover	Number of turnover	People	9	19	13		
	Involuntary turnover	Total	People	0	0	0	
		Transfers between affiliates	People	0	0	0	
		Other	People	0	8	0	Executive left due to mergers and acquisitions in 2023
	Voluntary turnover	Total	People	9	11	13	
	Voluntary transfer ratio		%	16	22	25	Number of voluntary turnover / Total number of employees
Continuous years of service	Average years of service	Year	5	5.1	5.7		
	Male	Year	6.0	6.0	6.1		
	Female	Year	1.0	1.3	2.3		
Labor-management relations	Employees participating in the labor-management council	People	6	6	6		
	Employee coverage ratio	%	50	50	50		
	Number of meetings held	Case	4	4	4		
	Number of agendas	Case	8	8	8		
Retirement pension	Subscription rate	%	100	100	100		
	By subscription type	Total	People	45	30	39	
		Defined benefit type (DB)	People	0	0	0	
		Defined contribution type (DC) People	People	45	30	39	

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## Social

**KNW**

### Parental Leave and other social metrics

Classification		Details	Unit	2022	2023	2024	Remark	
Diversity		Disabled workers	People	0	0	0		
		Disabled worker ratio	%	0	0	0		
		Foreign worker	People	0	0	0		
		Foreign worker ratio	%	0	0	0		
Diversity and Equality	By position	Number of manager female employees	People	0	0	0		
		Number of female employees P5 level and above	People	0	0	0	Above department manager level	
		Number of female employees P3 level and above	People	0	0	0	Above manager level	
	Female employees	Number of non-manager female employees	People	11	10	12		
		Full-time female employees	People	11	10	12		
		By contract type	Ratio of female employees among full-time employees	%	19	21	24	
			Female contract employees	People	0	0	0	
	Salary		Ratio of female employees among contract workers	%	0	0	0	
			Overall average (annual)	KRW million	50	62	50	Based on Annual Report
			Female average (annual)	KRW million	27	32	36	
Male average (annual)			KRW million	57	71	54		
Parental leave	Number of people	Male	People	0	0	0	Based on Annual Report	
		Female	People	0	0	0		
	Number of people eligible for return	Male	People	0	0	0		
		Female	People	0	0	0		
	Return rate	Male	%	0	0	0		
		Female	%	0	0	0		
Occupational Health and safety		Number of deaths	People	0	0	0		
		Lost-Time Injuries Frequency Rate (LTIFR)	Number of cases per million working hours	0	0	0		
		Number of industrial accident	Case	1	1	0		
		Accident rate	%	2.38	2.5	0		

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**BGF**

**Board of Directors and Compensation Policy**

Classification	Details	Unit	2022	2023	2024	Remark
Board of Directors	Independence	Independent director	People	2	2	2
		Executive director	People	2	2	2
		Independent director ratio	%	50	50	50
Board of Directors	Efficiency	Attendance rate	%	100	100	100
		Number of events	Number	12	9	9
		Report and agenda	Case	33	39	29
Board of Directors	Operation	ESG agenda	Case	2	8	1
		Total CEO annual compensation	KRW million won	1,193	1,099	1,233
		Average compensation per independent director	KRW million won	60	63	62
		Audit fee	KRW million won	224	209	200

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**BGF Ecomaterials**

**Board of Directors and Compensation Policy**

Classification	Details	Unit	2022	2023	2024	Remark
Board of Directors	Independence	Independent director	People	1	1	1
		Executive director	People	3	3	3
	Independent director ratio	%	25	25	25	
Board of Directors	Efficiency	Attendance rate	%	86	100	100
		Average tenure	Year	1.02	2.02	3.02
Board of Directors	Operation	Number of events	Number	9	9	7
		Report and agenda	Case	21	33	15
Compensation Policy	Total CEO annual compensation		KRW million won	364	590	569
	Average compensation per independent director		KRW million won	37	36	36
	Audit fee		KRW million won	50	50	50

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## Governance

**KNW**

### Board of Directors and Compensation Policy

Classification	Details	Unit	2022	2023	2024	Remark	
Board of Directors	Independent director	People	2	2	1		
	Independence	Executive director	People	3	3	3	Include 1 other non-executive director from 2023-2024
		Independent director ratio	%	40	40	25	
	Diversity	Female independent director	People	1	1	0	
		Ratio of female independent directors	%	50	50	0	
	Efficiency	Attendance rate	%	98	92	100	
		Average tenure	Year	10	0.10	1.08	
	Operation	Number of events	Number	10	9	8	
		Report and agenda	Case	12	16	18	
	Compensation Policy	Total CEO annual compensation	KRW million won	421	1299	209	Include severance pay for former CEO Wonseok Oh in 2023
Average compensation per independent director		KRW million won	1	0	3		
Audit fee		KRW million won	0	0	3		

\* Due to the merger and acquisition, the former head of KNW and other directors resigned, and a new board of directors was elected and formed in August 2023.

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**BGF**

### Anti-corruption

Classification	Details		Unit	2022	2023	2024	Remark
Anti-corruption	Code of Ethics	Internal Code of Ethics signature	Total	People	56	56	53
			Employees	People	56	56	53
			Subsidiary employees	People	0	0	0
	Code of Ethics	Internal Code of Ethics signature rate	Employees	%	100	100	100
			Subsidiary employees	%	0	0	0
			Total	Case	0	0	0
	Code of Conduct	Violation of Code of Conduct	Embezzlement	Case	0	0	0
			Corruption and bribery	Case	0	0	0
			Discrimination and harassment	Case	0	0	0
			Other	Case	0	0	0
Action taken for violation		Total	Case	0	0	0	
		Suspension	Case	0	0	0	
		Salary reduction	Case	0	0	0	
Code of Conduct	Action taken for violation	Reprimand	Case	0	0	0	
		Other	Case	0	0	0	

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**BGF**

**Compliance and Ethical Management**

Classification	Details	Unit	2022	2023	2024	Remark		
Compliance	Total	Case	0	0	0			
	Violation of environmental laws	Case	0	0	0			
	Violation of anti-competition laws	Case	0	0	0			
	Violation of industrial safety regulations	Case	0	0	0			
	Total	KRW million won	0	0	0			
	Violation of environmental laws	KRW million won	0	0	0			
	Violation of anti-competition laws	KRW million won	0	0	0			
	Violation of industrial safety regulations	KRW million won	0	0	0			
Ethical management	Ethics Education	Number of participants	People	56	56	53		
		Number of trainings	Number	2	2	1		
	Reporting and consultation	By Policies	Number of ethical reports via hotline	Case	0	0	0	
			Number of clean line reports	Case	0	0	0	
			Number of ethical reports processed via hotline	Case	0	0	0	
			Number of clean line reports processed	Case	0	0	0	

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**BGF Ecomaterials**

Anti-corruption

Classification	Details		Unit	2022	2023	2024	Remark
Anti-corruption	Code of Ethics	Internal Code of Ethics signature	Total	People	150	169	167
			Employees	People	150	169	167
			Subsidiary employees	People	0	0	0
		Internal Code of Ethics signature rate	Employees	%	100	100	100
			Subsidiary employees	%	0	0	0
			Total	Case	1	2	0
	Code of Conduct	Violation of Code of Conduct	Embezzlement	Case	0	0	0
			Corruption and bribery	Case	0	0	0
			Discrimination and harassment	Case	1	2	0
			Other	Case	1	0	0
Code of Conduct	Action taken for violation	Total	Case	1	2	0	
		Suspension	Case	0	0	0	
		Salary reduction	Case	1	0	0	
		Reprimand	Case	0	2	0	
		Other	Case	0	0	0	

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**BGF Ecomaterials**

**Compliance and Ethical Management**

Classification	Details	Unit	2022	2023	2024	Remark	
Compliance	Total	Case	0	0	0		
	Number of violations of laws	Violation of environmental laws	Case	0	0	0	
		Violation of anti-competition laws	Case	0	0	0	
		Violation of industrial safety regulations	Case	0	0	0	
	Fine amount	Total	KRW million won	0	0	0	
		Violation of environmental laws	KRW million won	0	0	0	
		Violation of anti-competition laws	KRW million won	0	0	0	
		Violation of industrial safety regulations	KRW million won	0	0	0	
Ethics Education	Number of participants	People	150	169	167		
	Training time	Hour	1,200	338	334		
	Training hours per employee	Hour	8	2	2		
	Participation rate	%	100	100	100		
	Number of trainings	Time	1	1	1		
Ethical management	By Policies	Number of ethical reports via hotline	Case	0	1	0	
		Number of clean line reports	Case	0	0	0	
		Number of ethical reports processed via hotline	Case	0	1	0	
	Reporting and consultation	Number of clean line reports processed	Case	0	0	0	
		Total	People	0	1	0	
	By Stakeholders	Employees	People	0	1	0	
		Business partner	People	0	0	0	
Customer		People	0	0	0		

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Anti-corruption

Classification	Details		Unit	2022	2023	2024	Remark
Anti-corruption	Code of Ethics	Internal Code of Ethics signature	Total	People	0	0	51
			Employees	People	0	0	51
			Subsidiary employees	People	0	0	0
		Internal Code of Ethics signature rate	Employees	%	0	0	100
			Subsidiary employees	%	0	0	0
			Total	Case	0	0	0
	Violation of Code of Conduct	Code of Conduct	Embezzlement	Case	0	0	0
			Corruption and bribery	Case	0	0	0
			Discrimination and harassment	Case	0	0	0
			Other	Case	0	0	0
Action taken for violation	Code of Conduct	Total	Case	0	0	0	
		Suspension	Case	0	0	0	
		Salary reduction	Case	0	0	0	
		Reprimand	Case	0	0	0	
		Other	Case	0	0	0	

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**KNW**

### Compliance and Ethical Management

Classification	Details	Unit	2022	2023	2024	Remark	
Compliance	Total	Case	0	0	0		
	Number of violations of laws	Violation of environmental laws	Case	0	0	0	
		Violation of anti-competition laws	Case	0	0	0	
		Violation of industrial safety regulations	Case	0	0	0	
	Fine amount	Total	KRW million won	0	0	0	
		Violation of environmental laws	KRW million won	0	0	0	
		Violation of anti-competition laws	KRW million won	0	0	0	
		Violation of industrial safety regulations	KRW million won	0	0	0	
Ethics Education	Number of participants	People	0	0	45		
	Training time	Hour	0	0	2		
	Training hours per employee	Hour	0	0	2		
	Participation rate	%	0	0	88		
	Number of trainings	Time	0	0	1		
Ethical management	By Policies	Number of ethical reports via hotline	Case	0	0	0	
		Number of clean line reports	Case	0	0	0	
		Number of ethical reports processed via hotline	Case	0	0	0	
	Reporting and consultation	Number of clean line reports processed	Case	0	0	0	
		Total	People	0	0	0	
	By Stakeholders	Employees	People	0	0	0	
		Business partner	People	0	0	0	
Customer		People	0	0	0		



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		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	58
		2-5	External assurance	-
	Activities and workers	2-6	Activities, value chain, and other business relationships	7-13
		2-7	Employees	6-7, 56, 59, 62
		2-8	Workers who are not employees	-
		2-9	Governance structure and composition	45, 47, 65-67
		2-10	Nomination and selection of the highest governance body	46
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		2-12	Role of the highest governance body in overseeing the management of impacts	17, 45
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		2-14	Role of the highest governance body in sustainability reporting	17
		2-15	Conflicts of interest	45, 46
		Governance	2-16	Communication of critical concerns
	2-17		Collective knowledge of the highest governance body	17, 47
	2-18		Evaluation of the performance of the highest governance body	46
	2-19		Remuneration policies	46, 65
	2-20		Process to determine remuneration	46
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	2-28		Membership associations	-
	Stakeholder engagement		2-29	Approach to stakeholder engagement
2-30			Collective bargaining agreements	35, 57, 60, 63
GRI 3 : Material Topics 2021	Material Topics	3-1	Process to determine material topics	19
		3-2	List of material topics	20



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<b>Waste discharge management</b>				
		3-3	Management of material topics	26
GRI 306 : Waste	Waste	306-3	Waste generated	27, 52-53
		306-4	Waste diverted from disposal	27, 52-53
<b>Product safety and quality</b>				
		3-3	Management of material topics	40
GRI 416: Customer Health and Safety	Product safety and quality	416-1	Assessment of the health and safety impacts of product and service categories	31, 41
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	69, 71, 73
<b>Management of environmental pollutants</b>				
		3-3	Management of material topics	28
GRI 305: Emissions	Management of environmental pollutants	305-6	Emissions of ozone-depleting substances (ODS)	54-55
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	28, 54-55
<b>Climate change response</b>				
		3-3	Management of material topics	25
GRI 305: Emissions	Climate change response	305-1	Direct (Scope 1) GHG emissions	25, 52-53
		305-2	Energy indirect (Scope 2) GHG emissions	25, 52-53
		305-4	GHG emissions intensity	25, 52-53
<b>Worker safety and health management</b>				
		3-3	Management of material topics	36-37
		403-1	Occupational health and safety management system	36
		403-2	Hazard identification, risk assessment, and incident investigation	37
GRI 403: Occupational Health and Safety	Occupational Health and Safety	403-3	Occupational health services	35
		403-4	Worker participation, consultation, and communication on occupational health and safety	36
		403-5	Worker training on occupational health and safety	38
		403-6	Promotion of worker health	35
		403-9	Work-related injuries	38

GRI 3 : Material Topics 2021

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GRI 201 : Economic Performance 2016	201-1	Direct economic value generated and distributed (EVG&D)	49-51
	201-3	Defined benefit plan obligations and other retirement plans	57, 60, 63
	205-1	Operations assessed for risks related to corruption	43
GRI 205 : Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	43, 68-73
	205-3	Confirmed incidents of corruption and actions taken	68, 70, 72
	GRI 206 : Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
GRI 207 : Tax 2019	207-4	Country-by-country reporting	49-51
	301-1	Materials used by weight or volume	54
GRI 301 : Materials 2016	301-2	Recycled input materials used	54
	301-3	Reclaimed products and their packaging materials	27, 54
	302-1	Energy consumption within the organization	25, 52-53
GRI 302 : Energy 2016	302-2	Energy consumption outside of the organization	-
	302-3	Energy intensity	25, 52-53
	302-4	Reduction of energy consumption	25, 52-53
	302-5	Reductions in energy requirements of products and services	25
	303-3	Water withdrawal	-
GRI 303 : Water and Effluents 2018	303-4	Water discharge	-
	303-5	Water consumption	52-53, 55
	401-1	New employee hires and employee turnover	56-57, 59-60, 62-63
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	35
	401-3	Parental leave	58, 61, 64
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	-
	404-1	Average hours of training per year per employee	54, 69, 71, 73
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	35
	404-3	Percentage of employees receiving regular performance and career development reviews	35
	405-1	Diversity of governance bodies and employees	45, 56, 58-59, 61-62, 64
GRI 405: Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	58, 61, 64
	417-1	Requirements for product and service information and labeling	-
GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	-
	417-3	Incidents of non-compliance concerning marketing communications	-
	GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data

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**UNGC**

# UNGC

The UN Global Compact (UNGC) is an initiative that encourages companies to conduct sustainable management based on social responsibility and consists of 10 principles in four areas: human rights, labor, environment, and anti-corruption. BGF supports the UNGC 10 principles and strives to comply with the principles throughout management.

Classification	Principles	Page
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and	16, 39
	2. make sure that they are not complicit in human rights abuses	16, 39
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	16, 35
	4. the elimination of all forms of forced and compulsory labour;	16, 35
	5. the effective abolition of child labour; and	16, 35
	6. the elimination of discrimination in respect of employment and occupation.	16, 35
Environment	7. Businesses should support a precautionary approach to environmental challenges;	16, 23-28
	8. undertake initiatives to promote greater environmental responsibility; and	16, 23-28
	9. encourage the development and diffusion of environmentally friendly technologies.	16, 25-27
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery	16, 42-43

***BGF***