

MOVEMENT THAT NEVER STOPS

CHANGSHIN **THIRD** SUSTAINABILITY REPORT 2025

About This Report

Report Overview

Changshin published its first Sustainability Report in 2021 in response to the needs and expectations of various stakeholders. In 2025, through the third report, we aim to transparently communicate our goals, implementation efforts, and performance across the economic, environmental, social, and governance dimensions. We will continue to publish our Sustainability Report biennially to consistently share our efforts and achievements in advancing sustainability with a broad range of stakeholders.

Reporting Standards

This report has been prepared with reference to the 2021 Global Reporting Initiative (GRI) Standards, the international sustainability reporting guidelines. In addition, we disclose our efforts in alignment with the United Nations Sustainable Development Goals (SDGs). Financial information is reported and defined in accordance with the Korean International Financial Reporting Standards (K-IFRS).

Reporting Period and Scope

This report covers our major achievements from January 1, 2024 to December 31, 2024. To enhance stakeholders' understanding, it also includes information on key issues up to May 2025. For quantitative performance data, we provide figures for the three years from 2022 through 2024. The reporting scope includes six business sites, encompassing our headquarters in Korea and our overseas subsidiaries.

Assurance of the Report

To ensure the reliability of the data in this report, we obtained external assurance from the Korea Value Convergence Association, based on the four principles of the AA1000AP (Inclusivity, Materiality, Responsiveness, and Impact). The third-party assurance statement from the verifier is available on page 100-101.

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Interactive User Guide

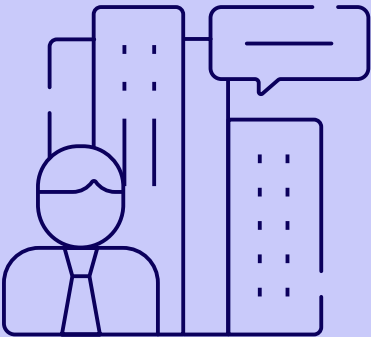
We published this Changshin sustainability report 2025 in the form of an interactive PDF including functions such as navigating the way to related pages within the report and shortcuts to related websites.

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Message from the Chairman



To our esteemed stakeholders,

We would like to express our sincere gratitude for your unwavering interest and support for Changshin. Changshin's 44-year journey has been one of constant challenge and innovation. It is thanks to your continued encouragement that we have been able to build a history of growth and progress.

In 1997, during the Asian financial crisis, we became the first company in the footwear manufacturing industry to adopt Toyota's LEAN production system, laying the foundation for our rise as a global top-tier manufacturer. By proactively embracing the digital paradigm, we have cultivated and advanced Changshin's own unique culture of digital innovation. This journey has led to a meaningful achievement in the first half of 2025: surpassing the cumulative production milestone of 1 billion pairs. At the core of this entire journey lies the enduring value of sustainability.

Since our founding, we have upheld mutual respect and trust as our most important values. We have always built partnerships with our client based on trust and pursued a company where people are happy to work. From the early stages of our global expansion, we fostered a culture of shared growth—providing medical support for employees and their families, expanding employment opportunities for persons with disabilities, and offering learning opportunities through night schools.

Externally, we have minimized our environmental impact on local communities and established ourselves as a company that grows together with society by strictly complying with environmental regulations, engaging in various eco-friendly initiatives, and contributing to the community through social return activities.

Changshin believes that corporate sustainability can only be ensured when all people and the environment surrounding us coexist and thrive together. We are fully committed to contributing to the resolution of global environmental issues and to achieving sustainable growth in partnership with our customer, employees, and local communities. We kindly ask for your continued encouragement and support so that our efforts and achievements in sustainability management may persist.

Thank you.

August 2025
Whanil Jeong,
Chairman, Changshin Inc.



Message from the CEO



Dear valued stakeholders,

In April 2025, Changshin reached a meaningful milestone: the cumulative production of 1 billion pairs.

This is more than just a number—it is the result of the technology, operational excellence, and most importantly the unwavering trust of all our stakeholders that we have built over the past 44 years. By pursuing manufacturing innovation that no one else had attempted, Changshin has established unrivaled competitiveness. Now, we are integrating the value of sustainability across all areas of our management to design a more responsible growth path and future.

First, we are responding to climate change by transforming our energy structure.

Following the full transition to 100% renewable energy across all business sites in Indonesia in 2023, Changshin is now preparing similar transitions for its operations in China and Vietnam. As a result, by 2025, we plan to replace 32% of our total electricity consumption with renewable energy—an increase of 11 percentage points compared to 2023. This demonstrates that Changshin's energy transition efforts are delivering tangible outcomes.

In particular, our Indonesian subsidiary introduced a Facility Energy Management System (FEMS) to analyze energy consumption by process in real time and drive improvements centered on high-efficiency equipment. These efforts led to international recognition, including receiving the “Award of Excellence” at the Energy Management Leadership Awards hosted by the Clean Energy Ministerial, and being named one of the “Top 2 Energy Efficient Companies” by the Indonesian government. The expansion of renewable electricity use in Indonesia, Vietnam, and China is a concrete execution of the mid- to long-term carbon reduction targets we have established. We will continue to increase the proportion of renewable energy usage step by step going forward.

Message from the CEO

Secondly, Changshin is creating sustainable value in partnership with local communities through its own unique approach.

In 2024, Changshin officially formalized its commitment to gender equality in accordance with international standards by joining the Women's Empowerment Principles (WEPs), established by the United Nations Global Compact (UNGC) and UN Women. Alongside this, we are building an organizational culture based on Diversity, Equity, and Inclusion (DE&I) to institutionalize fair opportunities and equitable growth. As a result, Changshin was selected in 2025 as an "Outstanding Company for Affirmative Action in Employment" by the Ministry of Employment and Labor. We are also expanding localized social contribution initiatives tailored to the characteristics and needs of each business site. Changshin Vietnam is going beyond cataract surgery support to strengthen an early diagnosis and prevention-based health management system for employees at high risk of diabetic retinopathy. At our headquarters, we signed a social contribution agreement with the Lotte Giants and launched the "1 Stolen Base = 1 Pair of Shoes" campaign, through which we provide footwear to promising young athletes in Busan. Through such initiatives, Changshin is creating positive value for local communities in a way that reflects our unique identity.

Thirdly, we are advancing our management system to establish a transparent and trustworthy decision-making environment.

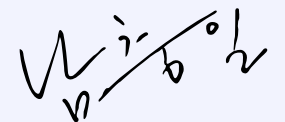
To proactively respond to global risks, we are strengthening our company-wide integrated risk management system. This includes establishing a unified management framework that encompasses non-financial areas such as safety and health and information security, thereby enhancing our overall responsiveness. We are also enhancing the consistency and credibility of our management by systematizing key management processes and reinforcing digital-based operations. At the same time, to improve transparency and accountability throughout our supply chain, we have implemented the Changshin Traceability System (CTS). This system enables real-time management of the entire process—from material procurement to shipment—allowing us to go beyond basic quality control and establish a responsible production and distribution structure.

Dear esteemed stakeholders,

Changshin is evolving beyond a company that simply manufactures products into one that creates sustainable value and generates a positive impact on society. Our current efforts mark the beginning of that commitment, and we will continue to move forward with sustainability at the core of all our business activities—steadfast and unwavering. I sincerely thank all our stakeholders for joining us on this meaningful journey, and I ask for your continued interest and warm support.

Thank you.

August 2025
Choongil Nam, CEO



About Changshin Group

Founded in 1981, Changshin is a specialized footwear manufacturing company. Originally established as Daeshin Trading, a logistics company, Changshin entered the footwear manufacturing business in 1983. Since then, we have steadily grown by successfully producing models for our global client and building strong partnerships with them. With over 40 years of accumulated manufacturing experience and continuous innovation, we have delivered differentiated customer satisfaction and solidified our position in the global market. Today, with our headquarters in Korea, Changshin operates five overseas subsidiaries across Vietnam, China, and Indonesia, establishing a stable global production network. We respond to the needs of a diverse range of end consumers through category-specific development and manufacturing capabilities. In particular, we have strengthened our role as the sole development partner for its global client in the track and field footwear segment. Changshin was the first in the footwear industry to adopt the LEAN production system, leading manufacturing innovation. More recently, through our digital transformation strategy, we are realizing a new form of innovation that goes beyond manufacturing to redesign the entire production experience.

General Information

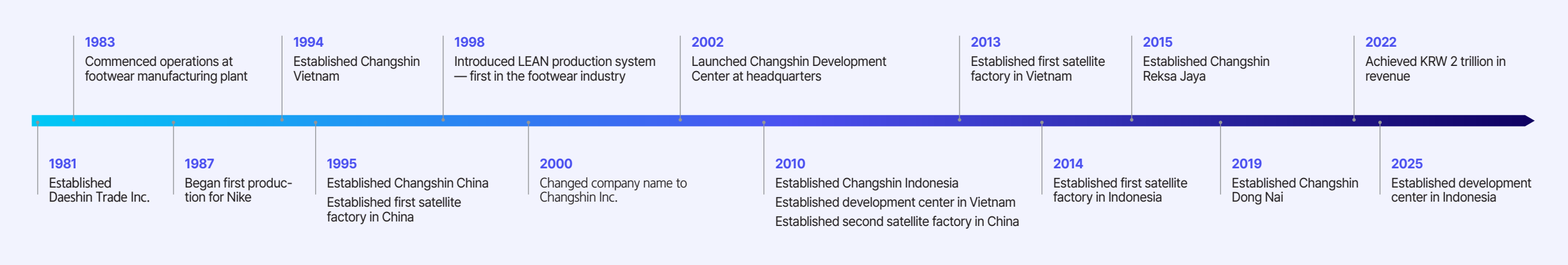
Company Name	Changshin Inc.	Establishment Date	December 10, 1981
CEO	Choongil Nam	Headquarters Location	242, Jangpyeong-ro, Saha-gu, Busan, Republic of Korea
Business Regions	Republic of Korea, Vietnam, China, Indonesia	Number of Employees	73,958*
Consolidated Subsidiaries	· Changshin Vietnam · Qingdao Changshin Shoes Co., Ltd. · Changshin Indonesia · Changshin Reksa Jaya · Changshin Dong Nai		
Business Areas	Manufacturing and sales of footwear components and finished products/ Import and export		

* As of December 2024

Financial Performance (2024)



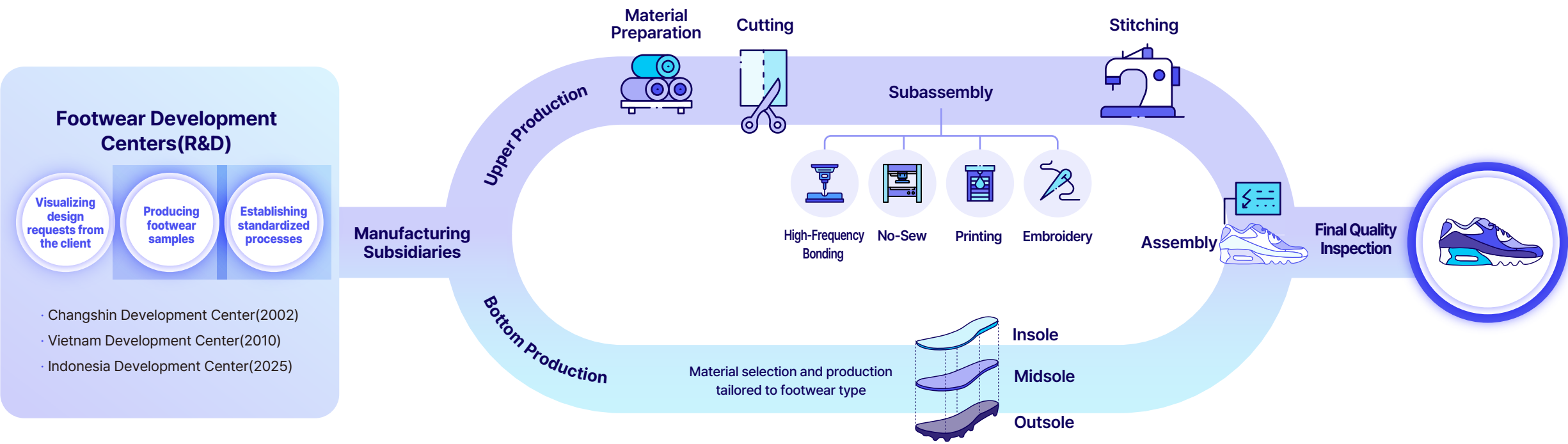
History



About Changshin Group

Business Overview

Changshin specializes in the development and manufacturing of finished footwear products. To bring the client’s design requests to life, we have established a standardized process that systematizes the entire product development cycle—including material selection, upper pattern design, outsole design, and manufacturing engineering—centered around our footwear development centers. Based on these development capabilities, our overseas manufacturing subsidiaries produce finished footwear through a structured production process that includes cutting, subassembly, sewing, and assembly.



Main Products

Women's Sportswear

Women's sports footwear featuring trend-driven designs, comfortable fit, and a wide range of materials and colors

Men's Sportswear

Men's sports and classic-style footwear, incorporating signature models and advanced foam technologies

Kids

Age-specific children's footwear tailored to different growth stages and designed for ease of use

Training

Functional training shoes offering enhanced stability and comfort, optimized for indoor sports activities

Sports Sneakers

A lineup of sports sneakers developed in alignment with our client's flagship brand strategies

Running

Footwear specialized for running, developed with a focus on performance functionality and advanced technology

Track & Field

High-performance track and field footwear designed to support Olympic and marathon athletes

About Changshin Group

Vision and Core Values

Since its founding, Changshin has steadily grown based on its core values: Challenge, Grit, Cooperation, Innovation, and Mutual Trust and Respect (MTR). Building on more than 40 years of manufacturing expertise and digital transformation, Changshin is redefining the manufacturing experience—not simply by delivering products, but through continuous challenge and innovation. Through this journey, we deliver not only products but the full range of value that products can generate—what we call Progress ware—to help our client’s move toward greater potential and future growth.

Under the vision of “The AceMaker—The Ace That Makes Aces,” Changshin will actively provide solutions that drive customer success, achieve next-level growth together, and cultivate every possibility that contributes to the progress of our client and humanity.

* Progress ware: Everything that enables human and societal progress—including hardware, software, and humanware.

Vision

The AceMaker™

ace making aces

Mission

Creating progress ware by redesigning Manufacturing eXperience

Core Values



Core Values

Challenge

Boldly taking on new challenges to overcome obstacles and achieve goals without giving up

Grit

Pursuing execution to the end with confidence and focus on what truly matters

Cooperation

Creating synergy through inclusive collaboration based on trust and empathy

Innovation

Driving breakthrough differentiation through deep thinking, bold goals, and execution

Mutual Trust and Respect, MTR

Embracing diverse perspectives and focusing on shared values with mutual respect

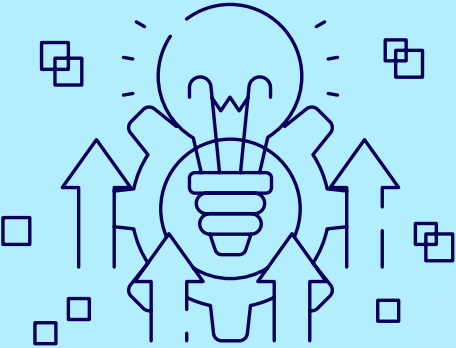
About Changshin Group



Global Network

Changshin Inc. (Headquarters) Establishment Date December 10, 1981 Location 242, Jangpyeong-ro, Saha-gu, Busan, Republic of Korea Number of Employees 1,177	
1 Qingdao Changshin Shoes Co., Ltd. Establishment Date March 11, 1995 Location No. 6, Ma Ti Quan Road, Jiao Zhou City, Qingdao, China Number of Employees 3,999	
2 Changshin Vietnam Establishment Date August 8, 1994 Location Thanh Phu Village, Vinh Cuu District, Dong Nai Province, Vietnam Number of Employees 39,643 (*including Changshin Dong Nai)	3 Changshin Dong Nai* Establishment Date December 27, 2019 Location Lo 4, 2 Tan Phu Industrial Zone, Dong Nai Province, Vietnam
4 Changshin Indonesia Establishment Date June 10, 2010 Location Jl Dusun Gintungkolot Rt 16/04, Gintungkerta, Karawang, Indonesia Number of Employees 17,525	5 Changshin Reksa Jaya Establishment Date April 27, 2015 Location Jl. Raya Leles No.134 Ciburial, Kec. Leles, kabupaten Garut, Jawa Barat, Indonesia Number of Employees 11,614

* Although Changshin Vietnam and Changshin Dong Nai are separate legal entities, Changshin Vietnam maintains operational control over Changshin Dong Nai. Therefore, the social performance disclosed in this report is consolidated based on Changshin Vietnam.



Digital & Innovation

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Digital Innovation

Since 1997, Changshin has been continuously eliminating waste across all manufacturing processes by adopting the Toyota Production System (TPS)—the first in the footwear industry to do so. This approach has enabled us to maximize efficiency in productivity, quality, lead time, and cost, and to establish a stable and competitive production operation system. Since 2019, we have been accelerating our digital transformation to build a data-driven management system. These continuous innovation efforts form the foundation for Changshin's advancement into a globally competitive, next-generation manufacturing leader.

Digital Innovation Framework

Digital Innovation Strategy

To accelerate digital transformation, Changshin is pursuing innovation based on three strategic pillars: process optimization, expanded automation, and digital information system development.

1. Process Excellence

We visualize optimal logistics flows and quality management conditions to build a process that minimizes waste. Through process standardization and optimization, digital LEAN integration, and the development of information systems, we are strengthening competitiveness in quality, cost, and lead time, while establishing a management system that responds flexibly to fluctuations in customer demand.



2. Automation

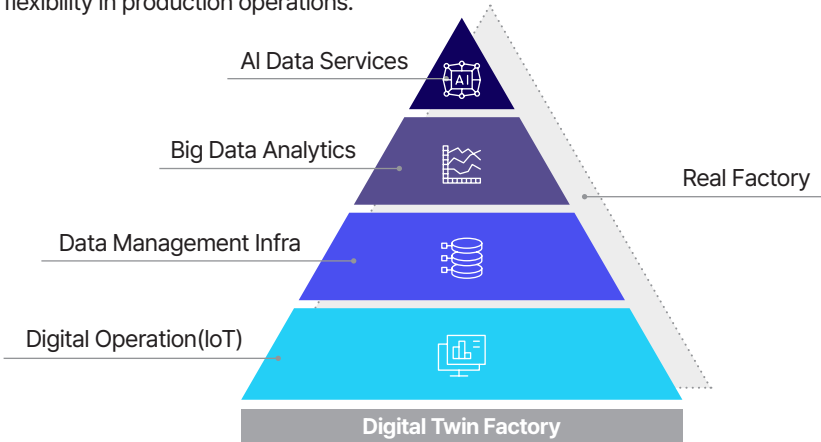
We apply a wide range of automation technologies—such as process automation, control systems, robotics, AI and machine learning, and Robotic Process Automation (RPA)¹—to minimize human intervention while enhancing productivity, quality, and operational stability.

3. Digitalization

By integrating Internet of Things (IoT), cloud computing, big data analytics, and digital supply chain management, we digitize manufacturing information, apply the latest technologies, and boost productivity and efficiency while responding quickly to customer needs.

Smart Factory Structure

To realize a smart factory, Changshin collects production site data based on IoT technology and converts it into big data for analysis to improve process efficiency and product quality. In addition, we have implemented visualization using analytical data, 3D virtualization, process optimization, and simulation technologies to advance a data-driven production management system. Through these efforts, we are realizing Changshin's unique Digital Twin Factory, enhancing both precision and flexibility in production operations.



AI Data Services	Achieving Manufacturing Intelligence through AI development and deployment
Big Data Analytics	Deriving new business solutions through scientific data analysis
Data Management Infra	Collecting and storing factory data(processes/sensors) and establishing efficient data management approaches
Digital Operation(IoT)	Using smart devices, sensors, actuators, and M2M(machine-to-machine) communication to sense objects/events and derive digital operation methods based on data
Digital Twin Factory	Creating continuous and new business value through data-based factory digitalization, driving manufacturing transformation through a cyber-physical system

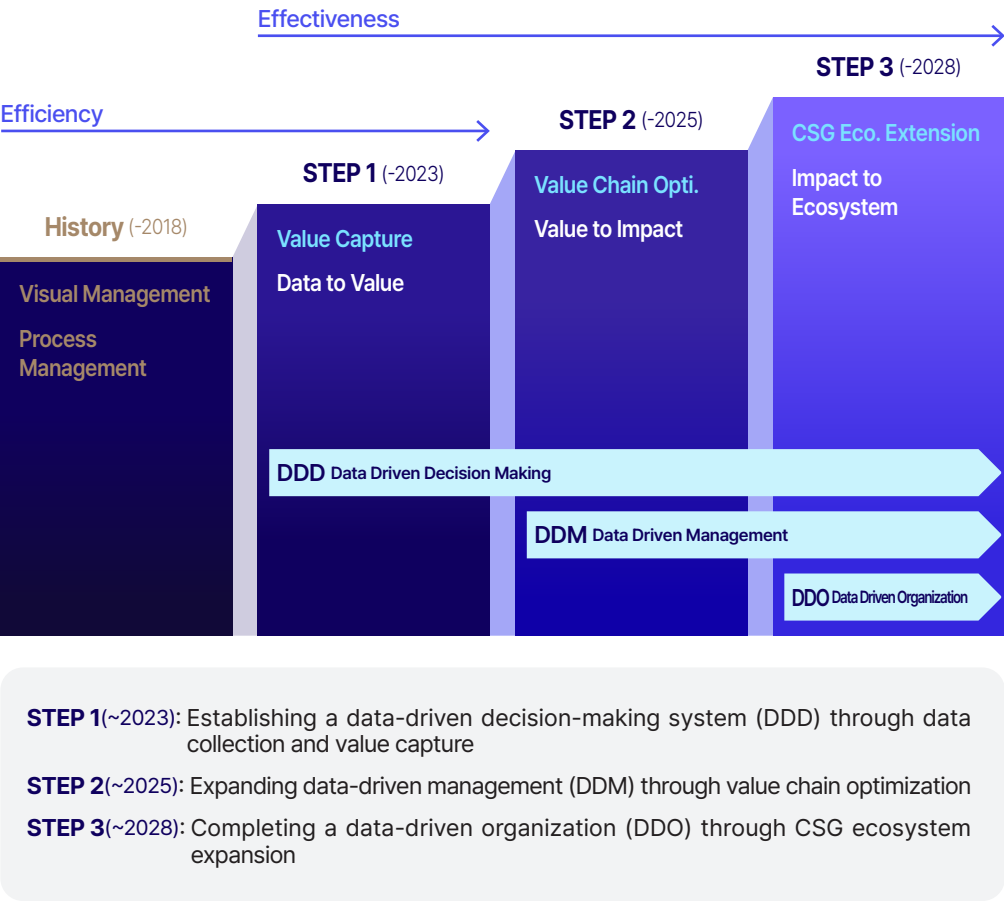
¹ RPA (Robotic Process Automation): Automation of repetitive administrative tasks

Digital
Innovation

Data-Driven Management

Digital Roadmap

Changshin has established a four-phase digital roadmap to build smart factories, with the goal of completing smart factory deployment by 2028 through the integration of Fourth Industrial Revolution technologies. Smart factories are designed based on standardized processes that cover the entire value chain—from production planning to product shipment—and synchronize the flow of information and products to realize fully optimized automation systems. Through this, Changshin connects past, present, and future data in an organic manner, and under the concept of "One Factory"—where all facilities and processes operate as a single organism—we are creating a next-generation, intelligent production environment. To implement smart factories, we are expanding our digital capabilities in a systematic, phased approach.



Data Platform

Amid the accelerating pace of the Fourth Industrial Revolution, the importance of a data-driven management system—spanning data collection, processing, storage, analysis, and utilization—is growing. Since building our data platform, Changshin has continued to enhance data quality to ensure the accuracy and reliability of information. We are strengthening our analytical and application capabilities to advance our data-driven decision-making system. Through this platform, data is extracted, analyzed, and shared across various systems, enabling all employees to leverage it to uncover new business ideas and contribute to more effective management strategies.

Data Scientist Academy(DSA)

To promote data-driven innovation in the workplace, Changshin has operated the Data Scientist Academy (DSA) since 2019, providing structured talent development through data expert training and analysis certification programs. As of 2024, we have trained 115 DSA professionals across six cohorts, who play a vital role in spreading data literacy and cultivating a company-wide data culture. In 2024, the final phase of the DSA program—Data Expert—was held as a five-day immersive program at POSTECH (Pohang University of Science and Technology). Participants completed team-based projects and mentoring sessions, enhancing their analytical skills and practical problem-solving abilities through hands-on experience. Based on this foundation, Changshin is accelerating digital innovation by enabling faster decision-making and more efficient operations through data analysis, while embedding a frontline-driven analytics culture across the company.



ESG Highlight →

Data Analytics Competition

Since 2021, Changshin has held seven Data Analytics Competitions to strengthen problem-solving capabilities through data. The open individual submission category encourages participation not only from employees at the headquarters but also from local employees at overseas subsidiaries, promoting a global data-driven culture by generating insights through analysis of real on-the-job data. In the "Consistent and Excellent Performance" category, outstanding cases are shared in which topics from previous competitions have been continuously applied and improved in actual operations, promoting real-world impact from data-driven solutions. In 2024, the grand prize was awarded to a project analyzing attrition factors using HR survey data focused on the MZ generation. This project shed light on the importance of human capital and areas in need of improvement, offering actionable insights.



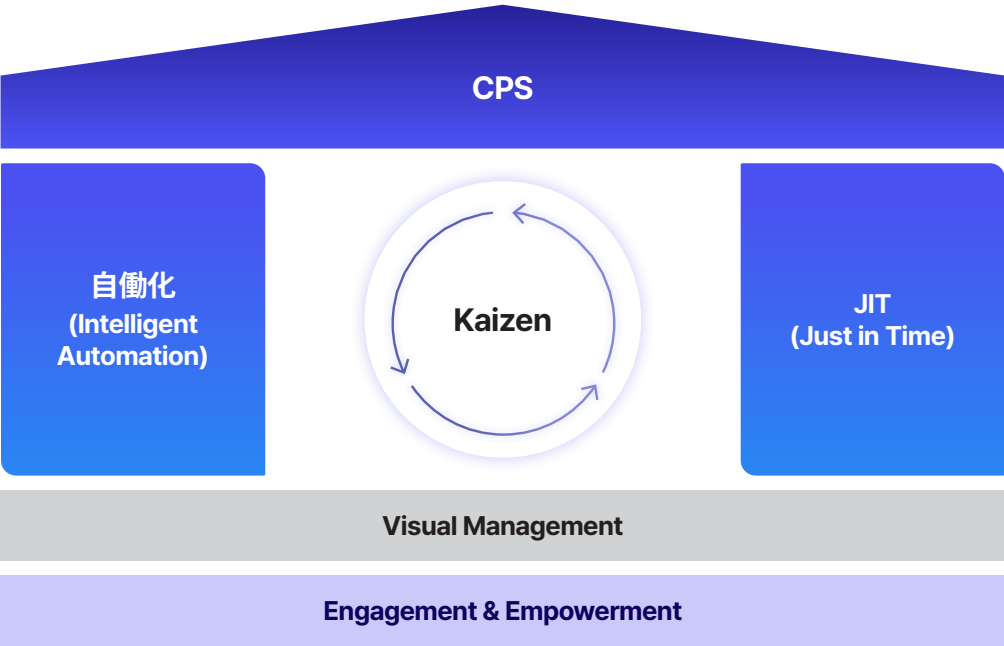
Lean-Driven Innovation

Changshin is continuously advancing Lean innovation initiatives to create customer value by thoroughly eliminating waste. Going beyond mere production efficiency, we have built our own Lean culture and system by integrating Changshin's operational expertise, internalizing a capacity for continuous improvement and problem-solving across the production floor. Lean innovation has become a core component of Changshin's sustainable manufacturing competitiveness. By supporting employees' autonomous participation in improvement activities, we are fostering a manufacturing culture in which field-driven execution and continuous improvement naturally take root.

Lean Innovation Culture

Lean Innovation Strategy Framework

Changshin operates its own proprietary production system, the Changshin Production System (CPS), which serves as the foundation for our Lean innovation strategy. CPS is based on visual management, realizing quality management and optimizing logistics at manufacturing sites, while creating a culture that empowers employees with clear responsibilities and authority. Through this, we are strengthening Lean-based organizational capabilities for on-site improvement and innovation, and reinforcing a culture of continuous improvement across the company.



¹ Andon: A visual or auditory signal system that alerts workers or systems immediately when an issue arises on the production line

² Error Proofing: Equipment or design techniques that prevent or detect human error to eliminate defects

自動化 - Automation + Human Intelligence

Changshin has gone beyond conventional automation by implementing systems that immediately stop machinery when abnormalities are detected. Operations only resume after root causes are identified and addressed. This approach prevents quality incidents in advance and enables a problem-solving oriented production management system. The main tools utilized include Andon¹ and Error Proofing²

JIT(Just In Time) - Timely Production

Following the principle of producing "only what is needed, when it is needed, and in the quantity needed," we have established a Lean layout that optimizes logistics flow. This enables one-pair flow production, minimizing unnecessary inventory and waste.

VM(Visual Management)

Visual management enhances operational efficiency by allowing workers to intuitively locate tools and components. It contributes to reduced preparation time, prevention of loss, appropriate inventory levels, and waste reduction.

E&E(Engagement & Empowerment)

We assign appropriate responsibilities and authority to employees, promoting individual autonomy and motivation. This plays a key role in cultivating a sustainable innovation culture and building a management environment grounded in organization-wide participation.

Lean-Driven Innovation

Establishing an Innovation Culture

To embed a culture of innovation, Changshin actively conducts Lean Foundation Audits (LFA), which continuously assess the current state of production plants and collect best practices from each business site to elevate the overall group standard. Rather than focusing on partial optimization, LFA is designed to link each process for holistic optimization, contributing to cost reduction, improved lead times, and enhanced quality through structured evaluations. In line with the AI era, we ensure that emerging technologies and new ways of working are integrated seamlessly with existing processes. This allows us to maintain flawless operations, seek solutions on the production floor, and effectively implement sustainability management.

Lean Foundation Audit Schedule

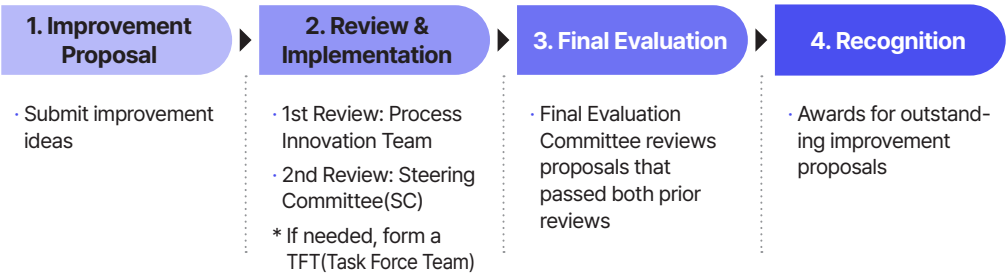
Category	Timing	Key Activities
Overseas Subsidiaries	Q1, Q3	Self-conducted LFA and identification of improvement tasks
	Q2, Q4	LFA led by the HQ Process Innovation Team and identification of improvement tasks
Affiliates	Q1, Q3	Self-conducted LFA and identification of improvement tasks
	Q2, Q4	LFA led by the HQ Process Innovation Team and identification of improvement tasks



Improvement Proposal System

Since 2023, Changshin has operated the Improvement Proposal System, which encourages employees to voluntarily identify problems within or outside the organization and suggest solutions. This initiative is designed to enhance operational efficiency, reduce costs, improve safety and quality, and contribute to the realization of sustainability management through a company-wide participation culture. Any Changshin employee can propose improvement ideas, and submitted proposals and improvement results go through a three-stage evaluation process: first-stage internal review by process innovation, second-stage review by the Steering Committee (SC)¹, and third-stage final review. Excellent proposals are selected after comprehensive evaluation of creativity, scalability, and tangible effects. In 2023—the first year of operation—61 proposals were adopted, followed by 101 in 2024, with many applied to actual work improvements. Notably, proposals related to productivity improvements and energy savings have proven highly effective, making tangible contributions toward achieving our sustainability goals. Looking ahead, Changshin plans to enhance the Improvement Proposal System by transitioning to a digital platform, making submission and feedback more efficient. We will also strengthen collaboration with internal experts to increase the effectiveness and scalability of proposals.

Improvement Proposal Evaluation Process



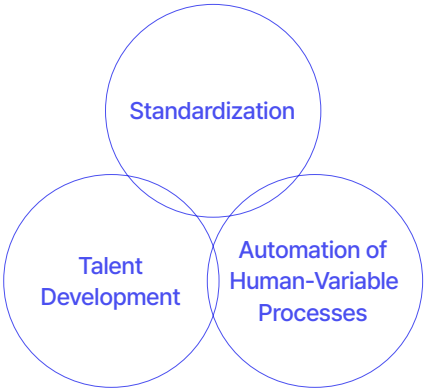
Group photo from the awards ceremony

¹ Steering Committee (SC): An internal committee that discusses and deliberates the direction and priorities for the company's key improvement initiatives.

Lean-Driven Innovation

Reignite Lean

Through the “Reignite Lean” strategy, Changshin is pursuing sustainable innovation and maximizing operational efficiency. This strategy is built on three key pillars—standardization, talent development, and automation of human-variable processes—which are accelerating the internalization of Lean management and strengthening company-wide improvement efforts.



Standardization

Changshin has established an operational system that maximizes efficiency and minimizes variability by standardizing all tasks and processes. We have applied key standardization initiatives on-site and documented them in executable formats to establish shared work procedures across the company. In addition, we have internalized standardization through employee education, ongoing monitoring, and improvement activities, enabling us to respond flexibly to organizational change. In 2025, beyond deepening existing practices, we plan to identify new initiatives and further advance standardized procedures through agile approaches. We believe these efforts will enhance our organization's adaptability and ultimately lead to sustainable development.

¹ TPS(Toyota Production System): A production system designed to eliminate waste and promote continuous improvement to enhance both productivity and quality

² Andon: A visual or auditory signal system that alerts workers or systems immediately when an issue arises on the production line

³ Error Proofing: Equipment or design techniques that prevent or detect human error to eliminate defects

Talent Development

In 2024, Changshin focused on talent development by providing TPS¹ and Lean training to more than 1,800 employees. Through programs such as TPS Academy, Train the Trainer, and Lean Product Creation, we strengthened problem-solving capabilities and improved operational efficiency. To ensure a globally consistent Lean culture, we expanded these programs to our overseas subsidiaries, enabling local teams to learn the same Lean principles. In 2025, we plan to establish a mid- to long-term Lean education system and develop Lean leaders who will drive change and innovation, thereby expanding improvement initiatives across the entire organization.

2024 Talent Development Programs

Program Title		Sessions	Participants
TPS Academy – Basic		6	145
TPS Academy – Advanced	Changshin HQ	20	525
	Expatriates	7	187
	Local Leaders of Production Subsidiaries	8	274
TPS Academy – On-Site (Local Leaders of Production Subsidiaries)		9	301
Train the Trainer (Lean Trainer Program)		1	15
Lean Product Creation (HQ)		14	393
Total		65	1,840

Automation of Human-Variable Processes

Changshin is strengthening its systems to ensure flawless product quality and eliminate potential quality risks in advance through the automation of human-variable processes. We operate systems that immediately stop production when abnormalities are detected, preventing defective products from progressing to the next process. In 2024, we completed the inspection and standardization of the existing Andon² system and distributed Error Proofing³ device specification manuals to all sites, enabling on-site teams to fabricate their own devices. In parallel, we have also been conducting R&D on quality-enhancing devices and training specialized personnel. In 2025, we are moving forward with designing and implementing automation equipment tailored to each process directly on-site. Through these initiatives, Changshin is creating safe and comfortable working environments for employees, and delivering reliable product quality to customers, all while advancing toward our goal of becoming a factory that excels at the fundamentals.

Roadmap for Automating Human-Variable Processes

- STEP 1

Best Practice Update/ Expansion

~ 2024

 - Collect, evaluate, and expand previously implemented automation tasks by subsidiary, process, and category.
 - Review the operation status of the Andon system at each overseas subsidiary
- STEP 2

Development of Human-Variable Automation

2025

 - Establish project teams for automation initiatives (collaboration between HQ and relevant departments at subsidiaries; local personnel participation required)
 - Identify requirements and define tasks based on field needs and select pilot application targets
 - Design devices and implement pilot applications
 - Verify effectiveness and expand deployment through quality standardization and optimization
- STEP 3

Establishing a Sustainable Operation System

2026 ~

 - Continue to derive/apply/spread tasks related to the activities of the Self-Improvement Research Group

Innovation Highlight

Disruptive Innovation

Teardown & Redesign(TDR)

Changshin is implementing Teardown and Redesign (TDR) initiatives—an innovation framework aimed at fundamentally resolving critical organizational issues and breaking through structural limitations. Unlike conventional improvements, TDR involves the bold dismantling and redesign of existing methods to drive structural innovation across operations. Through this, Changshin is setting ambitious, world-class performance targets. TDR activities prioritize concentrated resource allocation, rapid execution, and deep organizational engagement and collaboration. By advancing these initiatives, Changshin has consistently achieved breakthrough results that surpass previous limitations. At the same time, we are laying the cultural foundation to enable every member of the organization to grow as an AceMaker—empowered to drive transformation and innovation proactively. This TDR-driven innovation culture is a driving force behind Changshin's continued competitive edge and a vital pillar in securing long-term corporate sustainability. We are committed to translating this innovation into not only short-term performance but also long-term value creation through structured strategies and consistent execution.

Key TDR Activities

TDR initiatives are designed to strengthen capabilities across Quality, Cost, and Delivery (QCD)—enhancing customer satisfaction and securing a sustainable competitive advantage for the company.



Man

Quality training and upskilling, strengthening problem-solving capabilities



Machine

Equipment maintenance, automation, and technology upgrades



Method

Standardized quality processes and data-driven improvement



Material

Raw material quality management and supply chain collaboration



Mindset

Cultivating a quality-first mindset and company-wide participation

Case TDR 1st Cohort: "30% Defect Rate Reduction in 4 Months"

From October 2023 to January 2024, Changshin launched the first TDR Task Force Team (TFT) to target quality improvement in the outsole process at our Indonesia plant. The TFT consisted of ten specialists in chemical engineering, production processes, equipment maintenance, cost accounting, and process innovation. Based on the principles of "Genba, Genbutsu, Genjitsu" (actual place, actual product, actual situation), the team identified inefficiencies across the process and drove rapid improvements. Field improvements were implemented on multiple fronts. To reduce quality variation caused by differences in worker skill levels, we established standardized processes and conducted repeated Lean and quality training to minimize uncertainty. A comprehensive redesign was also carried out across key stages such as material mixing, color inspection, and pressing processes. In addition, both physical and procedural innovations were applied to mold storage and issue communication systems. As a result, we achieved visible outcomes with defect rates improving by 34% in the Injection Phylon (IP) process and 27% in the Phylon process, while additional material consumption also decreased by 16.7%. Furthermore, 41 training sessions were conducted for 731 employees—approximately 32% of the 2,238 local employees—contributing to the internalization of Lean concepts and the establishment of a culture of standardization. TDR 1 is recognized as a symbolic project that delivered tangible change in a short period and laid the groundwork for TDR 2. It exemplifies Changshin's capability for sustainable manufacturing innovation.



Local leader training



On-site assessment and improvement

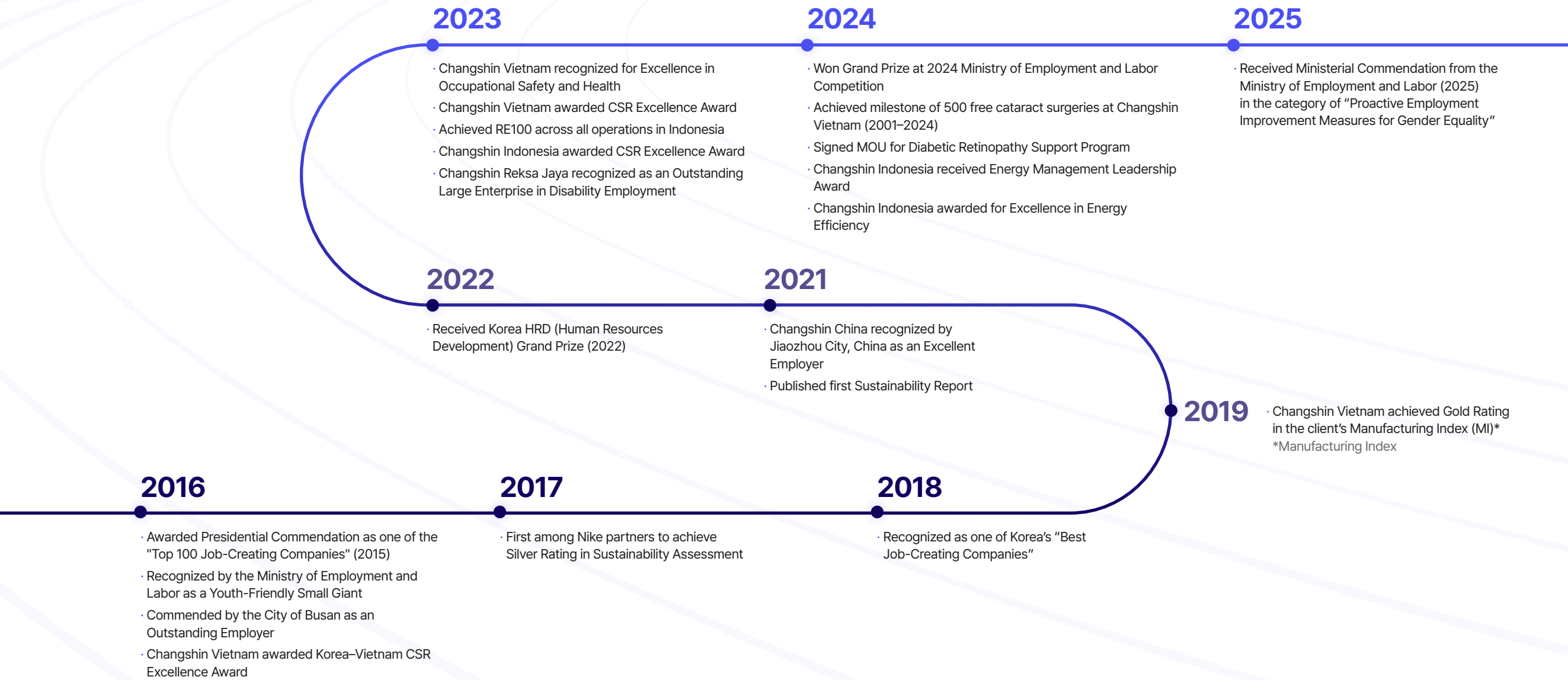


Sustainable Manufacturing

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The Track to Sustainability

A 10-Year Journey toward Sustainability



ESG Management System

ESG Management Framework

Changshin has established a structured ESG management framework based on four key ESG strategies, ensuring systemized implementation and oversight. Led by the ESG Committee, executive-level decision-making is reinforced, and ESG initiatives across Environment (E), Social (S), and Governance (G) are integrated from a company-wide perspective. At our overseas sites, we also implement locally tailored ESG initiatives—such as climate change response, occupational safety and health management, and community engagement—to advance global standards of sustainability management.

ESG Strategic Framework

ESG Strategy Direction	Environment	Social		Governance
Four ESG Strategies	 Sustainable Future The Ace in Shaping a Sustainable Future Changshin promotes renewable energy transition and energy efficiency to combat climate change. We also strengthen our efforts in resource circulation, hazardous substance management, and environmental impact reduction, while participating in global initiatives aligned with international sustainability standards.	 Empowered People The Ace in Unlocking Everyone's Potential Through an inclusive corporate culture, Changshin practices DE&I and operates structured programs to attract and develop the next generation of talent. We place top priority on employee health and life by embedding safety performance into leadership KPIs and proactively managing risks such as machinery and fire to ensure a safe working environment for all.	 Trusted Partnership The Trusted Partner That Builds Aces Strengthening supply chain traceability, product quality, and information security enables Changshin to build customer trust. We also generate sustainable social value through corporate citizenship and community engagement.	 Resilient Governance The Ace in Leading Sustainable Leadership Changshin reinforces board independence, expertise, and diversity, and practices ethical management based on compliance. We have established an integrated risk management system to identify and address company-wide risks in advance, and regularly report key risks to senior management. We also internalize a culture of fair trade and compliance throughout the organization to responsibly realize sustainable corporate value.
Key Areas	Climate change response Resource circulation and environmental impact reduction Expanded participation in global initiatives	Building an inclusive organizational culture (DE&I) Talent acquisition and development for the next generation Creating a safe workplace	Strengthening supply chain traceability Enhancing product quality Reinforcing information security Social contribution and community engagement	Board operations (independence, expertise, diversity) Establishing an integrated risk management system Compliance with corporate ethics and regulations Fair trade and compliance management

ESG Governance

To systematically implement ESG strategies and embed ESG values across all areas of business, Changshin operates a structured ESG governance system. The ESG Working Group is a cross-functional task unit composed of key departments responsible for ESG issues, including Environment, Occupational Safety and Health, HR, Risk Management, Quality, Information Security, the Board Secretariat, and Audit. Each department autonomously carries out ESG-related initiatives and reports progress and key issues to the Senior Executive Meeting, which are then reviewed by the ESG Committee for strategic alignment and policy direction. This governance structure strengthens the linkage between execution and decision-making, enhancing both consistency and accountability in ESG management.



ESG Highlights

Key Achievements in Environment, Social, and Governance in 2024

Environment		Social			Governance
Sustainable Future		Empowered People			Trusted Partnership
Total GHG Emissions Reduced 3,392 tCO ₂ e (Compared to 2023)		Achieved RE100 across all Indonesian operations			
Waste Recycling Rate 62.3 %		Changshin Indonesia ISO 50001 * Certified * Energy Management System			
2024 CDP Score B		Energy Management Leadership Award by Clean Energy Ministerial			
		Trusted Partnership			Resilient Governance
		Grand Prize Ministry of Employment & Labor	IOSH BAC Level 6	Changshin Traceability System(CTS)	Board Diversity Policy
		The Track New Way of Working declared	RoSPA Gold Award	Free cataract sugery 514 Beneficiaries (2001~2024)	Integrated Risk Management System
		Data Scientist Academy 115 Certified (2019~2024)	Diabetic Retinopathy Treatment Program	Future Athletes Sponsorship	Strengthened Compliance Created Legal Affairs Unit and Secured In-House Legal Professionals

Stakeholder Engagement

Stakeholder Communication

Changshin defines the customer, employees, partners, government, and local communities as its key stakeholders. We regularly identify key concerns and expectations through tailored communication channels for each stakeholder group. The feedback we gather is incorporated into our management strategies and action plans, and it is also actively reflected in the process of promoting ESG management, particularly when identifying material issues. We transparently disclose matters of stakeholder importance through our Sustainability Management Report, thereby building sustainable, trust-based relationships with all stakeholders.

Stakeholder Communication

	Customers	Employees	Suppliers	Government	Local Communities
Definition	Our customers, the primary stakeholder who purchase Changshin's products, are exclusively global partner. We provide them with the highest standards of quality and on-time delivery.	Our employees are internal members engaged in all aspects of product development, production, sales, and support. As the core of Changshin's capabilities, they play a central role in fulfilling responsibilities toward external stakeholders.	Suppliers are stakeholders that supply parts and materials necessary for producing Changshin's products. They play a vital role in quality, delivery, and sustainability.	The government serves as a stakeholder that establishes the legal and institutional standards affecting Changshin's business operations, and it is the entity to which we must adhere in terms of policy implementation and regulatory compliance.	This group includes local residents, municipalities, and civil organizations located around our business sites, as well as all global citizens who may be affected by Changshin's activities.
Key Interests	- Compliance with product quality and delivery schedules - Addressing environmental and social issues - Enhancing ESG performance across the supply chain - Safeguarding customers information - Transparent business operations	- Opportunities to develop job-related competencies - A healthy and safe work environment - Respect for human rights and diversity - Fair evaluation and compensation - Strengthening organizational culture and communication	- Fair trade and shared growth - Strengthening ESG capabilities - Addressing occupational safety and environmental risks - Expanding global orders	- Compliance with laws and regulations - Job creation and economic ripple effects - Fair trade and ethical management - Safe and responsible business site operation - Transparent tax payment	- Job creation and retention - Minimizing environmental pollution - Biodiversity protection - Community-specific social contribution activities - Infrastructure support and increased resident engagement
Main Communication Channels	- Online and offline customers communication channels (email, meetings, etc.) - Quarterly performance review meetings - Annual summit and strategic council meetings - Joint product development projects	- Internal communication platforms (intranet, company newsletter, etc.) - All staff meetings - CEO monthly communication program - Labor-Management Council and Safety and Health Committee - Whistleblowing system (grievance and ethics reporting channels) - Employee satisfaction surveys	- Online and offline communication channels (email, meetings, etc.) - Operation of the Learning Community - Supplier Portal - Subcontracting Committee - Education and seminars - Ethical management reporting channel	- Government meetings and briefing sessions - Communication with the Ministry of Government Legislation and relevant ministries - Participation in regular inspections and audits (human rights, environment, occupational safety and health, etc.) - Official documents	- Community meetings by business site - Community engagement programs - Sustainability Report - Social media channels

Stakeholder's Interview



Nike China Fan Li

Director of Sustainability, Greater China

Changshin Group's mature management system continues to serve as a valuable role model within our supply chain. We look forward to its continued leadership.

Changshin plays a pivotal role as a strategic partner of Nike in the realm of sustainability, responsibly implementing related policies. In particular, its problem-solving capabilities rooted in field operations and its collaboration-oriented organizational culture have been recognized as best practices across the supply chain. The low turnover rate and stable workforce structure demonstrate that this operational philosophy is translating into tangible outcomes.

In the area of safety and health, Changshin exercises proactive leadership centered around the Central Safety and Health Committee, and is genuinely enhancing employees' physical and mental well-being through various welfare programs, including mental health initiatives.

From the perspectives of labor and human rights, Changshin systematically reflects employee voices through the continuous operation of a dedicated labor union, thereby steadily reinforcing a healthy labor-management relationship and a culture of trust within the organization.

In the field of environmental management, Changshin is also leading sustainable innovation across the supply chain. Following its proactive adoption of photovoltaic (PV) energy, projects such as the Waste by Model initiative and participation in Nike's Chemical Transparency Program have become exemplary cases throughout the industry.

Changshin Group's outstanding execution capabilities and mature organizational culture hold strong potential to generate positive impacts throughout the entire supply chain. We now look forward to seeing Changshin go beyond its role as a "front-runner" and emerge as a central figure in strategic leadership and knowledge sharing.



Nike Indonesia Cesar Hasibuan

Director of Partner Responsibility, South Asia

With strong execution and an inclusive organizational culture, Changshin has established itself as a leading example of sustainability within Nike's supply chain.

As a core partner in Nike's supply chain, Changshin has successfully contributed to achieving the 2025 sustainability targets. This is the result of consistently practicing responsible production and the creation of sustainable value, and it serves as a representative example of its ability to strategically plan and implement company-wide initiatives.

In particular, Changshin Indonesia has been highly recognized as an outstanding case of labor-management collaboration and is regarded as a model of exemplary operations among Nike's partner companies in Indonesia. Changshin has established a stable structure of collaboration with management through trust-based communication with labor unions, which has made a real contribution to the improvement of worker welfare. Furthermore, its inclusive and mutually respectful working environment has become a benchmark example for neighboring partner companies.

Nike looks forward to continuing the journey toward the 2030 sustainability goals together with Changshin. We are confident that Changshin, with its strong leadership and robust execution capabilities, will continue to meet and exceed future goals.

We also hope to see strengthened company-wide strategies for talent development and leadership cultivation, and a continuous enhancement of autonomy and execution capabilities at overseas business sites. These efforts will serve as key foundations for bolstering corporate resilience and accelerating the creation of sustainable outcomes.

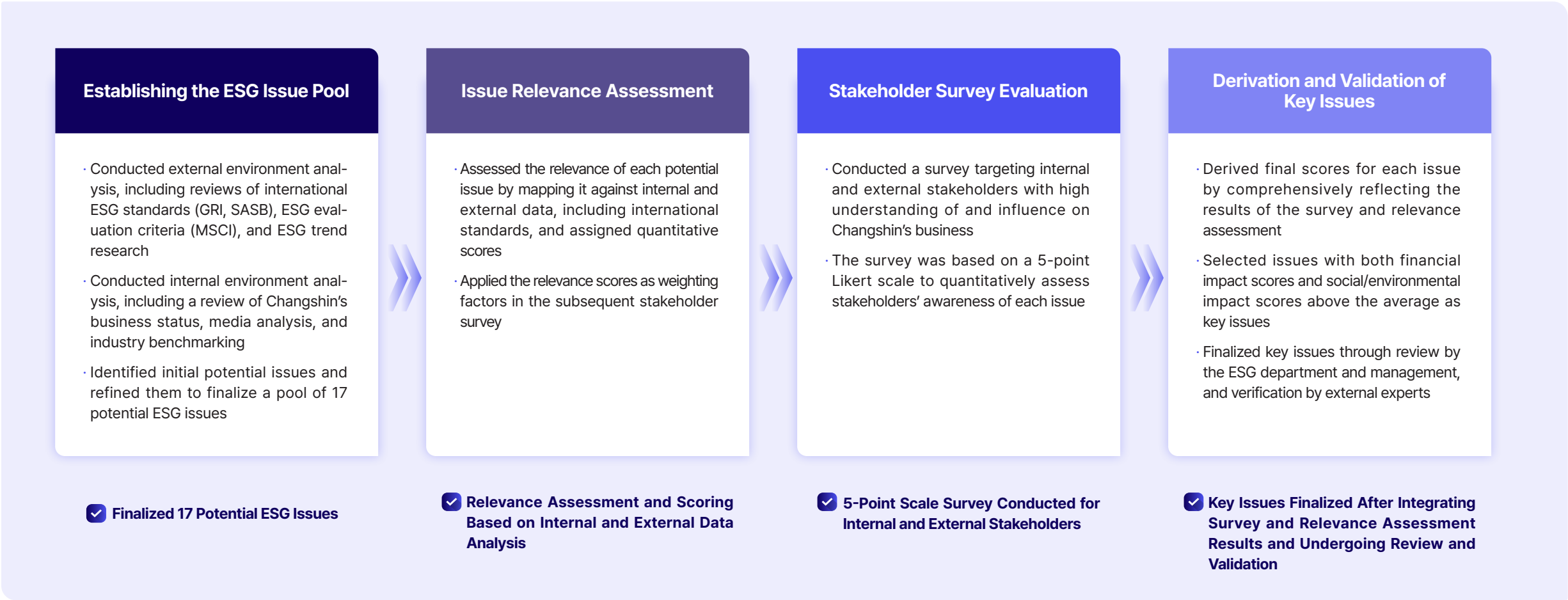
We look forward to further solidifying our trusted partnership with Changshin and achieving meaningful results together toward a sustainable future.

Double Materiality Assessment

Overview of the Double Materiality Assessment

Changshin conducted a systematic and validated double materiality assessment to identify material ESG issues from both the company's and stakeholders' perspectives on sustainability, thereby enhancing the reliability and effectiveness of this Sustainability Report. We broadly identified potential ESG issues through an analysis of global ESG guidelines, trends and media coverage, and industry benchmarking. To evaluate the financial and non-financial impacts of the identified issues, we conducted a survey of internal and external stakeholders. We then prioritized the issues by integrating the quantitative survey results with the relevance assessments, ultimately selecting nine key issues. The selected key issues were finalized through review by the ESG department and management, followed by verification by external experts, and are addressed as key topics in this report. Based on this process, Changshin will transparently disclose its efforts and performance regarding major sustainability issues and manage them systematically to achieve sustainable growth.

Double Materiality Assessment Process

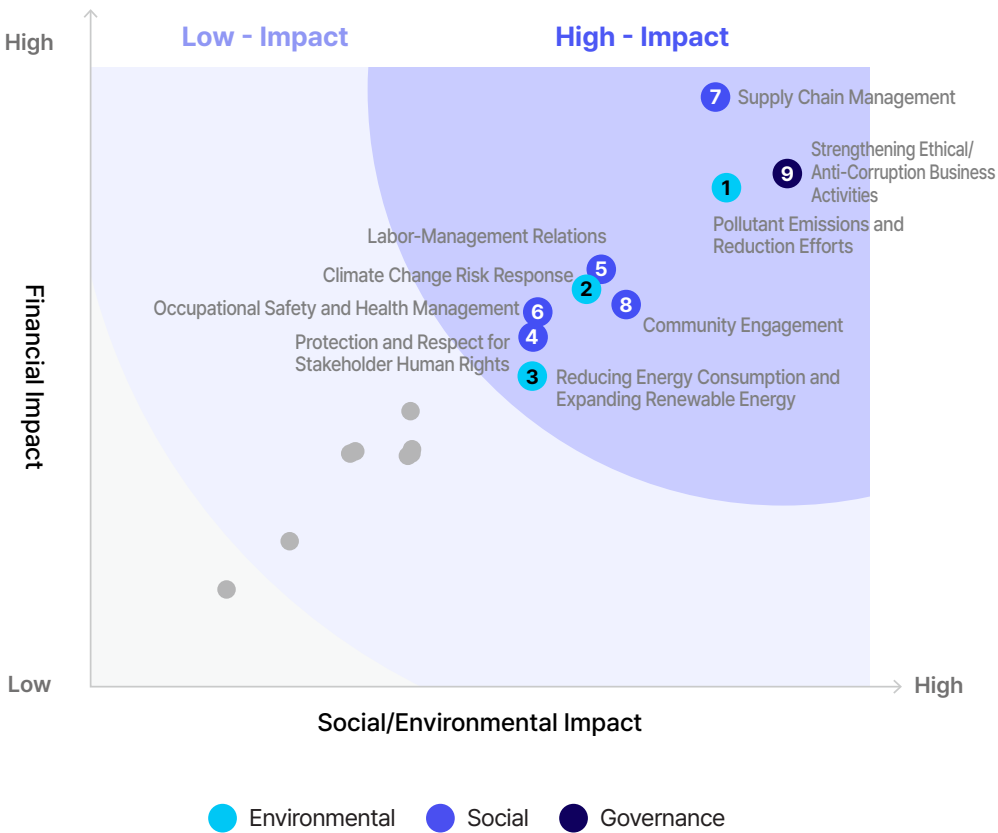


Double Materiality Assessment

Double Materiality Assessment Results

Changshin conducted a survey targeting a wide range of stakeholders, including employees, the customer, and partners. The survey was designed to evaluate both the social and environmental impact and the financial impact of each issue on a scale of 1 to 5, allowing for a quantitative reflection of detailed differences in awareness and opinions on each issue. To enhance the objectivity of the key issue selection, we performed an analysis that applied weighted relevance scores, resulting in the selection of 9 key issues out of the 17 identified potential issues. Among them, “Pollutant Emissions and Reduction Efforts” and “Occupational Safety and Health Management” have long been prioritized management issues at Changshin. We have maintained ongoing improvement efforts through various activities and their outcomes. While some issues such as “Employee Education and Capacity Building” and “Respect for Diversity and Equal Opportunity” were not selected as key issues, they remain critical matters under our continuous management and are being actively addressed. Details on Changshin’s specific activities and improvement efforts can be found in this report.

Double Materiality Assessment Matrix



ESG Key Issues List

No.	Category	Key Issues	PAGE	GRI Topic
1	Environmental	Pollutant Emissions and Reduction Efforts	31-36	GRI 306
2	Environmental	Climate Change Risk Response	37-43	GRI 305
3	Environmental	Reducing Energy Consumption and Expanding Renewable Energy	38-39	GRI 302
4	Social	Protection and Respect for Stakeholder Human Rights	52-56	GRI 405, GRI 406
5	Social	Labor-Management Relations	23, 54	GR 2 Stakeholder Engagement, GRI 407
6	Social	Occupational Safety and Health Management	57-66	GRI 403
7	Social	Supply Chain Management	67-68	GRI 414
8	Social	Community Engagement	73-74	GRI 203
9	Governance	Strengthening Ethical/Anti-Corruption Business Activities	78-80	GRI 205

* Subcategories – Sustainable Resource Use, Information Security, Data Protection and Privacy Enhancement, ESG Risk Identification and Response Strategy, Employee Education and Competency Development, Customer Health and Safety Protection, Diversity Respect and Equal Opportunity, Labor Transition Response to AI Automation, Biodiversity and Land Use Response to AI Automation, 'Biodiversity and Land Use



Environmental

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Environmental Management

Under the management vision of “The AceMaker,” Changshin recognizes environmental management as a core priority and is committed to practicing environmentally responsible management for sustainable business operations. Backed by strong determination and leadership from the CEO, we actively pursue a range of environmental initiatives for harmonious coexistence with nature, including climate change response, energy conservation, circular economy implementation, and the creation of eco-friendly business sites. To systematically manage environmental risks that may arise throughout our business activities and ensure strict compliance with applicable regulations, we have established an environmental management policy that applies to all domestic and international business sites. Each business site implements environmental management procedures tailored to its operational characteristics and regional conditions, thereby building a consistent company-wide environmental management system.

Environmental Management System

Environmental Management Policy

Changshin Inc. recognizes environmental management activities as a fundamental task for realizing our “The AceMaker” management vision. All employees shall actively practice the following commitments to promote sustainable development and preserve a pleasant global environment through environmental improvements:

1. Minimize environmental impacts from product design to disposal, fundamentally preventing environmental pollution.
2. Apply clean production technologies to reduce the use of water, energy, and hazardous chemicals, and to minimize the generation of waste, air, and water pollutants.
3. Comply with international environmental agreements, laws and regulations, internal standards, and other applicable requirements.
4. Analyze environmental performance through periodic environmental audits and continuously improve the environmental management system.
5. Provide education and training opportunities to enhance employees’ environmental awareness and encourage active participation in environmental preservation activities.
6. Make environmental information, including this environmental policy, available to the customer and stakeholders.

Environmental Management Policy

To ensure compliance with environmental regulations and effective environmental management, we have established and manage principles across nine individual environmental factors:

Compliance with Environmental Laws	Supply Chain Management	Climate Change Response
Energy conservation	Water Resources Management	Waste Management
Hazardous Chemical Management	Biodiversity	Environmental Information Disclosure

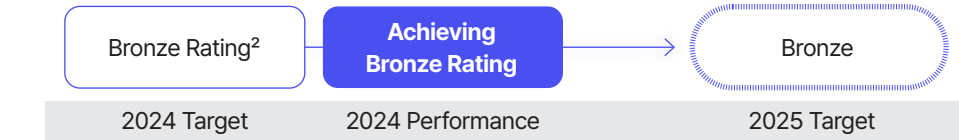
Environmental Management Governance

Changshin has established an environmental management governance structure led by the Board of Directors and senior management, ensuring systematic operations for setting goals, making decisions, and executing and managing environmental initiatives at each business site.



Environmental Management Goals

Higg FEM¹ Environmental Audit



¹ FEM (Facility Environmental Module): A self-assessment and verification tool for facility-level environmental performance, developed by the Sustainable Apparel Coalition.

² Bronze Rating: A sustainability rating granted by the customer. A Bronze rating is awarded when all compliance requirements are met. If any violations are identified, a Red rating is issued, requiring re-audit.

Environmental Management

Environmental Management System

Changshin's major manufacturing subsidiaries have established environmental management systems in accordance with the international standard ISO 14001 and have obtained certifications from third-party certification bodies to ensure credibility and reliability. We undergo annual surveillance audits to verify the adequacy of our system operations and maintain our environmental management systems through renewal audits conducted on a three-year cycle.

ISO 14001 Certification Status

Business Site	Certification Details	Certification Period
Changshin Vietnam	ISO 14001	2024~2027
Changshin China	ISO 14001	2023~2026
Changshin Indonesia	ISO 14001	2023~2026

Higg FEM Environmental Audit

All domestic and overseas business sites of Changshin undergo an annual Higg FEM (Facility Environmental Module) environmental audit developed by Cascale (formerly Sustainable Apparel Coalition). This audit provides a comprehensive evaluation of environmental impacts and performance across the entire manufacturing process, including the environmental management system, energy and greenhouse gas management, water consumption, waste treatment, air pollutant emissions, and chemical management. We also ensure the reliability and objectivity of the assessment through third-party verification procedures. The results are transparently shared with the customer and are used for managing Changshin's environmental risks and sustainability evaluations. In 2024, a total of 10 business sites¹ achieved the Higg FEM Bronze rating. Based on this achievement, Changshin continues to improve its environmental performance and operate an environmental management system aligned with international standards.

Environmental Audit Process



Environmental Impact Assessment

Changshin regularly conducts environmental impact assessments to systematically identify and evaluate environmental impacts arising from the organization's activities, products, and services. In accordance with internal management regulations, environmental impacts are analyzed based on likelihood, severity, and consequence. Priorities are then set, and corresponding improvement activities and monitoring are continuously carried out. In 2024, we reviewed a total of 72 environmental impact factors, of which 16 were selected as priority management items. These were reflected in the environmental management plan, and ongoing improvement efforts are being implemented.

Types of Environmental Impact Assessment

Site Environmental Impact Assessment	Conducted when expanding or remodeling factories, introducing new processes, launching new products, or in response to changes in environmental regulations or incidents. It involves reviewing and addressing environmental impacts associated with major facility and equipment changes in advance.
Activity Environmental Impact Assessment	Evaluates production and support activities related to raw and auxiliary materials, intermediate products, pollutants, and utilities. It involves quantitative analysis and management of environmental impacts that may arise throughout the manufacturing process.
Service Environmental Impact Assessment	Assesses environmental impacts from routine support services such as drinking water, office energy use, and general waste, enabling eco-friendly operations in non-production areas as well.

Environmental Education

Changshin provides regular environmental education to equip employees with expertise in environmental management and ensure the effective execution of related tasks. Legally mandated training is provided for air and water environment technicians, and waste management personnel. In addition, preventive and responsive training is conducted for workers handling hazardous chemicals and wastewater, tailored to each specific area to prevent environmental accidents.

¹ Headquarters, 3 sites in China, 3 sites in Vietnam, and 3 sites in Indonesia (10 sites in total)

Environmental Management

Compliance with Environmental Laws and Regulations

Environmental Law Compliance Evaluation

Changshin systematically manages environmental laws and regulations applicable to its overall business operations and conducts regular compliance evaluations based on this framework. In 2024, we conducted environmental compliance evaluations once each quarter, for a total of four evaluations. All identified issues related to water usage, wastewater, air pollution, and hazardous chemicals were fully addressed through corrective actions. In addition, we responded to and submitted all nine types of environmental data requested by stakeholders, including records of outsourced wastewater treatment, disposal records of general and designated waste, and chemical emissions inventory reports.

Law	Regulation	Issues Identified	Root Cause	Response Strategy and Action
Water Environment Conservation Act	· Compliance with discharge limits · Permits and operation of discharge/prevention facilities · Measurement of water pollutants	· Leakage at level gauge fitting on wastewater storage tank · Failure to report business site address change on certificate	· Cracks in fitting due to aging and winter temperature changes · Prior contact info outdated	· Replaced discharge facility components (2 level gauge fittings) · Monitored aging facilities and replaced equipment · Updated address and contact info on certificate
Water Supply and Waterworks Installation Act	· Protection of water supply facilities · Sanitary control measures · Compliance with water quality standards	· Unverified implementation of water tank cleaning and water quality tests by relevant authority	· Outsourced service provider failed to submit required results to the Waterworks Department	· Regularly cleaned water tanks and conducted quality tests, with results submitted to the Waterworks Department
Clean Air Conservation Act	· Compliance with discharge limits · Permit/report for installation of emission facilities · Operation of emission and prevention facilities · Self-monitoring	· Failure to report the addition of one 5.5 kW molding facility for outsole manufacturing at Outlet 15 as a change to the air emission facility · Incorrect placement of hood after installing new co-pressing unit	· Report was not submitted as the air emission facility was planned for short-term use and scheduled for removal afterward. · The new molding press is not in operation due to the absence of compatible molds. · The hood duct location did not align properly due to structural differences with the existing lamination machine.	· Submitted report on installation/change of air emission facility · Removed unused new molding press · Adjusted hood and air conditioner duct placement
Soil Environment Conservation Act	· Compliance with soil contamination concern and countermeasure standards · Responsibility for soil contamination remediation, etc.	· Potential soil contamination due to damage to the trench sump for chemical spill prevention in the indoor hazardous chemical storage area	· Aging sump structure led to damaged concrete	· Completed sump repair · Prevented chemical leaks and soil contamination by installing new co-pressing unit and hood

Environmental Law and Regulation Violation Record

ZERO

Changshin has set a target of "Zero" environmental law violations and systematically manages its environmental management goals to achieve this.

Mitigation of Environmental Impact

Changshin promotes environmental management with a core focus on resource circulation and pollutant reduction, aiming to minimize environmental impacts throughout all business site operations. We have systematized improvement activities for key environmental categories such as waste, water resources, chemicals, air, and soil. Through the efficient use of raw materials and reduction in hazardous substance use, we are working to lessen our environmental burden. In particular, we have established internal standards that go beyond legal requirements and implement proactive environmental protection measures based on these stricter criteria.

Environmental Impact Reduction System

Environmental Impact Management Framework

Based on environmental impact assessments and compliance evaluations, Changshin has established integrated assessment and management standards for waste, water resources, chemicals and hazardous substances, and air and soil pollutants. This framework minimizes environmental impacts arising from business site operations. To improve waste management, we introduced a defect data tracking system and continue to optimize raw material use in order to reduce waste generation. We also implemented a chemical substance management system and are working to prevent the use and release of hazardous chemicals through stricter MRSL¹ and RSL² management. For pollutants related to water, air, and soil, we apply internal standards that are stricter than legal limits and conduct regular monitoring to ensure preventive, proactive environmental management.

Key Environmental Impact Reduction Initiatives

Waste Management

- Optimization of raw material usage
- Implementation of defect data tracking system
- Expansion of recycling and maintenance of Zero Landfill

Chemical and Hazardous Substance Management

- Implementation of chemical management system
- MRSL/RSL management

Water Resource(Water/Wastewater) Management

- ZDHC Wastewater Certification
- Wastewater quality pollution analysis
- Participation in NPWI pilot program

Air and Soil Pollutants

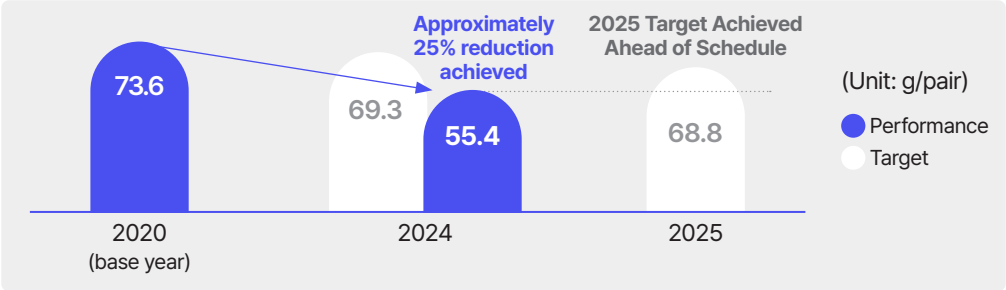
- Strengthened air pollutant control
- Soil contamination assessments

¹ MRSL(Manufacturing Restricted Substances List): A list of hazardous substances restricted from use during manufacturing processes

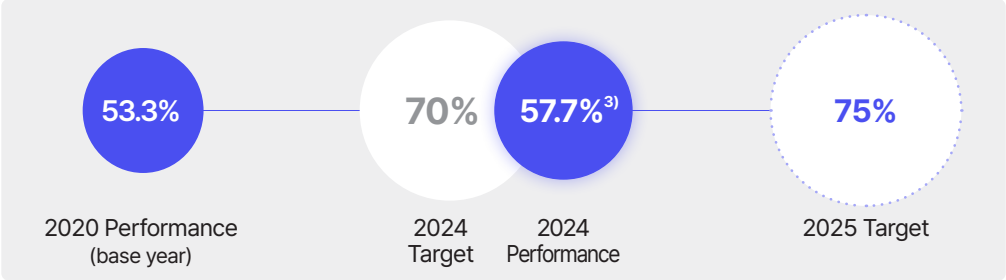
² RSL(Restricted Substances List): A list of chemical substances restricted or banned to ensure product quality and safety

Environmental Impact Reduction Targets

Operational Waste Generation



Solid Waste Recycling Rate



Wastewater Certification⁴



³ Due to decreased demand for recyclable materials in the Indonesian market, the collection of recyclable waste has been limited. We are currently in the process of identifying new recycling vendors.

⁴ ZDHC third-party wastewater certification is conducted twice annually at one business site each in Vietnam and Indonesia.

Mitigation of Environmental Impact

Waste Management

Optimization of Raw Material Utilization

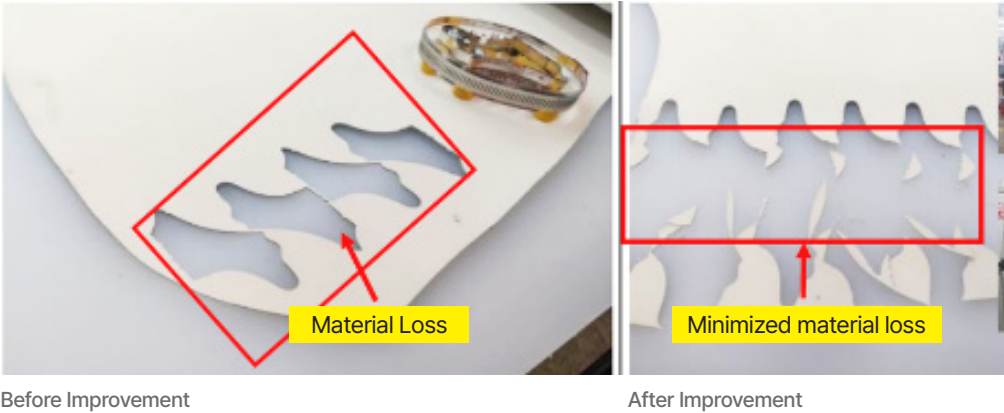
Changshin maximizes the efficiency of raw material use through process improvements to minimize waste generated during production. We are also implementing various improvement initiatives to increase the recycling rate of materials discarded after production. The primary raw materials used at Changshin include upper materials such as textiles, synthetics, and leather, as well as outsole materials like rubber and EVA. To reduce raw material usage and waste generation, we continue to enhance our manufacturing processes.

Cutting Efficiency Improvement	· Minimizing scrap (leather loss) through cutting blade upgrades and optimal material layout
Leather Waste Recycling	· Minimizing solid waste by reusing leather scraps
Defective Waste Reduction	· Reducing defects such as scratches and color bleeding on finished products through mold improvements to minimize waste generation

Operational Waste Generation

25% reduction achieved

(Unit: g/pair)

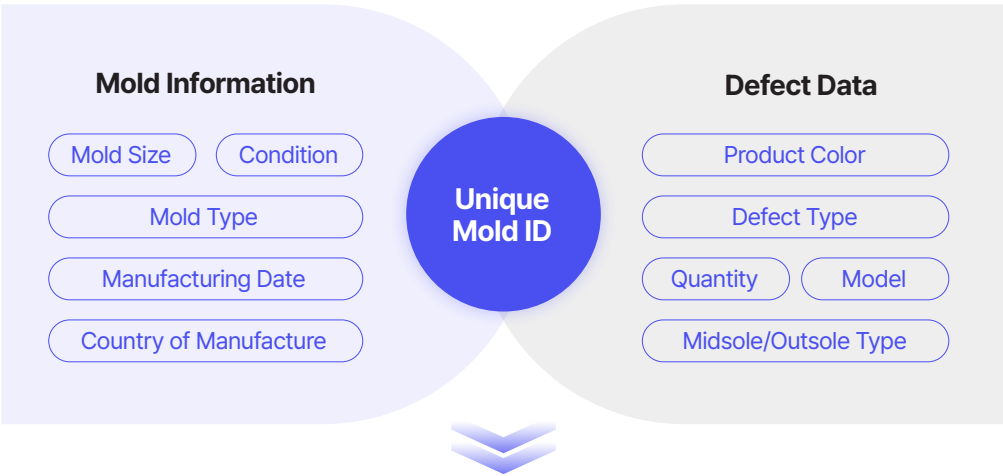


Implementation of Defect Data Tracking System

To reduce waste generated during the manufacturing process and enhance product quality, Changshin has implemented a system to track and manage defect data for midsole and outsole components of footwear. This system monitors mold quality and lifespan while analyzing defect types. By integrally managing detailed information on molds used in the manufacturing process and the defect types of products produced through them, it helps minimize waste generation and improve production efficiency.

Mold Quality and Lifespan Management	· Traceability via unique mold identification numbers · Immediate identification of recurring defects in specific molds, enabling prompt quality improvement and efficient lifecycle management
Defect Type Analysis	· Linking defect data with mold information to analyze defect patterns by component, such as midsoles and outsoles · Improving recurring defect causes in specific models

Integrated Tracking Structure for Mold and Defect Data



Through the unique mold ID, mold information is linked with defect data for integrated tracking and management.

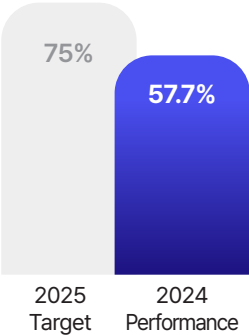
Mitigation of Environmental Impact

Zero Incineration and Landfill

100%

Solid Waste Recycling Rate

57.7%



Expansion of Recycling and Maintenance of Zero Waste-to-Landfill

Changshin actively identifies and partners with local recycling companies in the regions where our business sites are located to improve the recycling rate of post-process waste. We prioritize recycling in all waste treatment processes. When recycling is not feasible, we utilize energy recovery methods to treat waste. We strictly comply with a Zero Incineration & Landfill policy and continuously strive to minimize waste generation and maximize resource circulation.

Recycling Performance by Subsidiary

Headquarters

Changshin Headquarters actively operates upcycling projects utilizing waste materials of various materials and colors, leveraging the characteristics of a multi-product, small-batch production system for sample manufacturing. As part of our internal initiative to increase the recycling rate of waste materials, Changshin is promoting upcycling activities such as creating eco-bags and bean bags made using textile scraps and midsole waste generated during the footwear production process. These projects aim to enhance the value of waste materials and promote a culture of resource circulation.

Changshin Vietnam

Changshin Vietnam actively utilizes waste materials generated during production processes by processing them for new product manufacturing. Midsole scraps and defective materials generated during production are crushed and supplied to recycling companies, which then use them to produce EVA¹ film. Subsequently, Changshin mixes the produced EVA film with existing materials according to the production process for each model and reintroduces it into midsole production, simultaneously achieving resource circulation and raw material reduction effects.

Changshin Indonesia

Changshin Indonesia classifies EVA¹ scraps by color and processes them into thin sheets for delivery to recycling partners, who use them as materials for carpet manufacturing. In addition, rubber waste is first delivered to a recycling company, then ground and partially reused as raw material for shoe production. The remaining waste is managed and supplied to other recycling companies, where it is used in various industrial applications.

Changshin China

Changshin China collects damaged or unusable carton boxes and sends them to recycling vendors. These vendors recycle the materials and supply newly made carton boxes back to Changshin. Rubber waste is also collected, processed into raw material form, and returned to Changshin. Other recyclable materials are diverted to different industries, thereby improving the resource circulation rate and minimizing environmental impact.

Disposable Reduction Campaign: Carbon ZERO, “Step Up & Recycle Challenge”

In celebration of World Environment Day, Changshin conducted the Carbon ZERO, “Step Up & Recycle Challenge” campaign to encourage employees to reduce disposable product use and lower carbon emissions in their daily lives. Employees who brought reusable tumblers to the in-house café received additional discounts. Tumbler storage racks were installed to improve convenience and promote environmentally friendly habits. A total of over 250 employees participated. Changshin continues to promote eco-friendly practices in daily life, including disposable reduction campaigns, in addition to reducing production-related waste.



Tumbler storage installation



Step Up & Recycle Challenge

¹ EVA (Ethylene Vinyl Acetate): A synthetic resin with excellent elasticity and durability used in footwear manufacturing

Mitigation of
Environmental
Impact

Chemical and Hazardous Substance Management

Chemical and Restricted Substance Management System

Changshin has established and operates chemical substance management regulations and restricted substance management regulations to minimize the impact of chemicals on internal and external factory environments and to comply with national laws and customer-specific restricted substance standards. Each regulation clearly defines departmental responsibilities, authorities, work procedures, and communication protocols. These regulations are regularly updated to ensure that relevant departments can manage and handle chemicals systematically. We also utilize a purchasing management system that allows suppliers to upload Material Safety Data Sheets (MSDS¹) and RSL² test results directly, enhancing transparency and efficiency in chemical management. Employees handling chemicals receive regular training to fully understand the hazards and risks of each substance. In addition, MSDS documents are uploaded to the workplace and Group portal to ensure easy access. All production subsidiaries have implemented a chemical management platform that systematically records and manages the chemical inventory, usage volume, and Manufacturing Restricted Substances List (MRSL³) compliance status.

Chemical Substance Management System

Chemical Purchasing Management System	· Request and manage the latest MSDS and RSL test reports from chemical suppliers through the Supplier Portal
Chemical Management Platform	· Centrally manage the chemical inventory list, usage volumes, and MRSL compliance status
MSDS Access System	· Provide all employees with easy access to MSDS information for chemicals via the Groupware system

¹ MSDS (Material Safety Data Sheet): A document that provides safety information about chemical products

² RSL (Restricted Substances List): A list of substances restricted or banned in products to ensure quality and safety

³ MRSL (Manufacturing Restricted Substances List): A list of hazardous chemicals restricted during manufacturing processes

⁴ ZDHC (Zero Discharge of Hazardous Chemicals): A global initiative aiming to eliminate the use and release of hazardous chemicals in the textile and fashion industry

⁵ ZDHC InCheck Report: A report that evaluates how well the chemicals used at a facility comply with the ZDHC MRSL

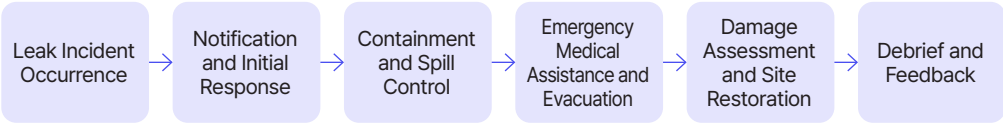
RSL and MRSL Management

Changshin is advancing its hazardous chemical management in alignment with the ZDHC⁴ guidelines and customer-specific restricted substance regulations. We are actively working to establish a sustainable production environment through the systematic management of both the RSL² and MRSL³. In particular, we operate an RSL Committee to continuously review and improve our policies and management systems related to restricted substances. The committee is composed of the production, purchasing, materials, chemical engineering, and health, safety, and environment (HSE) teams. It holds regular semiannual meetings to review the current status of hazardous chemical management and establish implementation strategies.

RSL Management	· Semiannual RSL Committee meetings with representatives from production, purchasing, materials, chemical engineering, and HSE team · Conduct quarterly RSL testing on materials and finished products to ensure product safety
MRSL Management	· Monitor MRSL compliance by partners and manage the MRSL compliance status of all incoming chemicals · For overseas production subsidiaries, maintain a systematic inventory of chemical substances using the chemical management platform · Issue ZDHC InCheck Reports ⁵ monthly to ensure compliance with international standards

Emergency Response Training for Chemical Leaks

To prevent environmental contamination and safety incidents caused by chemical leaks, Changshin conducts annual emergency response drills. In 2024, we conducted training sessions for all chemical managers and handlers at our business sites. The drills covered 10 key items including incident reporting and alarm protocols, process containment, and life-saving measures. We are reinforcing an effective response system by identifying and correcting deficiencies through these evaluations.



Mitigation of Environmental Impact

Water Recycling Rate (As of 2024)

Changshin Vietnam

46%

Changshin China

9%

Changshin Indonesia

35%

Water Resources Management

ZDHC Wastewater Certification

Changshin continuously implements improvement initiatives to reduce wastewater, expand reuse, and proactively prevent environmental hazards. We obtain ZDHC Wastewater certifications twice a year for all operational facilities that discharge over 35 m³ of wastewater per day, in compliance with the ZDHC Wastewater Guidelines and local environmental regulations. This certification is used by the client as a key indicator in sustainability assessments. Facilities that pass receive a Bronze rating, confirming compliance with environmental standards. Changshin rigorously adheres to standards on ZDHC manufacturing-restricted substances, heavy metals, anions, and sludge, and consistently manages wastewater risks through the stable operation of greywater treatment systems. In addition, low-concentration wastewater generated during production is treated in-house and recycled as toilet water, contributing to resource circulation.

Net Positive Water Impact (NPWI)

The Indonesia subsidiary is participating in the pilot program for the Net Positive Water Impact (NPWI) initiative, organized by the Water Resilience Coalition (WRC), to strengthen water resilience in water-stressed regions. NPWI is a global initiative that aims to neutralize the negative impact of corporate water use and discharge within a watershed, while generating positive outcomes in terms of quantity, quality, and accessibility. Through this program, the Indonesia subsidiary is enhancing its responsiveness to water-related risks and increasing resilience within its watershed, with a goal of reducing water use and withdrawal by an additional 2% by 2025. To achieve this, internal water-saving campaigns and educational programs are being implemented to encourage participation across the workforce.

Water Quantity Improvement Initiatives	· Installation of flow meters by equipment and leak inspections (Reduction: 52.2 m³/day) · Reuse of wastewater and recycled water - Recycled for toilet flushing and reused in production processes (495 m³/day) - Reused for landscape maintenance (15 m³/day)
Water Quality Improvement Initiatives	· Installation of rainwater infiltration systems to recharge groundwater (95.5 m³/day during rainy season) · Treatment and discharge of wastewater through physical, biological, and chemical processes · Compliance with local regulations (PermenLH No. 68/2016) for water quality management · Continuous monitoring of effluent pollutant levels
Accessibility Enhancement Initiatives	· Operation of purified drinking water facilities for employees · Provision of groundwater to the local community: 188 m³/day

* Based on Indonesia subsidiary data

Wastewater Quality Pollution Analysis

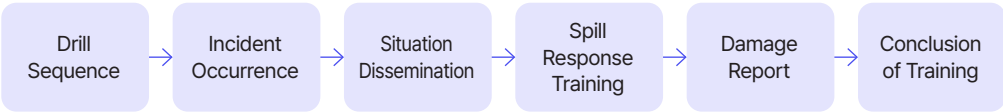
In accordance with the Water Environment Conservation Act and our internal wastewater management standards, Changshin rigorously monitors whether wastewater generated from production processes is discharged within permissible limits and conducts regular wastewater quality analyses. We perform semiannual inspections of all wastewater discharge facilities and conduct in-depth testing on 32 designated hazardous water pollutants every other year to strengthen the reliability of our wastewater management system.

Analysis Categories

- 1) General Water Pollutants: pH, BOD (Biochemical Oxygen Demand), SS (Suspended Solids), n-H (n-Hexane Extracts), T-N (Total Nitrogen), TOC (Total Organic Carbon), Color, and more (Total of 8 indicators)
- 2) Designated Hazardous Water Pollutants: All 32 substances defined under Article 4 of the Enforcement Rule of the Water Environment Conservation Act

Wastewater Spill Emergency Drill

To prevent incidents and damage caused by the leakage of pollutants such as wastewater, Changshin conducts emergency response drills simulating wastewater spill scenarios. The purpose of these drills is to strengthen our emergency preparedness and improve response capabilities by establishing immediate action protocols and familiarizing employees with response procedures. The scenario assumes wastewater leaking from a storage tank and entering the stormwater drainage system. After the initial alert is issued, the response team is deployed to contain the contamination and block further leakage. Following the response, the HSE (Health, Safety, and Environment) officer is briefed on the incident status, and the drill concludes. A post-drill assessment is then conducted to evaluate effectiveness, identify areas for improvement, and enhance future training completeness and effectiveness.



Mitigation of Environmental Impact

Air Pollutant Emissions Reduction Performance
(Compared to 2020 emissions)

29% reduction
(Based on headquarters)

Air Pollutant Management

Air Pollutant Management Enhancement

To reduce air pollutant emissions and ensure regulatory compliance, Changshin operates a systematic air management system. In 2024, the headquarters installed IoT-based monitoring devices on air emission facilities, enabling real-time tracking of pollutant emissions and prevention system operations. This system ensures constant monitoring of compliance with legal emission thresholds. In addition, we conduct biannual self-measurements of air emissions. For 23 designated hazardous air pollutants, separate targeted measurements are conducted at major emission points to enhance proactive management and reduction of air pollutants. Overseas subsidiaries also comply with local environmental regulations and internal standards, and continue to invest in air pollution control facilities to support emissions reduction efforts.

Examples of Air Emissions Reduction Facility Investments in 2024

Headquarters	- Investment in IoT-based monitoring system for air pollution control facilities - Expansion of ventilation facilities in outsole processing area (3x increase in hood area)
Changshin Vietnam	Investment in air pollution control facilities for manufacturing, preparation, and bottoming areas
Changshin China	Investment in air pollution control facilities for hazardous waste storage areas
Changshin Indonesia	- Investment in air pollution control facilities for rubber mixing machines - Investment in pollution control for manufacturing and preparation facilities

Soil Pollutant Management

Soil Contamination Assessments

Changshin operates a soil management system in compliance with the Soil Environment Conservation Act to prevent soil contamination. We review soil contamination management standards through annual environmental impact and regulatory compliance evaluations and commission external specialists to perform regular soil assessments. Soil contamination is also checked during environmental audits, and the assessment targets are rotated each year according to our annual investigation plan to strengthen ongoing monitoring. In 2024, no contamination was detected in the soil quality assessment conducted at the headquarters.

Biodiversity Protection

Biodiversity Protection Activities

Changshin promotes various initiatives to conserve biodiversity and protect ecosystems, including local environmental cleanup and tree-planting activities. In 2024, the Indonesia subsidiary participated in a mangrove planting project, planting a total of 3,000 mangrove saplings. Mangrove forests serve as natural coastal barriers and provide critical habitats for marine life. They also have high ecological value and contribute positively to climate change mitigation as carbon sinks. In celebration of Earth Day, the Indonesia subsidiary also partnered with the local community to plant 100 trees in Cadas Malang Park. This initiative expanded green spaces in urban areas, enhanced biodiversity, and raised environmental awareness among local residents.



Mangrove planting activity – Changshin Indonesia

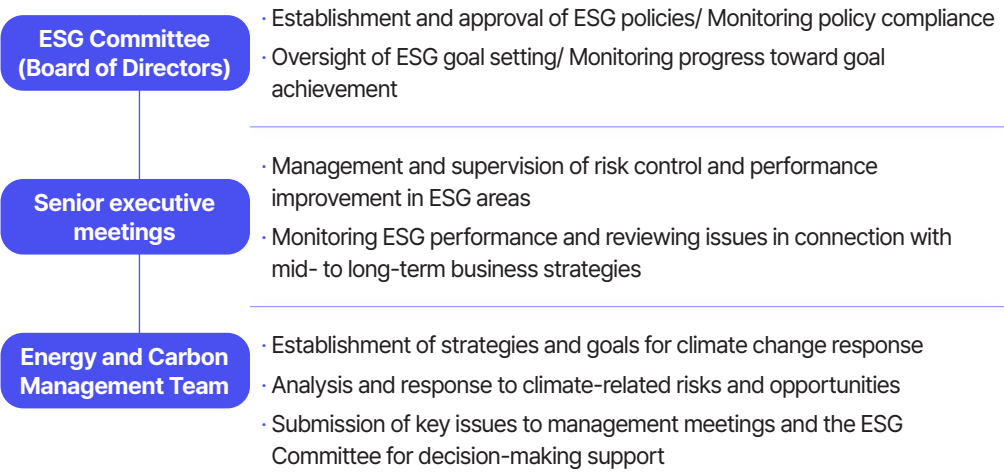
Climate Change Response

Changshin has established a systematic foundation to address climate risks as the global climate crisis accelerates, and operates a monitoring and management system to reduce carbon emissions. By supporting the Paris Agreement, we are continuously improving our environmental impact to meet the greenhouse gas (GHG) reduction standards required across the fashion industry. We also analyze the potential impact of climate change on our business and are developing strategies to proactively respond to changes in the broader business environment, such as shifts in laws and regulations. In doing so, we continuously identify and assess not only risks but also future opportunities. Changshin will position climate change response not merely as a matter of risk management, but as a core strategy for achieving sustainable growth and preemptively responding to market shifts—pursuing eco-friendly innovation and responsible business practices.

Climate Change Response System

Changshin reviews its environmental management system in line with the climate change response framework presented by the Task Force on Climate-related Financial Disclosures (TCFD). We establish and continuously monitor indicators and targets based on governance, environmental management strategy, and climate-related risks, opportunities, and threats, and make ongoing improvements to our activities.

Climate Change Response Governance



Key Environmental Agenda Items (From 2024 to the First Half of 2025)

Date of Meeting	Agenda Item
2024.03	Reporting of 2023 ESG (Environment/Carbon) performance and approval of the 2024 plan
2024.08	Signing of Direct Power Purchase Agreement (DPPA MOU) by the Changshin Vietnam
2024.10	Reporting on 2025 climate change response strategy and KPIs
2025.02	Reporting of 2024 Carbon Disclosure Project (CDP) results (2024 updated indicators and future improvement tasks)
2025.04	Review of the China subsidiary's purchase of Renewable Energy Certificates (GECs)

Responsibilities and Roles for Climate Change Response

Board of Directors



The ESG Committee, which operates under the Board of Directors as the highest decision-making body, deliberates and resolves key matters related to ESG, including climate change issues, and supervises the execution of duties by management. The Committee receives quarterly reports on the direction and performance of major ESG areas and strategically leads the company's sustainable management by supporting, monitoring, and overseeing climate change response activities.

Management



The Senior executive meetings composed of the CEO, C-level executives, and division heads, oversees overall risk management and performance improvement activities across ESG, including climate change. This body reviews greenhouse gas reduction plans and climate change response strategies, and supervises their implementation. It also identifies climate-related risks and opportunities, develops appropriate response measures, and refers critical issues, including those linked to key risks and mid- to long-term business strategies, to the ESG Committee for final decision-making.

Working-Level Teams

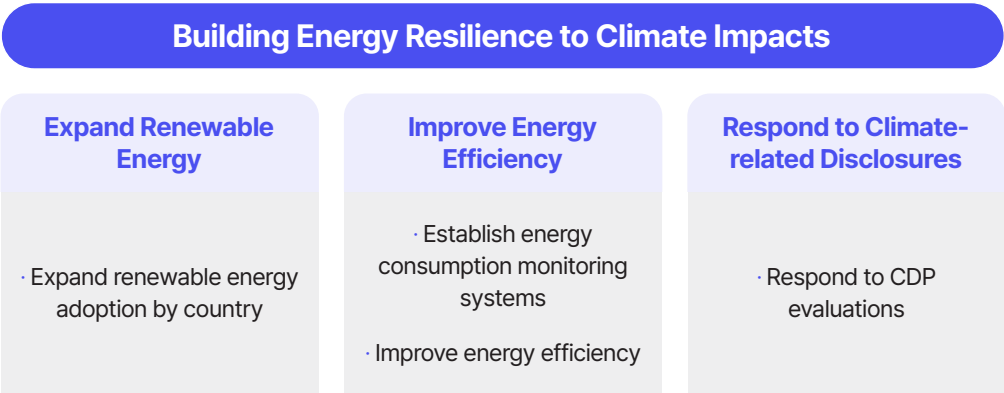


Working-level teams support management's decision-making on key issues related to climate change response. The energy and carbon management team at headquarters plans the group-wide climate change response strategy and implements detailed tasks such as enhancing energy efficiency and expanding renewable energy use. We also respond to the CDP climate disclosure to provide highly reliable information to external stakeholders.

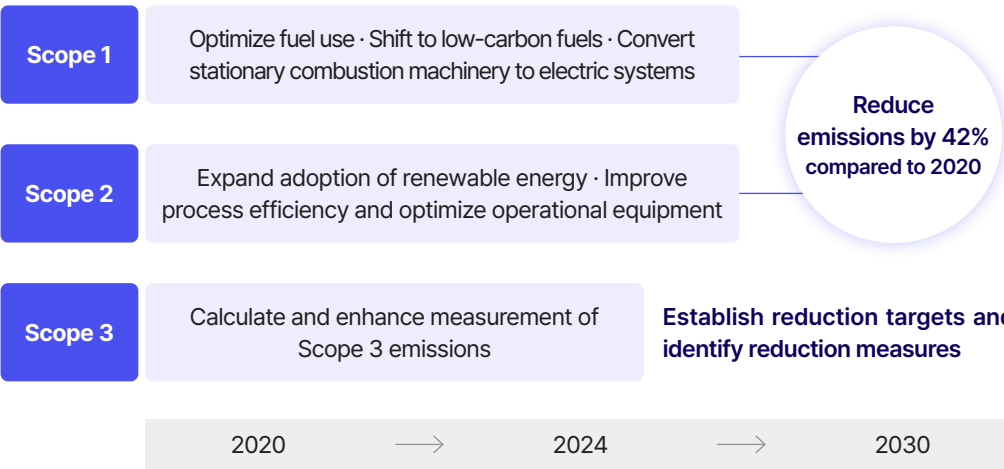
Climate
Change
Response

Climate Change Response Strategy

Changshin has established a risk management process to systematically manage risks and opportunities arising from climate change. Through this process, we identify and assess factors that may impact our business activities and establish effective response measures. In particular, we are advancing key climate response initiatives centered around core strategies such as expanding renewable energy use, improving energy efficiency, and strengthening climate-related disclosures. These efforts aim to enable preemptive responses and realize sustainable management.



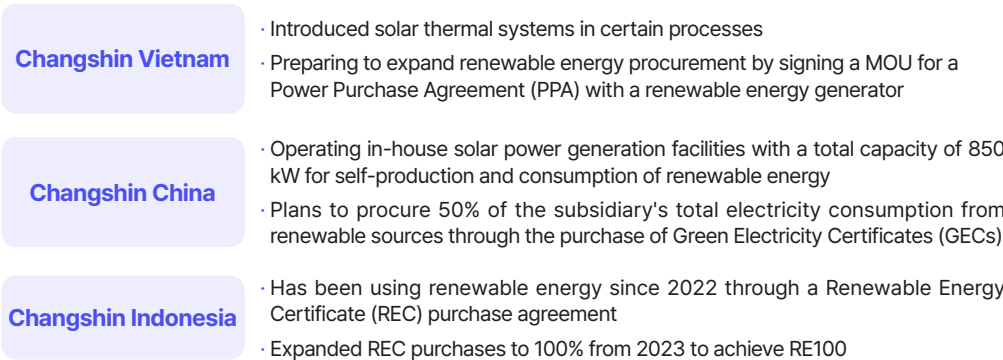
Scope-specific Reduction Strategies



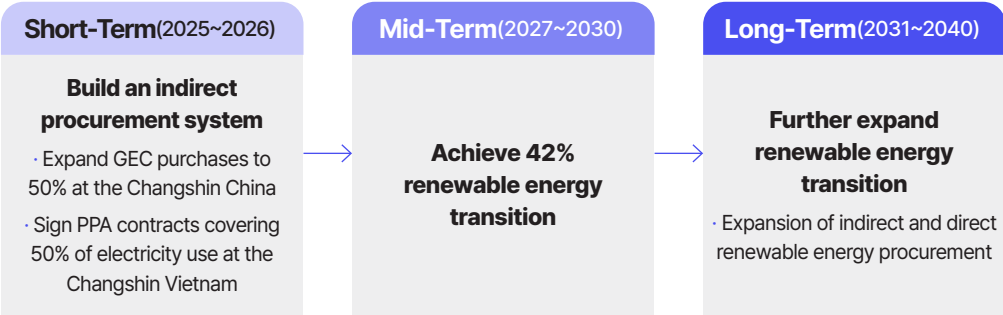
Expand Renewable Energy

In line with the science-based targets established through the World Resources Institute (WRI), Changshin is pursuing phased goals to reduce greenhouse gas emissions by 42% by 2030 compared to 2020. We are gradually increasing the proportion of renewable energy through various methods, including installation of solar power systems, purchasing Renewable Energy Certificates (REC¹) and Green Electricity Certificates (GEC²), and entering into Power Purchase Agreements (PPAs) with renewable energy generators. These initiatives are tailored to each country's renewable energy supply conditions, government policies and regulations, and the operational environment of each production subsidiary.

Current Status and Plans for Renewable Energy Adoption at Key Business Sites



Roadmap for Renewable Energy Transition



¹ REC (Renewable Energy Certificate): A certificate certifying the supply of renewable energy.

² GEC (Green Electricity Certificate): A green electricity certificate in China that proves the production and consumption of renewable electricity within the country.

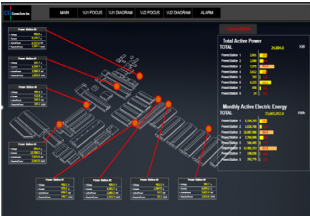
Climate
Change
Response

Energy Efficiency

Changshin has implemented an energy management system across all business sites to improve energy efficiency through systematic analysis and improvement activities. We are actively responding to climate change by continuously optimizing processes and upgrading equipment.

Establishment of an Energy Consumption Monitoring System

To manage energy consumption more efficiently, Changshin operates the Facility Energy Management System (FEMS) at major production subsidiaries. FEMS monitors energy usage in real time by process and equipment, and analyzes energy consumption patterns in key processes to identify optimal energy usage plans. This enables us to pinpoint energy-intensive processes and continuously identify and implement tasks for equipment optimization, thereby improving energy efficiency. Based on FEMS data, we have built and are operating dashboards for each subsidiary to analyze energy consumption characteristics by production model and identify and execute energy improvement tasks. In particular, the Indonesia subsidiary selected energy-intensive machines in 2024 and installed additional IoT power monitoring devices to measure real-time energy consumption by machine and implement improvement activities.



Energy Efficiency Improvements

We are consistently enhancing energy efficiency by optimizing process efficiency and upgrading equipment. Energy consumption is regularly analyzed and diagnosed by process, and improvement plans are developed and implemented accordingly. We identify high-energy-consuming equipment and machinery, analyze the expected reduction effects, and set priorities for improvement. Our energy efficiency improvement activities primarily focus on the shoe outsole manufacturing process, which consumes the most energy, and we are implementing various measures to minimize unnecessary energy loss.

Key Activities in Process Optimization	Optimization of Machine PLC ¹	· Optimized PLCs for energy-intensive equipment such as midsole presses, four-way compressors, and mixers to reduce idle time and improve process efficiency.
	Use of LD Micro ²	· Installed semi-automatic On/Off control devices on chamber machines to block unnecessary energy use during idle hours and enhance energy efficiency.
Major Equipment Improvement Cases	Improved Cooling Equipment	· Replaced air-cooled chillers with water-cooled systems to enhance cooling efficiency and reduce electricity consumption.
	Insulator Installation on Midsole Press Machines	· Installed thermal insulation materials between hot and cold stations to minimize heat loss.
	Replacement with High-Efficiency Motors	· Replaced existing low-efficiency motors with IE3 high-efficiency motors to reduce energy consumption and improve equipment efficiency.

¹ PLC (Programmable Logic Controller): A digital automatic control device that monitors the process status and sequentially processes logic based on programmed inputs to control machinery and equipment.

² LD Micro: An energy-saving device that provides semi-automatic On/Off functionality for power control in machinery.

Responding to Climate-related Disclosures

Since 2022, Changshin has participated annually in the Carbon Disclosure Project (CDP) Climate Change evaluation to receive an objective assessment of our climate change response capabilities at a global level. CDP is a global initiative that evaluates climate risk management and GHG reduction efforts by major companies worldwide, and it is widely used as a key indicator of sustainable management. We have continuously enhanced our climate change response through the establishment of a risk management system, formulation of response strategies, and expansion of renewable energy use. In recognition of these efforts, we received a “B” grade in the 2024 CDP Climate Change evaluation. This grade exceeds the industry average, and we will continue to improve our rating through proactive reduction activities and transparent information disclosure.

2024 CDP Climate Change

Grade B

(Management Level)



Climate
Change
Response

Risk and Opportunity Management

Changshin systematically identifies, assesses, and manages climate-related risks and opportunities through a company-wide risk management process conducted once a year. We analyze issues related to risks and opportunities that may affect Changshin by referencing customer and industry peer benchmarking, reviewing domestic and international initiatives, and evaluating environmental impact assessments. Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we categorize risks and opportunities into transition risks, physical risks, and opportunity factors. We also classify material issues by considering their financial impact in terms of costs, and strategic impact on business operations, including business disruptions, reputational damage, and legal risks. Risk assessments are conducted by evaluating the potential occurrence and frequency, as well as the extent of impact, in the short, medium, and long term. The results of these assessments are reflected in our climate change response strategies, and we pursue continuous improvement through regular reporting and monitoring.

Criteria for Identifying Risks and Opportunities

Category	Likelihood	Impact
Low	· Very unlikely to occur · No cases in the past 3 years or extremely rare	· Financial impact less than USD 0.1M · No or minimal stakeholder complaints · Easily manageable through internal response
Medium	· Expected to occur once a year or less · Emerging domestic and international regulatory and market issues	· Financial impact between USD 1M and 5M · Temporary disruption to operations · Requires external communication
High	· Expected to occur at least once a year or on an ongoing basis · Similar cases have already occurred, or regulatory enforcement has been confirmed	· Financial impact exceeds USD 5M · Severe impact such as business or production shutdown · Requires board-level reporting or strategic response

Risk and Opportunity Management Process



Climate
Change
Response

List of Risks and Opportunities

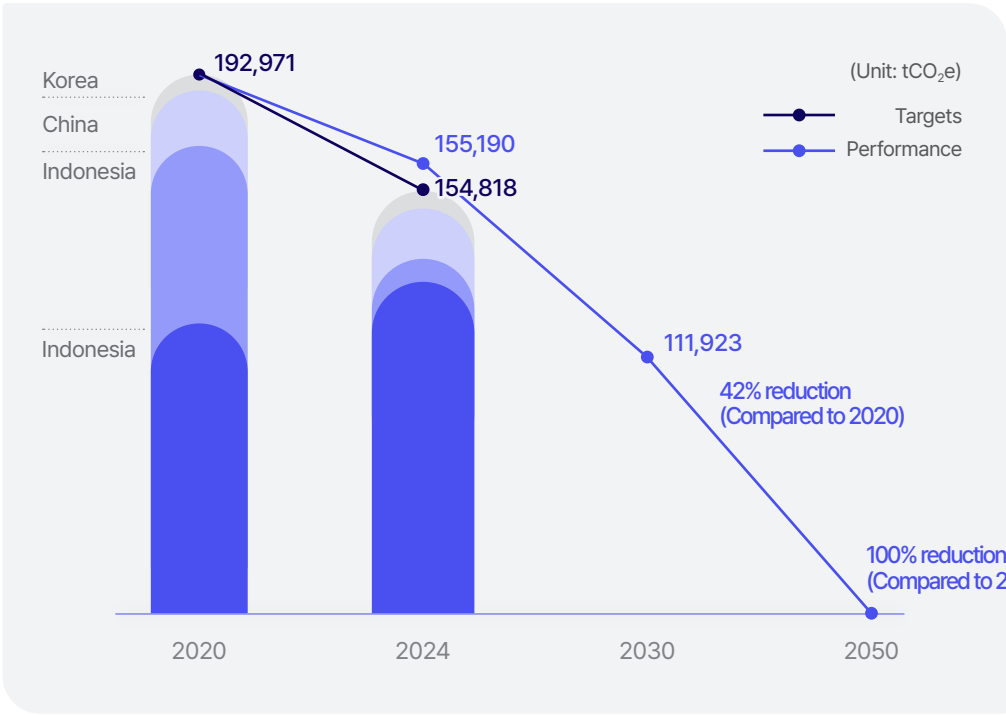
Type			Risk & Opportunity Factors	Potential Impact (Strategic / Financial)	Short-Term	Mid-Term	Long-Term
Transition	Risk	Policy/Legal	Strengthening of climate-related policies and regulations	· Rising carbon prices due to stricter Emissions Trading Schemes (ETS) by country · Increased compliance costs from regulations such as the EU Carbon Border Adjustment Mechanism (CBAM)		O	O
			Strengthened obligations for GHG emissions reporting and climate-related disclosures	· Increased response costs due to expanded disclosure obligations, and potential penalties for non-compliance			O
		Technology	Cost burden associated with transitioning to low-carbon production technologies and equipment	· Increased investment required for adopting low-carbon technologies and high-efficiency energy systems		O	O
		Market	Rising electricity costs due to energy transition in the power generation sector	· Increased cost of electricity procurement at business sites	O	O	O
			Volatility in raw material prices	· Increased costs for raw material procurement	O	O	O
		Reputation	Heightened climate change response expectations from the client and stakeholders	· Reputational damage and reduced customer preference due to inadequate climate response · Sales decline from failure to meet customer demands	O	O	O
	Opportunity	Resource-efficiency	Use of recycled materials	· Cost savings on raw material purchases and waste disposal	O	O	O
		Energy	Use of renewable energy sources	· Reduction in external electricity purchase costs and carbon credit expenses through renewable energy transition	O	O	O
		Products and Services	Development of low-power/ high-efficiency processes to generate new customer demand	· Attraction of new customer demand by improving manufacturing energy efficiency and reducing energy costs			O
		Market	Growing stakeholder expectations due to increased focus on eco-friendly management	· Enhanced corporate image through active climate action · Improved corporate value through higher CDP score or expanded ESG activities	O	O	O
Physical	Acute Risks		Heatwaves	· Increased operational costs due to higher usage of cooling systems in production facilities · Increased energy use in office air conditioning · Greater incidence of heat-related illnesses among workers, requiring facility and equipment investments for worker protection	O	O	O
			Increased frequency of extreme weather events (heavy rains, typhoons, flooding)	· Recovery costs due to damage to production facilities from flooding and heavy rain · Potential power issues from damage or flooding	O	O	O
	Chronic Risks		Rise in average temperatures	· Reduced labor productivity, electricity supply instability, and operational disruptions leading to decreased sales			O
			Flooding and rising sea levels	· Increased recovery costs from flood or damage to production facilities · Asset losses due to relocation to new areas			O

Climate
Change
Response

Metrics & Targets

Changshin has established a Science-Based Target (SBT) in accordance with the standards set by the World Resources Institute (WRI), and is implementing a phased roadmap to reduce greenhouse gas (GHG) emissions by 42% by 2030 compared to 2020 levels. To achieve this target, we systematically measure and manage GHG emissions and energy consumption within our organizational boundaries on an annual basis. We strictly comply with international standards such as ISO 14064-1:3, the GHG Protocol by WRI/WBCSD, the IPCC Guidelines, and the Emissions Trading Scheme verification guidelines to ensure the reliability and transparency of our calculations. The calculated data is independently verified by third-party assurance providers to enhance objectivity and accuracy, and based on this, we continuously expand our substantive GHG reduction efforts. To strengthen the execution of the emission roadmap, the Indonesia subsidiary has converted 100% of its electricity consumption to renewable energy since 2023, and the Vietnam and China subsidiaries are also promoting gradual transition to replace more than 50% of their electricity consumption with renewable energy. Additionally, Changshin began calculating Scope 3 emissions in 2023 and plans to enhance the calculation framework and further strengthen transparency in its management.

Scope 1 and 2 Emissions and Reduction Targets



Scope 3 Emissions by Category

(Unit: tCO₂e)

Scope 3 Category		2024
Upstream Activities		132,285
Category 1	Purchased Goods and Services	62,679
Category 2	Capital Goods	11,334
Category 3	Fuel- and Energy-Related Activities Not Included in Scope 1 and 2	34,456
Category 4	Upstream Transportation and Distribution	221
Category 5	Waste Generated in Operations	22,029
Category 6	Business Travel	842
Category 7	Employee Commuting	724
Downstream Activities		8,013
Category 9	Downstream Transportation and Distribution	8,013
Transportation and Distribution of Sold Products		140,298

* Categories 8, 13, 14, and 15 are not applicable to Changshin's business structure and were excluded from the calculation.

** Category 10 was excluded from the calculation, as Changshin, as a finished goods manufacturer, does not involve any additional processing stage.

ESG Highlight

Climate Change Response Efforts by the Changshin Indonesia

Changshin Indonesia Obtains ISO 50001 Certification

Changshin Indonesia has obtained ISO 50001 certification, an international standard for energy management systems. ISO 50001 is awarded after evaluating whether an organization has systematically established and managed an energy management framework aimed at continuously improving energy efficiency and optimizing energy consumption. To strengthen energy management, Changshin Indonesia has implemented an energy monitoring system and consistently carried out energy consumption analyses and efficiency improvement activities. These efforts have been recognized for their contributions to energy reduction, and the subsidiary plans to continue establishing a globally recognized energy management system.



Winner of the Energy Management Leadership Awards



Selected as one of the Top 2 Energy Efficiency Enterprises in 2024

Changshin Indonesia Wins Energy Management Excellence Award

In 2024, Changshin Indonesia received an Energy Management Excellence Award from both local and international institutions in recognition of its leading energy management practices to enhance energy efficiency and reduce carbon emissions. Based on its ISO 50001-certified energy management system, the subsidiary has built a comprehensive energy management framework and achieved company-wide participation through initiatives such as real-time electricity usage monitoring, process-specific energy emission analysis, expansion of renewable energy use, and employee engagement campaigns. These initiatives have enabled the subsidiary to reduce annual carbon emissions by 7,565 tons and foster an energy-saving corporate culture. Changshin Indonesia will continue to advance global-level energy management and pursue environmentally responsible business practices.

Winner of the Energy Management Leadership Awards

Organized by the Clean Energy Ministerial, this award recognizes effective energy management system operations and contributions to carbon reduction. Changshin Indonesia was selected as a best-practice case in the Asia region.

Selected as One of the Top 2 Energy Efficiency Enterprises in 2024

At an awards ceremony hosted by Indonesia's Ministry of Energy and Mineral Resources, Changshin Indonesia was selected as one of the Top 2 Energy Efficiency Enterprises in the large-scale manufacturing sector—the first company in its category to receive this recognition. The company's systematic energy management and employee engagement programs were highly praised for promoting a carbon-neutral culture.



Umair Al Anshort | Changshin Indonesia Energy Lead

Changshin Indonesia pursued ISO 50001 energy management system certification as a strategic initiative aimed at long-term energy reduction and continuous improvement. During the preparation process, we analyzed internal and external energy issues, identified key stakeholders, and established energy performance indicators along with measurable targets, laying the foundation for a structured implementation. We also evaluated energy-related risks and opportunities with a focus on enhancing employee competencies and complying with legal requirements, while building an operational framework to ensure continuous improvement.

Q. What motivated Changshin Indonesia to pursue ISO 50001 certification, and which areas were prioritized during the preparation process?

Q. What initiative has been most effective in reducing carbon emissions?

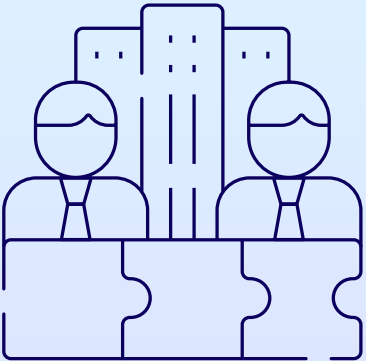
Although various initiatives have been implemented—including process-level energy analyses, real-time power monitoring using FEMS, and employee engagement campaigns—the most impactful strategy in reducing carbon emissions has been the long-term procurement of Renewable Energy Certificates (RECs) to transition to renewable electricity. This has significantly reduced our Scope 2 emissions and also supports our client in achieving their climate goals. Employee engagement is another key strategy. We've designed a company-wide education system in three levels (Level 1–3) to deliver tailored energy education by employee group. Additionally, through programs like the "Kaizen Award," we translate employees' voluntary improvement suggestions into actual energy-saving initiatives.

In 2024, Changshin Indonesia became the first in the footwear manufacturing industry to be recognized as a best-practice case at an international level, receiving two major energy-related awards, including the Global Energy Management Leadership Award. These awards are a symbolic milestone, demonstrating that our energy management system has reached a mature stage and further reinforcing our competitiveness in sustainable manufacturing.

Q. What was the significance of the energy awards received in 2024?

Q. What are your future plans regarding energy management?

Our long-term goal remains reducing energy intensity. We plan to further enhance our energy monitoring through expanded digital automation. In addition, we aim to strengthen our sustainable energy management framework by integrating innovative technologies, such as AI-driven identification of energy-saving opportunities.



Social

Talent Management	45
Human Rights Management	52
Safety and Health Management	57
Supply Chain Management	67
Quality Management	69
Information Security	71
Social Contribution	73

Talent Management

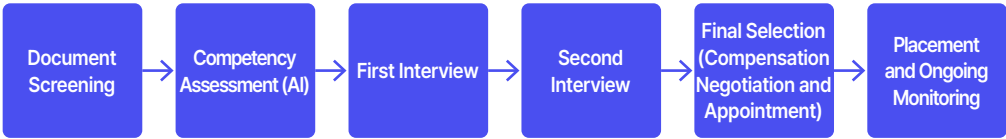
Changshin is a multinational global company headquartered in Korea, with major operations in China, Vietnam, and Indonesia. In the early stages of establishing overseas subsidiaries, we faced various challenges stemming from cultural differences among countries. However, through perseverance and a spirit of challenge, we overcame these difficulties and gradually bridged the gaps by fostering a culture rooted in mutual respect for each other's approaches and traditions. Grounded in cultural diversity and the value of human dignity, Changshin strives to build a company where everyone can grow and thrive together. This is our promise for a sustainable future as we progress toward becoming a 100-year company.

People-Centered Management

Recruitment and Talent Operations

Changshin establishes its recruitment plans based on strategic workforce planning and staffing needs, and hires talent through a structured recruitment process that ensures fairness and non-discrimination. Each recruitment process begins with a clearly defined job description that outlines required competencies, qualifications, and technical requirements. Business departments lead the hiring process to ensure a job-focused approach to selecting top talent. In accordance with HR guidelines, the recruitment process includes document screening, competency assessments, and structured interviews. Functional teams and HR departments collaborate to fairly evaluate applicants' expertise and fit before making final selections. Since 2023, we have removed photo, gender, and age fields from the application form to eliminate potential bias in the hiring process. Additionally, we have enhanced our recruitment website to make it easier for applicants to access information and apply. Post-hiring, we continuously track and manage hiring effectiveness by assessing new hires based on the company's talent philosophy and their performance and competency levels—thereby improving recruitment quality.

Recruitment Process



Recruitment Fairs and Job Mentoring

Changshin actively participates in recruitment fairs and events organized by universities, government bodies, and employment agencies. During recruitment fairs, we provide detailed Q&A sessions about the recruitment process, employee benefits, business strategy, and talent development, helping applicants gain a deeper understanding of our company. We also offer job mentoring programs featuring current employees who help job seekers gain clarity on roles and provide support for career development.

New Hires over the Past Three Years (Cumulative)

Unit: persons

Changshin Inc. (Headquarters)	Changshin Vietnam	Changshin China	Changshin Indonesia	Changshin Reksa Jaya
297	13,057	217	2,964	4,817

Job Posting System

Changshin operates a Job Posting system to enhance work efficiency through internal job rotation and to provide employees with career development opportunities. Employees may apply to departments of interest based on their career background and competencies. The HR department analyzes the potential organizational impact of such internal moves and evaluates candidates through document review and interviews. Final selections are made based on a comprehensive assessment of organizational fit and job capability. This system promotes flexible internal mobility and supports employees in broadening their experiences and expanding career development opportunities across various functions.

Fair and Rational Performance Evaluation and Compensation

Changshin conducts performance evaluations for all employees based on goal-setting and results achieved. In line with our HR system direction, we discontinued the former "composite evaluation" approach—which combined performance and competency assessments—and introduced a performance-focused, single evaluation system to enhance objectivity and fairness. We also operate an appeal and feedback system to ensure fair evaluations through mutual discussion, rather than unilateral decisions. Based on the evaluation results, we operate a compensation system that links team and individual performance. Through this clearly defined, performance-based compensation system grounded in logic and transparency, we concentrate our efforts on achieving shared goals between the company and its employees.

Talent Management

Talent Development Strategy

Changshin has built its talent development strategy around the company’s three major roadmaps—Technology, Digital, and Talent—with “5CREDO” as the foundation of its organizational culture. To this end, we operate three dedicated learning academies: Shoe Dog Academy (SDA) for cultivating footwear specialists, Data Science Academy (DSA) for training data professionals, and Changshin Leadership Academy (CLA) for fostering next-generation leaders. Through this strategy, we aim to develop core talent capable of driving future growth by strengthening employees’ technical expertise, digital capabilities, and leadership in a well-balanced manner.

Three Core Talent Development Strategies

Technology Roadmap



Cultivating Footwear Specialists

SDA

Digital Roadmap



Developing Data Experts

DSA

Talent Roadmap



Fostering Next-Generation Leaders

CLA

5CREDO(Challenge · Grit · Cooperation · Innovation · MTR)

Footwear Specialist Development Program: SDA (Shoe Dog Academy)

Changshin cultivates professional talent specialized in the footwear industry. This refers to more than just production personnel—it encompasses experts who can lead technological innovation based on a deep understanding of footwear development, materials, and processes. To systematically nurture such talent, we operate the Shoe Dog Academy (SDA), a practice-oriented curriculum that can be applied immediately on site. SDA is designed to systematically foster professionals with industry-level expertise and offers two core training programs: one focused on footwear development and the other on footwear manufacturing. Additionally, we run a training program for prospective recruits in partnership with regional vocational high schools, thereby strengthening the foundation for youth employment and securing skilled manufacturing talent.

Program Title	Key Details
Footwear Development Training	· Core SDA program · Based on 13 job functions, operated with a total of 401 online learning contents
Footwear Manufacturing Training (Craftsmanship)	· Field-centered training to cultivate multi-skilled workers and transfer technical skills to new employees · Standard operating manuals and core process training for 260 detailed skills across 9 key processes
Craftsmanship Training for Prospective Recruits	· Vocational education in collaboration with specialized high schools + recruitment-linked program · 45 hours of theory + 340 hours of practice + 3-month internship

Winner of the 2024 Ministry of Employment and Labor Competition

In September 2024, Changshin was awarded the Grand Prize (Minister of Employment and Labor Award) at the “2024 Best Practice Competition for Employer-led Vocational Training,” hosted by the Ministry of Employment and Labor, reaffirming its standing as a model for high-quality vocational education. This recognition follows our previous achievement in April 2022, when we received the Grand Prize in the Education Program category at the “2022 Korea HRD Awards,” hosted by the Korea Human Resource Development Association. Changshin will continue to collaborate with local communities to pass down specialized skills in the footwear industry and build a sustainable educational ecosystem for the development of young talent.



Talent Management

Data Specialist Development Program: DSA (Data Science Academy)

Changshin is focused on cultivating data professionals to establish a data-driven way of working throughout the organization. Rather than simply collecting and interpreting data, the goal is to strengthen employees’ practical ability to define problems and derive solutions using data in real business settings. To this end, Changshin operates its in-house data training program, the Data Science Academy (DSA), which consists of three progressive levels—Enabler, Tool Expert, and Data Expert—designed to enhance employees' data analytics competencies step by step. Each level is tailored based on participants’ current skill levels and potential for application in the workplace, helping embed a data-driven work culture across the organization.

Data Specialist Development Program

Level	Enabler	Tool Expert	Data Expert
Objective	Internalize basic data analysis capabilities	Acquire advanced analysis and visualization skills using analytical tools	Train data professionals who solve real business problems
Curriculum	Learn basic concepts and logic of data analysis; practical training focused on foundational skills	Learn how to use analytical tools such as Excel, Power BI, and Python; practice data visualization	Conduct team projects to address real operational issues related to quality, cost, and production through data analytics
Outcome	Develop talent capable of engaging with data and taking their first steps in data utilization	Cultivate hands-on analysts who can interpret business data more precisely and transform it into decision-making resources	Train data professionals who can identify root causes, create business value, and develop practical applications based on data



Conducting DSA Training

Next-Generation Leadership Development Program: CLA (Changshin Leadership Academy)

Changshin is dedicated to fostering next-generation leaders who can respond proactively to fast-changing market dynamics and internal organizational shifts. We provide diverse experiences and learning opportunities to help individuals grow autonomously and become influential leaders who positively impact the organization. As part of this strategy, Changshin operates the Changshin Leadership Academy (CLA), a company-wide leadership development program available to all employees. Regardless of title or position, CLA is designed to help every employee understand and practice leadership relevant to their role. The program also includes role-based leadership training to ensure that non-managerial employees can understand and effectively support the leadership direction of those in formal roles. Through CLA, Changshin not only enhances short-term capabilities but also builds a structured leadership pipeline. The program helps leaders at every level clearly recognize and act upon their responsibilities and perspectives. Ultimately, CLA facilitates generational leadership transition within the company and contributes to long-term sustainable growth and the expansion of a healthy organizational culture.

Team Leaders and Below	Practical skills for problem-solving and role execution
Group Leaders and Executives	Advanced training to strengthen strategic thinking and decision-making from a managerial perspective(e.g., AI seminars, guest lectures by renowned figures)
Next-Generation Leaders	Operation of leadership pipeline development programs · SP (Succession Potential): For next-generation leaders at the group/division head level · HP (High Performer): For next-generation leaders at the team leader level



Delivering an Executive Special Lecture

ESG Highlight

Data Expert Program | Operated in Collaboration with POSTECH (Pohang University of Science and Technology)

The final phase of the 2024 Data Expert program was conducted as a residency program in collaboration with POSTECH. Seventeen employees who had demonstrated outstanding performance in the Tool Expert course were selected to participate. Over the course of one week, they carried out team-based, in-depth analysis projects on assigned topics at POSTECH. The program was conducted under close supervision and feedback from the Changshin DSA operating team, POSTECH's Industrial Engineering faculty, and Changshin's Chief Digital Officer (CDO). Participants continuously refined their analytical deliverables while deepening their practical capabilities. Final presentations were delivered directly to the Chairman, CEO, and other C-level executives, providing participants with a valuable opportunity to demonstrate their data-driven problem-solving skills in a real-world setting. Graduates received a Data Analyst Certificate issued by POSTECH, which not only enhanced their sense of achievement but also strengthened their motivation for continued growth as data professionals.



DSA Graduates (2019-2024)

115 employees

Analysis of AI-Based Competency Assessment Tools for Selecting the "Data-Based Right People" Selection



Yujung Choi
Engineering Team

As an engineer, I believe making precise decisions based on data is critical. I wanted to build the skills needed to make reliable decisions, so I learned how to use JMP. While working on the project, the moment when I saw that my analysis using JMP could serve as objective and convincing evidence gave me the greatest sense of achievement. Even now, I actively use JMP to make data-driven decisions. The visualization functions have significantly improved both my data presentation and work efficiency.

Analysis of "Resource Management through Deep-dive Analysis of Energy Intensity"



Jisu Kim
ES Team

I joined the DSA program because I wanted to better utilize the growing amount of data in my day-to-day work. Using Tableau for the first time, I created a personalized dashboard and collaborated with colleagues from other teams, which allowed me to learn new perspectives. In the past, much of my analysis relied on guesswork, but now, with the tools and techniques I've learned, I can extract real insights. I plan to continue applying data-driven decision-making in my work.

Analysis of "Quality Failure Costs for Routing-specific Defect Problem Review"



Dahoon Kang
GP Team

As data continues to grow in importance across all industries, I saw that hands-on experience with data collection and processing would be a valuable asset in both my career and the company's growth. Although I analyzed footwear industry data outside of my usual area in the construction division, collaborating with the Costing Team helped broaden my perspective. The program made me realize the critical role of raw data. I'm now focused on building a structured approach to collecting initial data, laying a solid foundation for future analysis.

Talent Management

An Organizational Culture of Communication and Harmony

A New Way of Working: “THE TRACK”

In October 2024, Changshin declared its new Way of Working, “THE TRACK.” Like a track and field race, it represents Changshin’s unique way of working, where all employees move toward a common goal by adhering to clearly defined rules and methods. The new Way of Working was established through a year-long series of workshops focused on defining our working style, built on mutual understanding and voluntary participation from employees company-wide. Upon announcing “THE TRACK,” we also published an official guideline that defines Changshin’s Way of Working, providing a clear framework for decision-making and direction in everyday business processes. Furthermore, in addition to our headquarters, all overseas subsidiaries held their own workshops to understand and internalize this new culture, allowing it to take root throughout business operations and sites globally. With “THE TRACK,” Changshin is set to break away from the rigid image of traditional manufacturing. We aim to respond swiftly to rapidly changing market conditions and foster a corporate culture that empowers employees to maximize their creativity and potential.



Launching Day



Changshin Vietnam

Changshin China

Changshin Indonesia

Changshin Rekso Jaya

THE TRACK

CSG Way of Working

- When setting a goal,
make the goal clear! Make the plan detailed!
- When presenting reasoning,
analyze rather than guess! Data over belief!
- When making decisions,
don't read the room—read the values.
- During meetings,
suggest solutions instead of pointing out obstacles.
- When seeking change,
a 1mm difference can lead to a 1 million difference.
- When working together,
the start is mine, the finish is ours.
- When giving feedback,
praise loudly! Feedback precisely!
- When facing a problem,
we don't stop just because there's no road.
- When reflecting, and when the task is done,
your hands should hold a lesson.
- When confirming growth,
failure for success is beautiful.

Talent Management

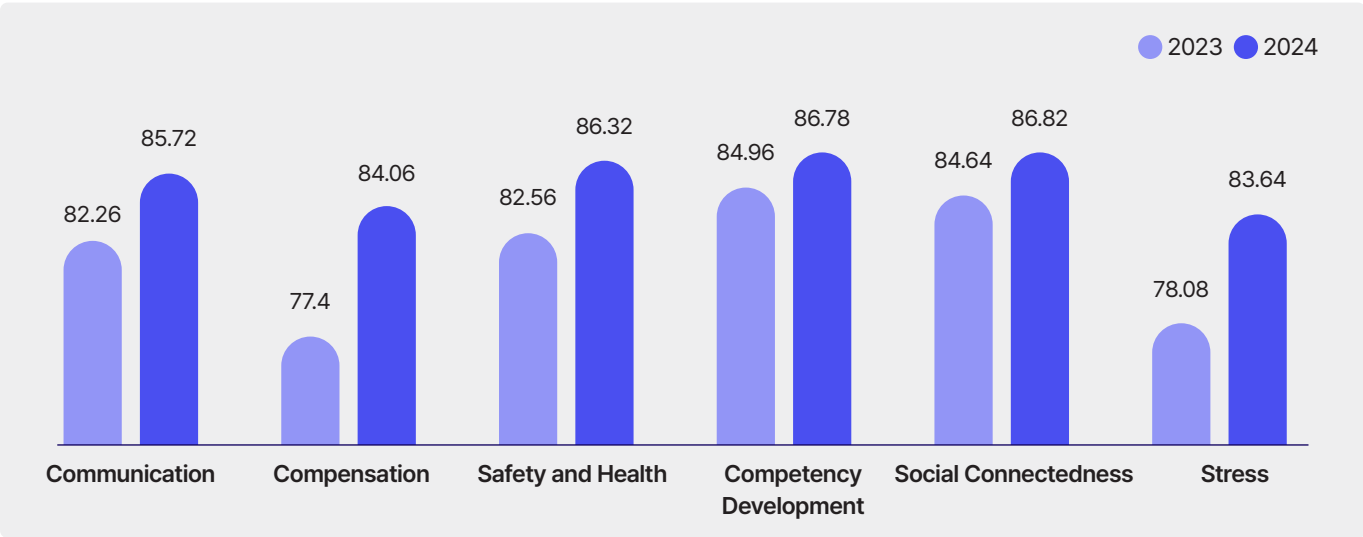
Organizational Culture Diagnosis

In 2024, Changshin conducted an organizational culture diagnosis to systematically analyze employees' organizational engagement and the key factors influencing it. The purpose of this diagnosis was to assess employees' understanding of and satisfaction with our HR systems and to use these insights to guide the future direction of our HR policies. The survey consisted of engagement indicators reflecting satisfaction with the company and job, satisfaction with HR systems, and employees' perception of the desired direction of the organization. In particular, it comprehensively diagnosed the factors affecting engagement by focusing on the interconnectedness of "work," "people," and "organization." Additionally, by collecting employees' opinions on the ideal form of the organization, we aimed to identify areas for improvement and set a clear course for change. Based on the results, we identified specific issues in areas such as engagement, work environment, human competencies, organizational culture, and HR systems, and derived improvement tasks. These findings will be reflected in Changshin's future HR strategy and initiatives to enhance organizational culture.

EWB Survey

Changshin conducts the Engagement & Wellbeing Survey (EWB Survey) across all production subsidiaries to comprehensively assess the engagement and welfare levels of production workers. The survey is centered around six key categories: communication, health and safety, social connectedness, compensation, competency development, and stress. It is designed to identify both strengths and areas for improvement in the organization from the workers' perspective. In 2024, the average EWB Survey score was 85.72 points, an increase of 3.46 points from the previous year, indicating higher levels of employee engagement and satisfaction with welfare. Based on these data-driven findings, Changshin sets priorities for areas in urgent need of improvement and incorporates them into specific action plans and operational enhancements.

EWB Survey Results



CEO Communication Event

To build trust through mutual communication between top management and new employees alike, Changshin conducts a variety of communication programs. In 2024, a total of five CEO-employee communication events were held to foster active dialogue. In particular, open talks were conducted outside the workplace in relaxed settings, accompanied by various activities such as bowling and camping based on employees' interests. In November, we also invited employees' families to attend a cultural performance, demonstrating the commitment of our top management to fostering an empathetic and participatory organizational culture.



Talent Management

Work-Life Balance

Welfare and Benefits System

Changshin operates a wide range of welfare and benefits programs to help employees work healthily and energetically while maintaining a balanced life. We improve our programs annually by incorporating employee feedback, and we are continuously working to enhance actual satisfaction and create a working environment that promotes harmony between work and life.



Child Education Support

Tuition support for employees with children in high school or college



E-Learning

Online learning and reading-based education provided to all employees



Refresh Leave

Vacation bonus support for five consecutive days of annual leave



Flexible Time System

Flexible commuting hours system



Welfare Points

Welfare points granted for employee well-being



Employee Shop Discount

Discounts on Nike and Converse products



Health Care Program

In-house fitness center operation and exercise programs



Group Insurance

Accident and illness insurance coverage for all employees



Support for Family Events

Leave and goods provided for various family events

Maternity and Paternity Protection System

Changshin operates a comprehensive maternity and paternity protection system to ensure that employees are not forced to neglect their families during pregnancy, childbirth, and parenting. We are cultivating a culture where not only female but also male employees can freely utilize these benefits.



During Pregnancy

· Prohibition of overtime work, etc.

· Leave for infertility treatment

· Leave for prenatal check-ups

· Reduced working hours during pregnancy

· Staggered commuting during pregnancy



During Childbirth

· Maternity leave before and after childbirth

· Miscarriage and stillbirth leave

· Paternity leave for spouses



During Childcare

· Prohibition of overtime work, etc

· Family care leave

· Family care leave of absence

· Parental leave

· Reduced working hours during the childcare period

· Reduced working hours for family care, etc.

· Breastfeeding breaks

Number of Employees on Parental Leave in 2024

(Unit: persons)

Changshin Inc. (HQ)	Changshin Vietnam	Changshin China	Changshin Indonesia	Changshin Reksa Jaya
19	2,150	33	1,005	2,452

Human Rights Management

Changshin promotes global-level human rights management in accordance with international standards and guidelines related to human rights and labor, including the UN Guiding Principles on Business and Human Rights (UNGPs) and the International Labour Organization (ILO). We identify both potential and actual human rights risks related to our employees and advance our human rights management by implementing mitigation and improvement measures. We are also working to foster a culture of diversity and inclusion through DE&I (Diversity, Equity & Inclusion) initiatives.

Human Rights Management Policy

Eight Principles of Human Rights Management

To systematically implement human rights management and prevent human rights violations that may arise across our business operations, Changshin has established and continuously revises its Human Rights Management Policy. In particular, to internalize a culture of respect for human rights—including respect for workers, fair treatment, and stable employment—we operate the “Eight Principles of Human Rights Management.” These principles include a prohibition of all forms of discrimination based on gender, disability, race, religion, and nationality, and a strict ban on child and forced labor in line with international standards. Changshin strongly encourages not only all employees but also stakeholders in business relationships to comply with these eight principles.

Voluntary Labor

· Prohibition of forced labor and assurance of workers’ freedom of movement

Freedom of Association and Respect for Collective Bargaining

· Respect for freedom of association and collective bargaining rights

Compliance with Minimum Working Age

· Compliance with underage labor laws in each country

Prohibition of Discriminatory Treatment

· Prohibition of discrimination in all conditions including employment and compensation

Prohibition of Workplace Harassment and Abuse

· Ban on all forms of harassment and abuse

Guarantee of a Living Wage

· Timely payment of wages above the legal minimum and provision of benefits

Management of Overtime Hours

· Strict compliance with legal working hours and rest time requirements

Compliance with Stable Employment Contracts

· Employment based on legal contracts; prohibition of home-based manual labor

Human Rights Due Diligence

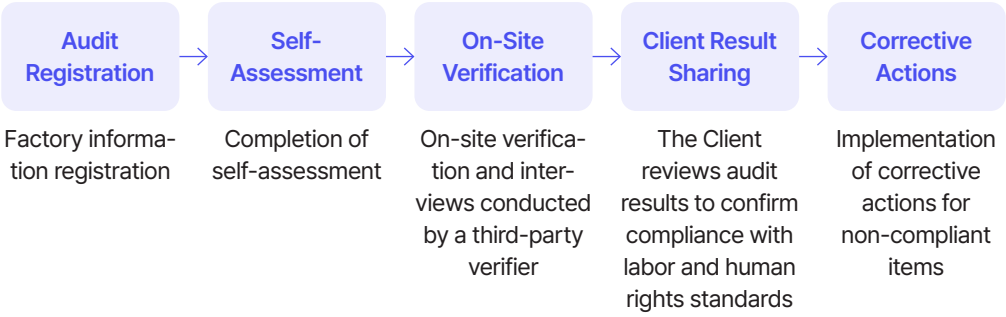
SLCP Audit

Changshin conducts annual human rights due diligence at each business site based on the Social and Labor Convergence Program (SLCP), a globally recognized labor and human rights assessment framework. SLCP consists of a written self-assessment and on-site verification by a third-party organization. It evaluates labor and human rights conditions across eight key areas, including child labor, forced labor, discrimination, wages, leave, and occupational safety and health. In addition to self-assessment, SLCP audits include comprehensive on-site evaluations such as inspections of working environments and in-depth interviews with employees and managers, enabling a holistic identification of human rights risks. In 2024, all Changshin subsidiaries successfully passed the SLCP audit, affirming our compliance with international labor and human rights practices.

SLCP Audit Categories

Recruitment and Employment	Working Hours	Wages and Welfare	Worker Treatment
Worker Involvement	Safety and Health	Termination	Management System

SLCP Audit Process



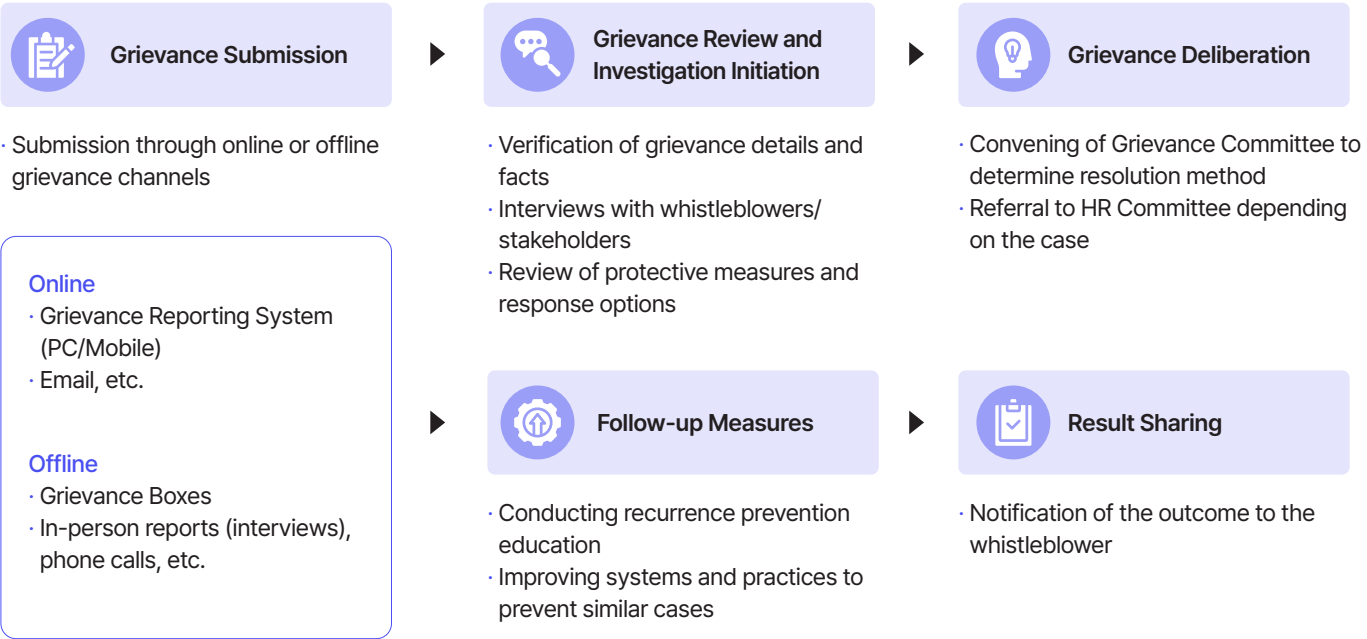
Human Rights Management

Employee Rights Protection

Grievance Handling System for Human Rights

To protect employees’ human rights and promptly address grievances, Changshin operates both online and offline grievance reporting channels. We offer various methods to improve accessibility and convenience, including physical grievance boxes, email, and written reports. Recently, we have fully upgraded our online and mobile reporting systems to further enhance functionality and ensure stronger anonymity for whistleblowers. All reports received through the grievance reporting channels are independently investigated by a designated grievance officer. Depending on the seriousness of the case, matters are deliberated by either the Grievance Committee or the HR Committee. In particular, for issues involving human rights violations, we have a preemptive response process that includes the separation of the victim and the alleged offender. The identity and confidentiality of the whistleblower are strictly protected throughout the entire process. Changshin does not tolerate any form of discrimination or disadvantage against whistleblowers. We are committed to building a trust-based organizational culture where employees can speak up without fear.

Grievance Handling Process



Human Rights Management

Expansion of DE&I Practices

DE&I Strategic Direction

Changshin upholds the values of Diversity, Equity, and Inclusion (DE&I). Our vision of “diversity” goes beyond the simple recognition of differences—it aims to foster a new organizational culture rooted in mutual trust and respect. Changshin prohibits all forms of discrimination based on gender, race, religion, age, disability, sexual orientation, pregnancy or marital status, nationality, political beliefs, or labor union membership. We are committed to providing equal opportunities in all areas of employment, including recruitment, promotion, education, compensation, and welfare and benefits. These principles are clearly stated in our work rules and Code of Conduct. Based on this foundation, Changshin has positioned diversity and inclusion as a mid- to long-term human rights priority and is operating a variety of programs to promote it.

Gender Equity Assessment

To create a gender-equal working environment, Changshin regularly conducts Gender Equity assessments across all production subsidiaries. This assessment, developed in partnership with its client and the International Center for Research on Women (ICRW), is a self-diagnostic tool focused on expanding female leadership and fostering skilled female workers. The assessment is structured around ten core areas that have a practical impact on gender equity. Each business site conducts an annual self-assessment to evaluate the maturity level of its policies, systems, and culture. The results are verified by the client through on-site inspections and translated into a rating level. As of 2024, all Changshin production subsidiaries achieved Level 4 (Mature Stage). This is a meaningful achievement, demonstrating that gender equity principles have been effectively internalized and implemented at our business sites.

Ten Core Areas of Gender Equity Assessment

Gender equity policies	Recruitment and employment procedures	Job competency development	Employee evaluation and promotion systems	Wage and compensation systems
Prevention of sexual harassment and bullying	Work-life balance support systems	Health, safety, and welfare	Transportation and accommodation provisions	Gender equity performance measurement and monitoring

WEPs Membership

To proactively respond to global regulations and expand diversity within the organization, Changshin has joined and supports the Women’s Empowerment Principles (WEPs), a global initiative aimed at promoting gender equality and empowering women. The WEPs were launched jointly in 2010 by the United Nations Global Compact (UNGC) and UN Women as part of the UN’s 2030 Sustainable Development Goals, specifically to advance the goal of achieving gender equality. Changshin fully supports the seven principles of WEPs and continues to make efforts to protect women’s rights and create a gender-equitable workplace based on these principles.

Women Talent Development Program

To build a sustainable organizational culture grounded in diversity and inclusion, Changshin actively supports the growth and leadership development of women employees. As part of this effort, since 2022, Changshin has consistently selected female leaders twice annually — once in the first half and once in the second half of the year — to participate in the “Next-Generation Women Leaders Conference” hosted by WIN (Women in Innovation), a non-profit organization. Through expert lectures and group workshops, participants have the opportunity to network with women leaders across industries and functions, deepen their self-awareness and leadership capabilities, and broaden their perspective as leaders within the organization. Changshin will continue to expand opportunities for women talent to participate in various external training and networking programs, supporting their growth during career transitions and leadership journeys.

Participants in the Next-Generation Women Leaders Conference

58employees
(2022~2024)



International Women's Day Event

To promote a culture of gender equality, Changshin has hosted internal events in celebration of International Women’s Day since 2024. In 2025, under theme “Accelerate Action,” we emphasized the urgency of taking faster and more decisive steps toward gender equality. To encourage easy and enjoyable participation among employees, we set up a photo zone and distributed commemorative bread with messages celebrating Women’s Day. Additionally, through card news and quiz events, we helped raise awareness about the significance of International Women’s Day and promoted company-wide participation, contributing to a broader understanding of gender equality.



ESG Highlight

Global DE&I Best Practices | Advancing a Women-Friendly and Diverse Organizational Culture

Changshin Indonesia's Efforts to Strengthen Women's Diversity and Inclusion

Changshin Indonesia operates a variety of programs to promote the health and well-being of women employees and to realize the values of diversity and inclusion. In collaboration with the Indonesian Ministry of Health, Changshin Indonesia hosted a talk concert in celebration of World Breastfeeding Week for working mothers. The event was attended by over 200 employees and government officials, and the company received a plaque of appreciation for its support policies for pregnant employees and efforts to enhance tailored welfare services. Changshin Rekso Jaya also operates health education and wellness programs focused on pregnancy and childbirth during Women's Health Month each year, helping women employees work in a safer and healthier environment.



Safety Team, Changshin Indonesia | Aulia Dewi Nuur Halimah

I believe Changshin is a women-friendly and gender-equal workplace. There are equal opportunities for women to grow into leadership roles, and various programs and support facilities are in place for female employees. In addition to wellness events for women, we have specialized training and fitness programs for pregnant employees, including prenatal yoga and aerobics. Facilities such as restrooms for pregnant employees, ultrasound (USG) services at the in-house clinic, a dedicated cafeteria line for expectant mothers, and an in-house ambulance on standby allow women to work with peace of mind even during pregnancy. There is also a supportive culture that allows employees to balance work and parenting after childbirth. The company provides a nursing room, and supervisors are considerate of employees' breastfeeding time. We also offer opportunities for families to experience the company's culture through family invitation events and Family Day programs. During my pregnancy, I once experienced a medical emergency. Thanks to the swift response from the company clinic and ambulance, I was quickly transported to the hospital. This emergency response system provides a strong sense of psychological security for expectant mothers. We believe that Changshin is successfully creating a culture that considers and supports female employees to continue their careers stably while balancing childbirth and childcare without career interruption.

Head of the Sustainability Management Team, Changshin China | Helen Wang



I joined Changshin in November 1998 and have been working here for about 27 years. I began my career as a production worker in the sewing department. Through various education programs and growth opportunities provided by the company, I developed my capabilities and transitioned to the Sustainability Management Team in 2000, where I now serve as the team leader. My journey from a frontline worker to a managerial role—and from a team member to a female team leader—was made possible by Changshin's culture of diversity, inclusion, and fair competition. Changshin offers equal opportunities for career development and skill enhancement to everyone, while supporting work-life balance through a flexible working environment. Without gender-based discrimination or inequality, all employees are given a chance to grow through continuous learning and skill development. I always encourage younger female colleagues to be confident. Believe that you can deliver outstanding results even in ordinary tasks, and focus not just on completing work—but on doing it well. If you continue to develop your expertise, collaborate with your team, and grow steadily, I believe women can achieve meaningful outcomes and realize their goals and dreams.

Changshin China | Family-Friendly and Women's Health Promotion Programs

To build a healthy organizational culture that supports work-life balance and increases employee satisfaction through diversity and inclusion, Changshin promotes a wide range of DE&I initiatives. Changshin China hosts a family invitation event each year, with participation from around 100 families. These events strengthen the bonds between employees and their families and provide family members with the opportunity to experience the company's culture firsthand. We also operate various women-focused health and wellness programs to support the well-being of our female employees. These include free cervical cancer and breast cancer screenings, which are part of our ongoing efforts to improve women's health. Such family-friendly programs and women's health initiatives play a positive role in establishing a women-friendly organizational culture at Changshin China and in advancing the values of DE&I.



ESG Highlight

Global DE&I Best Practices | Employment of Persons with Disabilities and Inclusive Organizational Culture

Establishment of a Special Production Line for Employees with Disabilities (Inspiration Line)

Changshin Rekso Jaya operates a special production line called the “Inspiration Line” to foster an inclusive organizational culture and improve job adaptability, retention, and job satisfaction among employees with disabilities. This line is primarily composed of employees with hearing impairments, and goes beyond basic placement to offer a disability-friendly working environment. Team leaders communicate with workers using sign language, and visual signals (lamps) are used to convey various situations, facilitating smooth communication and ensuring a safe work environment. This operational model has made a positive contribution to the stable employment and increased job satisfaction of employees with disabilities.

Head of Administration, Changshin Rekso Jaya | Heehyun Kim



Q. What was the background and purpose behind operating the special production line for persons with disabilities?

Changshin Rekso Jaya introduced the Inspiration Line under the strong support of our top management, grounded in our commitment to providing opportunities for independence and growth to employees with disabilities. This production line was designed not merely as a means of employment but to systematically support a safe working environment and capacity-building for employees with disabilities. The Inspiration Line serves as a symbolic representation of Changshin's core values of human rights and inclusion, and it stands as a leading example of our commitment to social responsibility. Today, the initiative has gained positive recognition not only from employees with disabilities but also from the local community and the client, positioning us as a company where people with disabilities want to work.

Q. What key operating principles and support systems have you implemented to ensure stable employment for employees with disabilities?

The values we prioritize most are inclusion, equity, and diversity. Employees with disabilities often have heightened emotional sensitivity, so thoughtful consideration is essential—above all, we place the highest priority on ensuring a safe working environment. To this end, we have installed specialized emergency alarm systems, dedicated meal distribution areas, and private restroom stalls for employees with disabilities. We've also created designated parking spaces and provide vehicle support to improve mobility. In addition, we facilitate regular communication between the General Manager/plant head and employees with disabilities through informal dinner gatherings. To break communication barriers, we conduct sign language training for both on-site managers and HR staff. To address potential physical and psychological safety blind spots, we have installed communication signal lamps to alert workers during emergencies. Fire and evacuation drills are also conducted rigorously, ensuring that the safety of employees with disabilities remains our top priority.

Q. Have you seen any positive changes or outcomes at the worksite since the introduction of the Inspiration Line?

Since the introduction of the Inspiration Line, our employees have gained a deeper understanding of the values of inclusion, equity, and diversity, and an organizational culture of mutual respect—regardless of physical differences—has taken root naturally. Our experience in hiring employees with disabilities has had a positive ripple effect on employees without disabilities as well. As a result of these efforts, our subsidiary received a national commendation from the Indonesian government as an Outstanding Employer of Persons with Disabilities, and we've built a strong and positive reputation within the local community.

Q. Are there any future plans or organizational improvements in progress to further support working alongside persons with disabilities?

We are currently planning a variety of communication programs that will include participation from both employees with and without disabilities. We are also reviewing additional measures such as dedicated lunchtime transport services and the provision of electric wheelchairs to assist employees with mobility challenges. Looking ahead, we will continue to improve our systems and infrastructure so that employees with disabilities can work in an environment that is more stable, comfortable, and empowering.

Changshin Rekso Jaya Recognized as an Excellent Employer of Persons with Disabilities

In recognition of its inclusive corporate culture, Changshin Rekso Jaya was selected by the Indonesian government as an “Excellent Employer of Persons with Disabilities” and received a commendation from the Minister of Manpower. This prestigious award is given to three large companies in Indonesia that have demonstrated exemplary implementation of employment policies for persons with disabilities. The award acknowledges the ongoing efforts of Changshin Rekso Jaya to expand employment opportunities for persons with disabilities and to build a sustainable workplace based on diversity and inclusion. Changshin will continue to strengthen its commitment to DE&I values and aims to further solidify its position as a leading inclusive employer in Indonesia.



Safety and Health Management

Changshin places safety as the highest priority under the vision that “All accidents and illnesses in the workplace are preventable.” We are enhancing our proactive safety management capabilities based on organizational and personnel expertise, and we have built a culture where all employees practice safety and health, led by strong leadership from top management. We are also strengthening our on-site safety management system by securing specialized capabilities for managing major accident risks and conducting risk assessments centered on field operations. Through these continued efforts, Changshin is committed to building a sustainable and safe working environment across all of our business sites.

Safety and Health Management System

Safety and Health Policy

Changshin Inc., guided by a management philosophy rooted in respect for human life, regards safety, health, and the environment as the most fundamental components of its business. To prevent injuries and health impairments among employees and to achieve a safe, healthy, injury-free, illness-free, and pollution-free workplace, we have established and operate the following Safety and Health Policy:

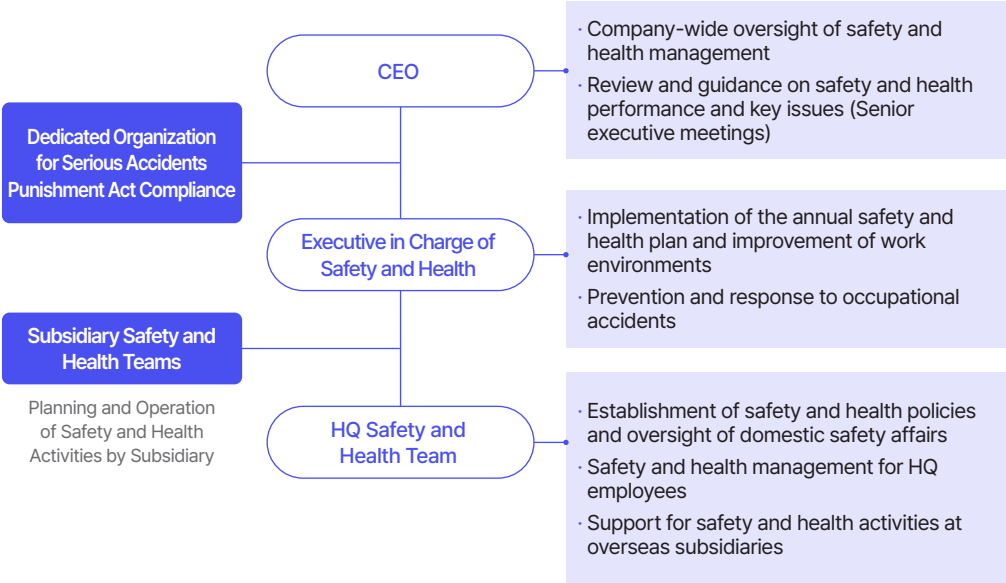
1. Establish and implement safety and health goals to create a corporate culture in which all employees understand and voluntarily participate.
2. Analyze the impact of all processes—including product design, purchasing, manufacturing, and delivery—and continuously improve by establishing corrective actions for identified issues.
3. Assess safety and health activities and provide financial and technical support to ensure that major risks and impacts remain at acceptable levels.
4. Actively comply with domestic and international laws and regulations related to safety and health, as well as with stakeholder standards and requirements.
5. Provide education and training to ensure an effective system through the efforts of all employees, including partner companies.
6. Conduct regular inspections of safety and health activities and continuously enhance the system through corrective actions.
7. Ensure the participation of employees and employee representatives in accident prevention and preparedness measures, and improve the system through feedback and consultation.

Safety and Health Management Strategy

Vision | All Accidents and Illnesses in the Workplace Are Preventable.

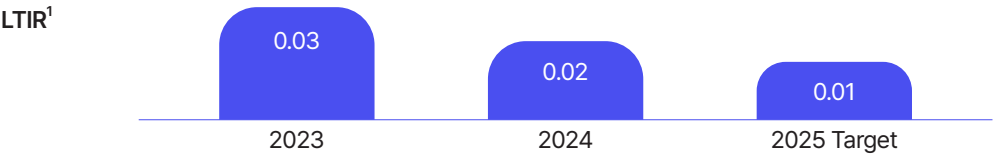
Leadership Commitment	Proactive Safety Management	Establishment of a Safety Culture
· Leadership Safety & Health KPIs · Safety & Health Management System · Transformational Leadership Program	· Machinery safety · Fire safety	· Enhanced employee engagement · Safety and health maturity assessment

Occupational Safety and Health Governance



Safety and Health KPIs

Changshin incorporates the number of serious accidents and the Lost-Time Incident Rate (LTIR) into company-wide leadership KPIs to strengthen occupational safety and health management. These indicators are defined as shared responsibility metrics for all C-level executives, division heads, and overseas subsidiary heads. This structure ensures that top management remains fully aware of the importance of safety and health and actively demonstrates leadership in this area.



¹ LTIR (Lost-Time Incident Rate): Number of lost-time incidents per 200,000 working hours

Safety and Health Management

Safety and Health Management System

Changshin has obtained ISO 45001 certification, the international standard for occupational health and safety management systems, to establish a globally recognized safety and health management framework. We maintain this certification at our headquarters in Korea as well as at Changshin Vietnam, Changshin China, and Changshin Indonesia, and we plan to continue enhancing our safety and health management system across all sites.

Certification Status of Domestic and Overseas Business Sites

Business Site	Certification Period
Changshin Inc. (Headquarters)	2023.07.~ 2026.07.
Changshin Vietnam	2024.05.~2027.05.
Changshin China	2023.02.~2026.02.
Changshin Indonesia	2023.01.~ 2026.01.



IOSH Business Assurance Certification

Changshin is collaborating with the Institution of Occupational Safety and Health (IOSH) in the United Kingdom to elevate our corporate-wide safety and health culture beyond ISO 45001 compliance. Using IOSH's Business Assurance Tool (BAT), we assessed the maturity level of our company-wide safety and health culture and achieved Level 6 (Active Level)—a recognition reserved for companies with a highly mature safety and health culture. Based on IOSH's actionable improvement recommendations, we are developing and implementing strategic action plans aimed at achieving a more proactive and integrated level of safety and health management. Changshin will continue to embed a safety and health culture throughout the entire organization, going beyond regulatory compliance to build a global-standard safety management system.



IOSH BAC
Level 6 Achieved

Occupational Safety and Health Audits

Changshin conducts regular safety and health audits for both domestic and overseas subsidiaries. We verify compliance with relevant laws and internal policies, enhancing the rigor of our assessments through both internal audits by the headquarters safety team and external third-party audits. Any findings identified through these audits are promptly addressed with corrective actions.

Category	Audit Method		Audit Target	Frequency	Audit Scope
Regular Audit	SLCP ¹	Third-party audit (Client-requested)	All business sites	Annually	· Implementation of Code Leadership Standard (CLS) ²
	Review of compliance with the Serious Accidents Punishment Act	Conducted by dedicated SAPA team	Domestic	Monthly	· Safety and health compliance under the SAPA Enforcement Decree
	External audit by ISO body	Third-party audit (Client)	ISO-certified sites	Annually	· Review of overall OH&S management system based on ISO 45001 standards
Special Audit	Unannounced audit	Third-party audit (Client)	All business sites	Irregular	· Compliance with Code Leadership Standard (CLS)
	Overseas Subsidiary Safety Audit	HQ Safety Team	Overseas	Irregular	· Verification of compliance with ten essential safety and health elements (252 items) based on CLS

¹ SLCP (Social & Labor Convergence Program): Third-party audit for safety, health, and labor practices
² CLS (Code Leadership Standard): Client-developed standard for labor practices, safety, health, and environmental management

Special Safety Audits at Overseas Subsidiaries

Business Site	Audit Scope	Findings	Corrective Actions
Changshin Vietnam	· Inspection of compliance with group safety and health management regulations · Fire safety diagnosis	· Insufficient training programs for newly hired employees · Inadequate safety measures for contractors · Lack of response procedures in case of sprinkler malfunction	· Extended training hours for new hires · Additional guidance on emergency evacuation areas and emergency exits for contractors (O/T) · Established response procedures for sprinkler malfunctions
Changshin China	· Inspection of compliance with group safety and health management regulations · Fire safety diagnosis	· Omission of ad-hoc risk assessments in machinery safety · Lack of evaluation for LOTO procedures · Inadequate storage procedures for flammable and combustible materials	· Provided tools for ad-hoc risk assessments · Implemented annual evaluations · Revised fire safety management procedures
Changshin Indonesia*	· Inspection of compliance with group safety and health management regulations · Fire safety diagnosis	· No HSE ³ Committee Chair appointed · Inadequate safety measures for powered industrial trucks · Poor management of automatic fire suppression systems	· Appointed HSE Committee Chair · Installed trailer restraint devices · Developed and implemented a fire equipment checklist

³ HSE: Health, Safety, and Environment
* Includes Changshin Reksa Jaya

Safety and Health Management

Enhanced Response to Serious Accidents

Serious Accident Management System

Changshin places the highest priority on preventing serious accidents and creating a safe working environment through the operation of a dedicated organization for compliance with the Serious Accidents Punishment Act (SAPA). At the group level, we have also established a company-wide safety and health management system to strengthen oversight of SAPA-related compliance. The dedicated organization reviews each business site's annual safety and health plans and objectives at the beginning of the year, and monitors semiannual compliance with safety and health checkpoints for each site. Beyond legal compliance, we conduct regular SAPA-related meetings every half year and perform special safety inspections during subcontracted, outsourced, consigned, or construction work to ensure actual prevention of serious accidents. We also evaluate supervisors' performance every half year and recognize and reward outstanding safety supervisors as part of our ongoing efforts to strengthen safety leadership.

Serious Accident Management Tasks	Frequency
Review of safety and health plans and goals	Annually
Compliance monitoring of SAPA-related tasks	Semiannually
Regular SAPA task meetings	Semiannually
Performance evaluation and recognition of safety supervisors	Semiannually
Special safety inspections for subcontracted, outsourced, or construction work	As needed



Regular SAPA meetings



Supervisor performance evaluation

Compliance Monitoring of SAPA-Related Tasks

Through SAPA compliance reviews at each site, Changshin has completed corrective actions on all identified issues and continues to monitor for sustained improvement. In 2024, we conducted monthly compliance checks at five business sites, including the headquarters. All identified issues related to the implementation of safety and health management systems, sharing of opinions on safety management, legal compliance, risk assessments, and emergency drills were resolved.

Review Area	Review Details and Corrective Actions
Occupational Safety and Health Management System	- Public disclosure of safety and health policy and reporting of budget allocation - Oversight of procedural compliance by departments involved in construction
Promotion of Safety Culture	- Company-wide sharing of safety and health meeting outcomes - Implementation of supervisor responsibilities in hazard prevention - Communication with employees on committee agenda items
Legal Compliance	- Compliance assessment using fire prevention and fire facility law checklists - Safety and health legal compliance evaluations conducted once in the first half and once in the second half of the year - Confirmation of legal training completion for new hazardous materials managers - Supervisor responsibilities include understanding and enforcing legal requirements
Safety Risk Assessment	- Regular or ad-hoc risk assessments of contractor work - Annual evaluations for on-site subcontractors - Reporting of identified hazards and follow-up actions
Emergency Drills	- Addressing issues identified through emergency drill results - Implementation of emergency response drills

Safety and Health Management

Proactive Safety Management

Machine Safety

Since 2020, Changshin has been implementing a Machinery Safety Project to proactively prevent accidents caused by unsafe machinery. Through internal risk assessments, we categorize machinery into high, medium, and low-risk levels, and we conduct third-party risk assessments for machinery identified as medium to high-risk. As of the first quarter of 2025, we completed third-party risk assessments for 97% of all machinery and plan to complete assessments for all remaining machines by the second quarter of 2025. Based on the assessment results, we reduce machine-related risks by improving identified hazards in medium and high-risk machinery, while also working to prevent accidents stemming from unsafe behavior by establishing standard operating procedures (SOPs) and providing safety training to employees.

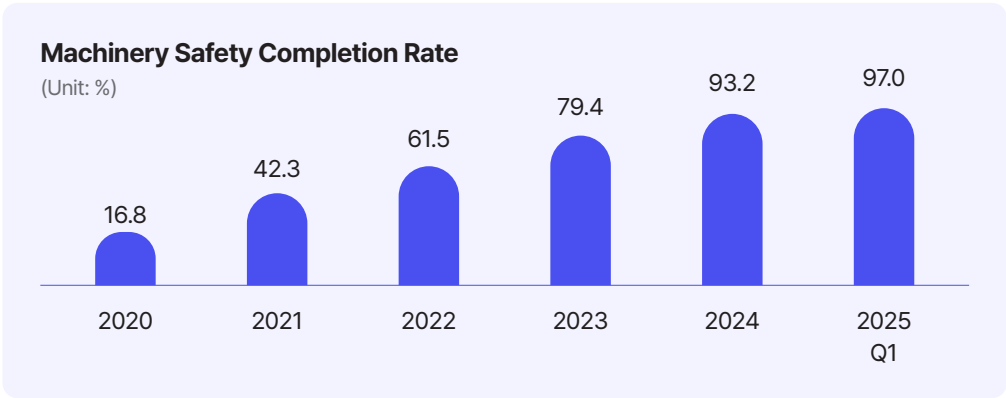


Photo of Completed Improvements to High-Risk Machinery



Near Miss¹ Identification and Prevention Activities

Changshin continuously carries out activities to identify and address unsafe conditions in the workplace to proactively manage safety and health risks. Our Safety and Health Team conducts regular on-site inspections to detect risk factors in advance, identifying and addressing a total of 64 improvement items throughout 2024. We also operate a Near Miss Reporting and Safety Improvement Proposal Campaign for all employees. Outstanding cases reported each quarter are selected through employee voting and awarded to encourage active participation. Furthermore, we conduct a comprehensive quarterly evaluation based on various indicators, including the number of near miss reports, field inspection scores from the HSE Committee, the number of safety incidents, and safety training completion rates. Based on this evaluation, we select and recognize outstanding teams for safety and health, reinforcing a field-oriented culture of autonomous safety.

Outstanding Near Miss and Safety Improvement Proposals in 2024

Improvement Proposal Cases from Near-miss Incidents	Outcome
Installation of guarding equipment to prevent entanglement in conveyor rotating parts	· Prevention of entanglement/crushing injuries
Installation of protective device on cutting machine	· Prevention of pinch/cut injuries
Change in work method by attaching a presser foot hook to the sewing machine	· Prevention of needle puncture injuries
Improvement to prevent sparks in adhesive machine	· Prevention of fire and secondary electrical shock injuries
Repositioning of roller on water-based laminating machine	· Secured work space and prevention of hand entrapment
High-frequency spark prevention	· Prevention of fire and secondary electrical shock injuries
Installation of emergency stop button at the inlet of the palletizing machine	· Prevention of entanglement injuries from rotating parts



Awards for Outstanding Safety and Health Organizations



Plaque presented to top-performing teams in safety and health

¹ Near Miss: A situation that did not result in an actual accident but had the potential to develop into one.

Safety and Health Management

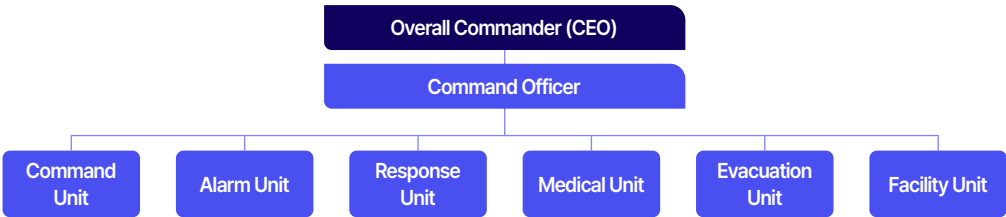
Emergency Response

Emergency Response Management System

Changshin has established and operates an Emergency Response Policy and management system to protect people, the environment, and property while minimizing damage in the event of internal emergencies—such as fires, explosions, and chemical accidents—as well as external disasters, including typhoons, earthquakes, torrential rains, civil unrest, and foodborne illnesses.

Emergency Response Organization

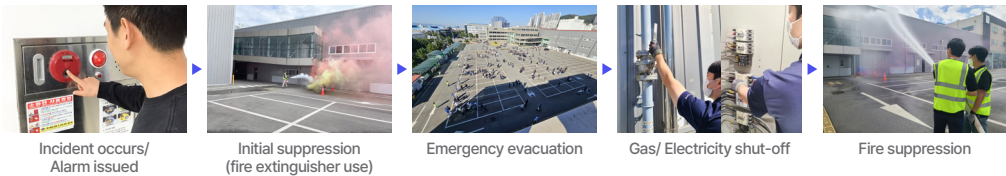
To ensure prompt communication and response, Changshin has proactively formed an emergency response organization. Through ongoing training and drills, we aim to minimize damage to life and property through effective early-stage response.



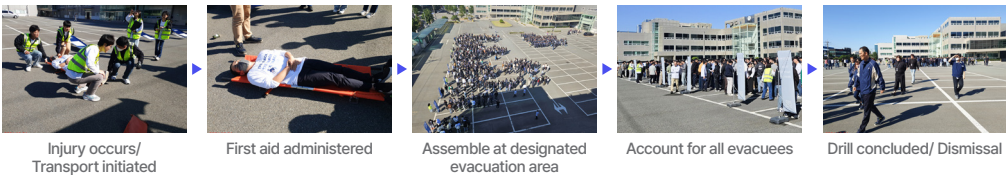
Emergency Response Drills

Changshin conducts emergency response drills to ensure employee safety and protect company assets through incident detection and alarm issuance during disasters such as fires. In 2024, we carried out initial fire suppression training and injured person evacuation drills, with 100% participation from all employees.

Fire Response Stages



Injury Response Stages



Fire Risk Assessment

To minimize fire incidents at overseas subsidiaries, Changshin conducted third-party fire risk assessments over a two-year period from 2023 to 2024. In 2023, 600 fire risk items were identified and 100% corrected, and for the 510 items identified in 2024, corrective actions are scheduled for completion by 2025. Each overseas subsidiary conducts regular fire prevention activities, including the installation of automatic fire suppression systems, fire drills, and emergency evacuation drills. In addition, we plan to continue our fire prevention efforts through internal fire risk assessments at each site.



Fire Safety Education

Changshin operates a specialized fire prevention training program, the Workplace Safety Facilitator (WSF) program, to strengthen field-level autonomous safety capabilities. This program was launched with the goal of training 1% of each subsidiary's employees as fire prevention experts, who would then share safety knowledge with their colleagues. The initiative has already exceeded its original target. In addition, we provide regular retraining for fire prevention experts to continuously raise awareness of fire risks and enhance on-site response capabilities.

Status of Fire Prevention Experts at Overseas Subsidiaries*



* As of Q1 2025

Safety and Health Management

Fire Prevention Investment

Upgrades to Fire Response Equipment

Changshin Inc.
(Headquarters)

To proactively prevent fires and enable rapid response, Changshin continues to invest in facility upgrades. In 2024, we completely replaced the fire protection system at our headquarters and upgraded the existing P-type fire alarm panel¹ to a digital R-type fire alarm panel². This improvement enhances visibility of fire zones, enables 24-hour network monitoring, and allows remote control of the system. We also installed flame detectors and sprinklers in high-risk areas and introduced SFEX³ automatic fire extinguishing systems inside power distribution panels to build a fire response framework that minimizes damage in the event of an emergency.



R-type Digital Fire Alarm Panel

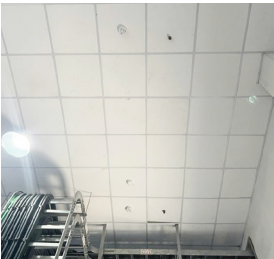
Strengthening Fire Prevention through RFID-based Equipment Inspection

Changshin Vietnam

Changshin Vietnam has installed automatic extinguishing systems, CO₂ detectors, and alarm systems in power transformer rooms to prevent electrical fires. In addition, RFID⁴ scanning systems are installed in each area to enable real-time confirmation of daily inspections of fire extinguishing equipment such as fire extinguishers and fire hydrants, managing to ensure that all fire extinguishing equipment is inspected without omission. All employees of Changshin Vietnam regularly participate in fire safety education and fire drills to develop capabilities for responding to fire incidents, and in April 2024, the company received a fire safety excellence workplace commendation from the Dong Nai Province Public Security Department of Vietnam in recognition of all employees' participation in fire prevention and fire extinguishing activities.



Automatic fire extinguishing systems, CO₂ detectors, and alert systems



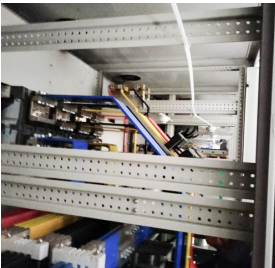
RFID-based fire equipment scanning system



Certificate of Fire Safety Excellence Workplace (Dong Nai Provincial Police Department)

Installation of Fire Suppression Systems in Electrical Panels

Changshin Indonesia has installed automatic fire suppression systems inside electrical panels, allowing fires caused by electrical faults to be extinguished in the early stages. These systems are carefully managed to ensure effective response in the event of panel fires.



Fire suppression systems inside electrical panels at Changshin Indonesia

Changshin Indonesia

¹ P-type Panel: An analog fire alarm panel that only displays the general alarm zone, making it difficult to identify the exact location of the fire.

² R-type Panel: A digital fire alarm panel that provides detailed location of fire detection, allows monitoring of sensor conditions and history, and enables a more precise fire response.

³ SFEX: An automatic fire extinguisher installed inside electrical panels to suppress fires in the early stages.

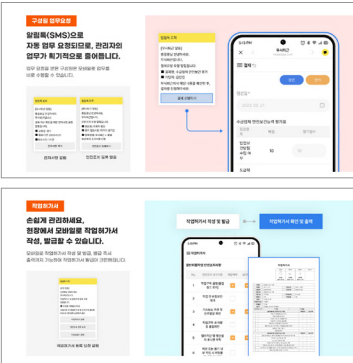
⁴ RFID (Radio Frequency Identification): A technology that uses radio waves to read and process data stored in electronic tags without physical contact.

Safety and Health Management

Establishment of a Safety Culture

Introduction of a Mobile-Based Safety Management Platform

Changshin has introduced a mobile-based safety management platform to provide real-time safety information and strengthen communication with employees. The platform offers integrated management of various safety functions, including tracking of safety training completion rates, registration and monitoring of safety inspection plans, near miss and accident reporting, and personal protective equipment (PPE) requests. For external construction personnel, a real-time work permit system has also been introduced, enhancing on-site safety supervision and control.



Occupational Safety and Health Education

Changshin operates customized education programs by job type and subject matter, aiming to establish a systematic and self-directed safety culture. For office workers, we provide an online and mobile-based safety education platform that enables easy and convenient access to training anytime, anywhere. For production site workers, we deliver in-person training sessions that combine real-life case studies and hands-on practice to enhance on-site applicability.

Category	Program Title	Participants	Completion Count	Training Hours
Office Staff	Regular Safety and Health Training	664	664	12 hours/person
	New Employee Training	71	71	8 hours/person
Production Positions	Regular Safety and Health Training	270	270	24 hours/person
	Supervisor Duty Training	19	19	16 hours/person
	New Employee Training	28	28	8 hours/person

Enhancing Safety and Health Communication

To build a safe industrial environment, Changshin operates the Occupational Safety and Health Committee, HSE Committee, and Subcontractor Council to establish safety and health policies and strengthen communication between management and the field.

Consultative Bodies	Members	Key Agenda Items
Occupational Safety and Health Committee	Safety and Health Manager Labor Union Chair Labor-Management Committee Members	- Review and approval of the annual safety and health management plan - Pre-risk assessment for outdoor events - Change of medical institutions for worker convenience - Implementation of workplace safety and health surveys - Voluntary health screenings - Work environment improvement at Jangrim Plant - Expansion of communication channels for employee feedback
HSE Committee	Safety and Health Committee Members	- Compliance with customer Code Leadership Standard (CLS) procedures - Joint inspections and on-site improvement initiatives - Recognition and awards for near miss reports and safety proposals
Subcontractor Council	Chief Officer for Safety and Health Safety/Health Managers Representatives (or delegates) of each subcontractor	- Support for regular safety and health training sessions - Verification and support of process risk assessments - Designation of evacuation routes and assembly points during emergencies - Monitoring of break room conditions and rest time compliance



Occupational safety and health education

Safety and Health Council

ESG Highlight

Global Safety Culture Best Practices

Winner of RoSPA Award

Changshin participates in the RoSPA Award hosted by the Royal Society for the Prevention of Accidents (RoSPA) to enhance our safety and health capabilities to a global standard. The RoSPA Award is a prestigious program that annually recognizes outstanding companies across global industrial sites by comprehensively evaluating four areas: safety and health management systems and processes, safety and health education, leadership engagement, and accident reduction initiatives. Since 2023, we have participated in the RoSPA Award and have consistently achieved award recognition each year. In 2025, all three subsidiaries—Changshin Vietnam, Changshin Indonesia, and Changshin China—achieved the remarkable milestone of receiving the RoSPA Gold Award. This achievement reflects the result of each subsidiary's efforts to establish a systematic safety and health system and to foster a mature safety culture based on the voluntary participation of workers. We will continue striving to create safe and healthy working environments at all our business sites in accordance with international standards.

RoSPA

Winner of RoSPA Gold Award

Changshin Vietnam, Changshin China,
Changshin Indonesia*, and Changshin Reksha Jaya

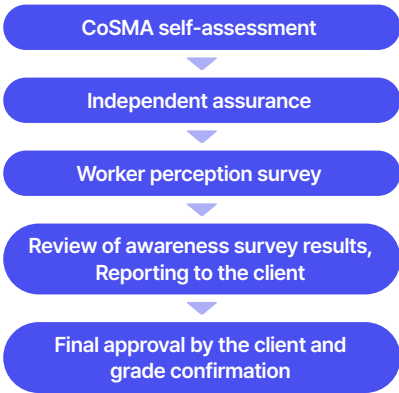


* Gold rating for the Indonesian satellite plant and Silver rating for the Indonesian main plant

Achievement of CoSMA Level 3

With Changshin Reksha Jaya reaching Level 3 in the Culture of Safety Maturity Assessment (CoSMA) program, all of Changshin's overseas subsidiaries have successfully achieved the CoSMA Level 3 target. CoSMA is a global assessment tool that evaluates a company's level of safety culture maturity, through a comprehensive review of leadership participation and accountability, management systems and processes, as well as organizational capabilities and technical competencies. In alignment with our group-wide mid- to long-term strategy, Changshin has been steadily promoting the establishment of a robust safety culture. We have also set mid- to long-term goals for our overseas subsidiaries to create globally safe and healthy workplaces. Currently, we are pursuing continuous improvement activities to attain CoSMA Level 4. Moving forward, we will further advance our global safety culture and build an organizational culture that prioritizes the safety and health of all employees.

CoSMA Level Achievement Procedure



Independent assurance for CoSMA

CoSMA Levels

- Level 1

Spectator
- Level 2

Participant
- Level 3

Olympian
- Level 4

Record Holder
- Level 5

The Legend

Safety and Health Management

Employee Health Promotion

Musculoskeletal Disorder Prevention and Management Program

Changshin operates various protective measures and education programs to prevent musculoskeletal disorders that may occur in the workplace. We provide site workers with protective gear such as back, shoulder, and wrist supports to reduce physical strain caused by repetitive tasks. In addition, we offer pre- and mid-shift stretching sessions and sufficient rest breaks, contributing meaningfully to the prevention of musculoskeletal disorders. We also conduct musculoskeletal disorder prevention education at least once a year to raise awareness of proper working postures and body mechanics. In 2024, a total of 312 employees participated in four sessions of this program.

Health Dream Event

Changshin hosted the Health Dream Event in collaboration with the local health center's "Visiting Health Dream Center" program to help enhance employees' health management capabilities. Through this event, employees received a wide range of health promotion services such as metabolic syndrome screening, fluoride treatment for oral health, smoking cessation, and alcohol reduction programs. Participants were also able to assess their current health status and received personalized health management guidance through professional counseling. This initiative provided an opportunity for employees to practice healthier lifestyle habits.

Mental Wellness Bus

To support employees' mental health, Changshin provides access to visiting psychological counseling services such as the Mental Wellness Bus. We offer opportunities for employees to conduct self-assessments of their mental health and receive one-on-one consultations with mental health professionals. When needed, follow-up support is provided through referrals to specialized institutions.

Workplace Stress Management Program

Changshin operates a Workplace Stress Management Program to promote employees' mental well-being and alleviate job-related stress. Based on a comprehensive understanding of workplace stress, the program provides education on stress factors, symptoms, coping strategies, and management methods, helping employees maintain healthy psychological conditions on their own. For effective psychological healing and recovery, the program includes experiential sessions such as art therapy (to relieve job burnout), aromatherapy (to enhance emotional stability and resilience), and horticultural therapy (to support self-acceptance and emotional recovery), all of which have received high satisfaction ratings from participants. In 2024, this program was conducted four times. Going forward, Changshin will continue to expand customized psychological support activities to promote both the physical and mental health of our employees.

CPR Education

Changshin regularly provides cardiopulmonary resuscitation (CPR) education to equip employees with the capability to respond swiftly in emergency situations. This training includes both theoretical instruction and hands-on practice in chest compressions and the use of automated external defibrillators (AEDs), allowing employees to gain practical first-aid skills.



Musculoskeletal disorder prevention education



Health Dream event participation



Workplace stress prevention program

ESG Highlight

Global Health Promotion Best Practice

Changshin Vietnam | Diabetic Retinopathy Prevention and Management Program

As part of our mid- to long-term health strategy to promote employee well-being, Changshin Vietnam expanded its existing cataract surgery support initiative into a new program for the prevention and management of diabetic retinopathy, a common complication of diabetes. In 2024, we signed memorandums of understanding (MOUs) with Retimark, a biotechnology company, Dong Nai General Hospital, Seoul National University Bundang Hospital, and the National University Hospital of Singapore, and enhanced our diabetes management education with the involvement of medical experts from Seoul National University Bundang Hospital. The program supports real improvements in lifestyle habits by offering customized meals and health education for retirees and their families, while simultaneously running campaigns to promote participation in fasting blood sugar tests, reinforcing a prevention-oriented health management framework. Beginning in 2025, we plan to conduct precision diagnostic screenings for diabetic retinopathy on approximately 500 high-risk employees each year. To support this initiative, we donated medical equipment to Dong Nai General Hospital and established a telemedicine consultation system connecting Korea, Vietnam, and Singapore to strengthen the linkage and efficiency of diagnosis and treatment. Through these internationally coordinated health programs, Changshin is proactively addressing key public health issues in the region while building a sustainable health model that contributes to improving the well-being of both employees and the local community. We plan to expand the program's beneficiaries to include residents of the Dong Nai region and further develop it into a collaborative public health model that fosters mutual growth between the company and the community.



Signing of MOU for Diabetic Retinopathy Support Program



 Executive Director, Changshin Vietnam | **Sungwook Um**

Q. What led Changshin Vietnam to initiate the diabetic retinopathy prevention and management program?

Vietnam is one of the countries experiencing a rapid increase in the prevalence of diabetes. In recent years, there has also been a rise in vision loss caused by diabetic retinopathy, and we have seen a growing number of employees in the Dong Nai region reporting related symptoms. Since 2001, we have supported cataract surgeries in partnership with local hospitals, and through this initiative, we came to understand employees' needs for vision recovery and the health challenges they faced. That experience led us to realize the importance of proactively addressing vision-related conditions caused not by external factors like ultraviolet light but by diabetes complications. As a result, we expanded the program to include diabetic retinopathy, which requires early diagnosis and systematic prevention.

Q. How do you think this program has positively impacted employee health and organizational culture?

This program has helped employees become more aware of their health by encouraging regular checkups and education. It also fostered a natural culture of self-regulated habits in diet and lifestyle. For instance, meal operations that consider health, such as providing diabetic meals, are receiving positive responses from employees, and the perception that the company genuinely cares about employee health is also taking root. Above all, the emphasis on prevention over treatment has elevated health management from a simple welfare offering to a key pillar of how we operate as an organization. We expect this momentum to continue driving the development of a healthier and more sustainable organizational culture.

Q. What was the reason for partnering with domestic and international institutions for this program, and what stood out to you most?

While local hospitals in Vietnam have extensive experience in diagnosis and treatment, they had limitations in conducting advanced diagnostics using precision equipment. To introduce a more sophisticated and early-detection-focused program, we partnered with overseas medical institutions such as Seoul National University Bundang Hospital in Korea and the National University Hospital of Singapore. Although coordinating the expertise and strengths of each institution wasn't easy, the synergy between the practical capabilities of local hospitals and the technical support from global hospitals came together naturally. One particularly memorable case was that of our employee, Le Thi Huong, who underwent surgery in Korea and regained her vision. More than just medical support, this case brought hope to many other employees and reminded us of the deeper purpose behind launching this program.

Q. What are the plans for further advancing health programs at Changshin Vietnam?

Currently, Changshin Vietnam operates a chronic disease management program focused on hypertension and diabetes. For hypertension, we offer monthly health clinics that include consultations and free medication. For diabetes, we provide monthly rapid testing and quarterly HbA1c tests, followed by workshops and consultations with specialists based on the results. The company cafeteria provides an average of 15,600 diabetes-friendly meals per month, and we are also improving meal plans to promote healthier eating habits. We plan to further strengthen the substantiality of the program by linking exercise programs with health campaigns to encourage employees to actively participate in health management themselves, and to lead to practical health improvements beyond simple prevention.

Supply Chain Management

Changshin is proactively responding to global ESG regulations and striving to strengthen sustainability throughout our entire supply chain. In particular, we closely monitor major international regulatory developments such as the Uyghur Forced Labor Prevention Act (UFLPA) in the United States and the Corporate Sustainability Due Diligence Directive (CSDDD) in the European Union. Based on this, we are gradually establishing a supply chain management system that aligns with these standards. We are also progressively expanding communication and support activities aimed at co-prosperity with our partners, thereby laying the foundation for building a sustainable value chain.

Supply Chain Management System

Supplier Code of Conduct

To promote responsible management throughout the supply chain, Changshin has established and implements a Supplier Code of Conduct. This Code outlines the minimum compliance standards that we expect from our partners and covers key sustainability areas such as working conditions, human rights, safety, environment, and ethics. Through this, we aim to work together with our partners to build a sustainable value chain.

Supplier Code of Conduct

Respect for Workers' Human Rights



- Prohibition of discrimination and child labor
- Payment of legally mandated minimum wage in each country
- Prohibition of forced labor and physical/mental abuse
- Compliance with legal working hours and respect for workers' rights
- Adherence to applicable laws and regulations in each country

Safety and Health Management



- Creation of safe and hygienic working environments
- Implementation of accident and injury prevention measures
- Consideration of safety and health in equipment and process changes
- Safety and health education
- Establishment of safety and health management systems

Minimization of Environmental Impact



- Efforts to reduce environmental impacts from business activities
- Improved efficiency in energy and resource consumption
- Cooperation with and protection of local environments

Ethical Compliance



- Prohibition of all forms of corruption and bribery
- Confidentiality protection systems for whistleblowers
- Respect for intellectual property rights and compliance with related laws and regulations

Legitimate Raw Material Sourcing and Procurement



- Management of origin throughout the supply chain
- Procurement of legally verified raw materials

Strengthening Supply Chain Compliance Capability

Changshin operates a quarterly Learning Community together with partners and its client to provide compliance-related education and facilitate ongoing information exchange on key issues. Our overseas subsidiaries also host Learning Communities with local partners, focusing on sharing best practices and engaging in mutual discussion centered on the client's Codes of Conduct. In parallel, we conduct sequential visits to each partner's factory to assess on-site management and discuss areas for improvement. Through these efforts, we support our partners in strengthening their practical capabilities to effectively comply with safety, health, and environmental regulations and respond to external audits. At the same time, we are building a sustainable supply chain foundation through collaborative learning with our partners.



Learning Community Activities



Sharing on-site best practices

Conflict Minerals Management

In accordance with the conflict minerals management policies of our global client, Changshin is faithfully meeting the requirements for responsible sourcing of raw materials throughout our supply chain. The global client conduct annual surveys to assess whether suppliers are managing conflict minerals appropriately and require that partners source 3TG (tin, tantalum, tungsten, and gold) only through smelters and refiners that meet the standards of the Responsible Minerals Initiative (RMI). In response, Changshin conducts annual surveys on our partners' use of 3TG minerals and has confirmed that these conflict minerals are not used in our current operations. We will continue to review and improve our internal management systems to keep pace with the global trend toward greater transparency and responsible sourcing across supply chains.

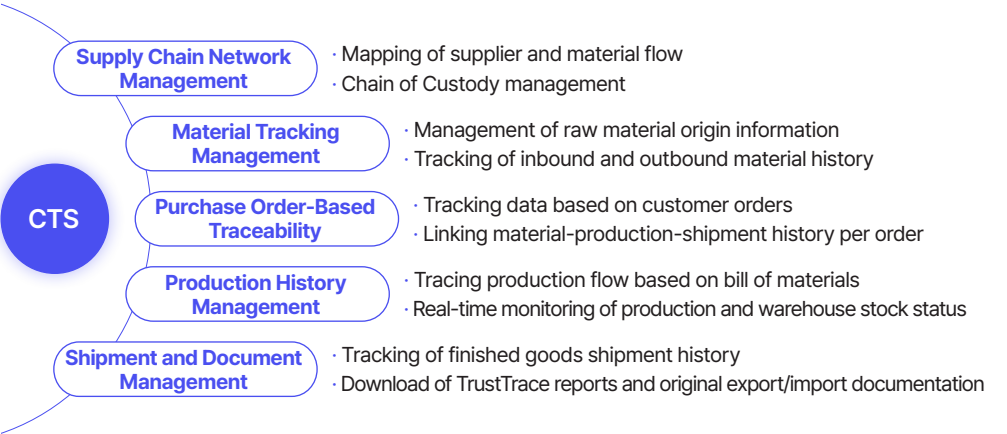
Supply Chain Management

Traceability Management

Introduction of the Traceability System

In response to the tightening of international ESG regulations and the growing demand from consumers for sustainability and transparency, Changshin has proactively introduced a Traceability system to enhance reliability across the entire supply chain. Traceability refers to a system that systematically records and tracks information generated throughout the entire lifecycle of a product—from production and distribution to consumption—providing a transparent foundation for managing the origin, manufacturing, and transportation history of raw materials. Since 2023, Changshin has operated a dedicated Traceability Task Force (TF) to analyze the operational status of each manufacturing subsidiary and develop a master plan based on the findings. As a result, we identified specific implementation tasks such as managing raw material origin data, integrating supplier information, improving verification procedures for finished goods warehousing, and supplementing quality history tracking processes. Based on these, we established the Changshin Traceability System (CTS) to centrally manage relevant data. CTS is a fully digitalized system that covers supply chain network management, material usage tracking, purchase order-based traceability, and Chain of Custody¹ management. This allows real-time access to detailed data for each stage—from customer order to final product shipment—and enables the download of original export/import documents and the TrustTrace Report² using a queried order number. The system not only enhances product safety and transparency but also helps identify the root cause of issues that may arise during production and clearly assigns responsibility. In doing so, it strengthens supply chain quality management, increases customer trust, and enhances brand value.

Functions of the Changshin Traceability System (CTS)

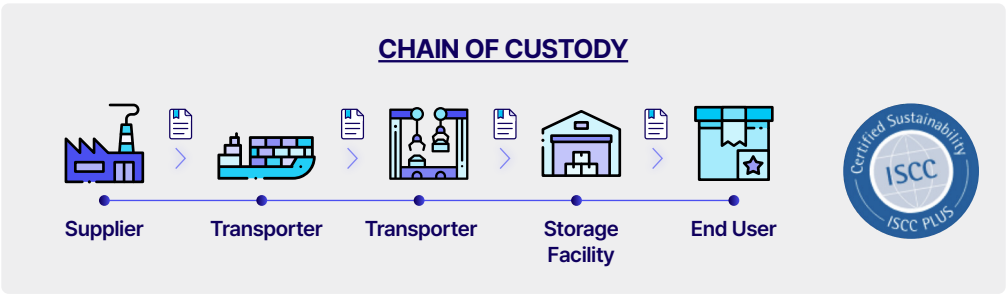


¹ Chain of Custody: A procedure for documenting and tracking the transfer of ownership and management responsibility for products or raw materials throughout the entire supply chain.

² TrustTrace Report: A specialized report addressing global standards and case studies for enhancing supply chain transparency and traceability.

ISCC PLUS Certification

Changshin is adopting ISCC PLUS (International Sustainability and Carbon Certification PLUS) to enhance resource circularity and strengthen our foundation for sustainable production. ISCC PLUS is a global certification system that verifies the sustainability and traceability of bio-based and recycled materials. It requires responsible management across the entire supply chain—from raw materials to final products. The certification is based on the Chain of Custody (CoC) model, which ensures consistency between the resources input and the products output by enabling continuous traceability and management of raw materials, intermediates, and finished goods. Depending on the production method of bio-based materials, the CoC model is classified into four types. The reliability of the certification is ensured through data recording at each stage of production and distribution, along with regular audits. Through ISCC PLUS certification, Changshin ensures transparency regarding the origin and usage of bio-based and recycled materials. This enables us to systematically manage the use of sustainable materials throughout the entire supply chain. In addition, by providing trustworthy sustainability information to our client and consumers, we continue to strengthen our efforts toward building an eco-friendly supply chain and reinforcing a responsible production system.



Traceability task force – overseas manufacturing subsidiaries master plan project in progress

Quality Management

Changshin is committed to a quality-first management approach that goes beyond meeting customer expectations, aiming to deliver the highest quality and maximum customer satisfaction. To ensure consistent quality across all Changshin Group business sites, we have established proactive quality management systems for each stage of the product lifecycle—development, mass production, and market deployment—and continue to strengthen quality awareness among all employees.

Quality Management System

Changshin operates a proactive Quality Management System (QMS) to deliver the highest quality and customer satisfaction that exceeds expectations. Through this system, we establish quality strategies and implement a systematic, data-based quality management process across all stages—product development, mass production, and market use.



Development Quality Management

From the early stages of product development, Changshin identifies potential quality issues through the Model Review (MR) process, establishes mass production readiness for new models, and manages CTQ and CTP to secure quality stability through standardized procedures.

Model Review (MR)	In the new product development phase, potential quality issues are identified early, and appropriate solutions are reviewed.
New Model Introduction	Before mass production of a new model, the production process, material readiness, and process conditions are verified and standardized.
CTQ–CTP Management	During the product development phase, we define Critical To Quality (CTQ) ¹ and Critical To Process (CTP) ² elements. In particular, we select the essential quality items that must be strictly followed and identify and manage processes that ensure quality assurance in a systematic manner.

¹ CTQ (Critical To Quality): Key quality characteristics

² CTP (Critical To Process): Key process control items for quality assurance

³ ISQ (In Station Quality Check) 6 Tool: Six key tools for detecting and preventing quality issues at each production process stage

⁴ OS&D (Over-run, Shortage & Defective): Overproduction, shortage, and defective products

Mass Production Quality Management

To ensure quality during mass production, Changshin applies the ISQ 6 Tool³, a quality management technique developed to establish a self-directed quality assurance system on the production floor. This system is composed of six core control items, enabling frontline workers to autonomously identify and manage quality risks. Implementation of the ISQ 6 Tool is regularly monitored by the Quality department. Based on inspection results, relevant departments develop corrective measures for any deficiencies and provide additional training to workers when necessary, thereby continuously improving understanding of the ISQ 6 Tool and enhancing overall quality awareness.

ISQ 6 Tool



Quality Management

Market Quality Management

Changshin actively conducts Market Trips and strengthens communication with its client to enhance quality reliability in the market and continuously improve customer satisfaction. We aim to connect market feedback to practical improvement initiatives to prevent potential quality issues in advance.

Market Trip

To enhance communication and customer service capabilities, Changshin conducts six Market Trips annually to proactively respond to quality issues arising in the market. During Market Trips, we identify quality issues found in the field by purchasing products directly, followed by visual inspection and laboratory testing. When producing the same footwear model as a competitor, we also purchase the competitor's product for comparative analysis and internal sharing to derive quality improvement insights. The findings are utilized in quality review meetings at overseas factories and incorporated into internal quality education materials, contributing to a company-wide enhancement of quality awareness.

Participation in Customer Quality Seminars (Quality Summit)

Each year, Changshin participates in quality seminars hosted by our client to share their latest quality strategies and policies and directly understand end-user quality expectations. These activities strengthen trust-based communication with the client and serve as opportunities to realign our quality competitiveness from the customer's perspective.

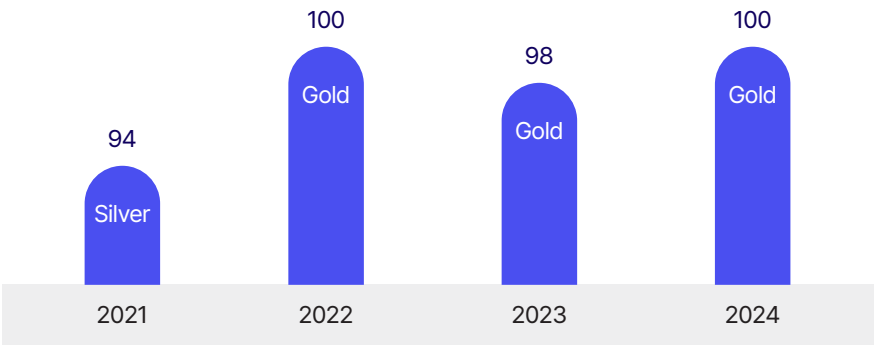
Broken Needle Policy/ Metal Detection Policy

To prevent potential consumer injury, all manufacturing lines are equipped with metal detectors to preemptively inspect for needles or metal fragments throughout the production process. If metal is detected on the production line, appropriate protocols are followed. Additionally, a weekly inspection of broken needles is conducted on all lines to ensure on-site compliance by workers.

Quality Management Based on Client Manufacturing Performance Indicators

Changshin receives quarterly comprehensive evaluations from its client based on their Manufacturing Index (MI), which assesses quality, delivery, and sustainability performance of each factory. For the quality category, performance is measured by bonding (adhesion) test results, inbound inspection results (quality inspection at the client's receiving stage), and consumer return rates and reasons. We regularly analyze this data, identify root causes of any underperforming quality indicators, and establish improvement targets. Feedback from the client is actively incorporated into our ongoing quality improvement initiatives. These efforts play a central role in reinforcing trust-based partnerships with the client and securing sustainable quality competitiveness.

Changshin Group Quality Evaluation Indicators



Information Security

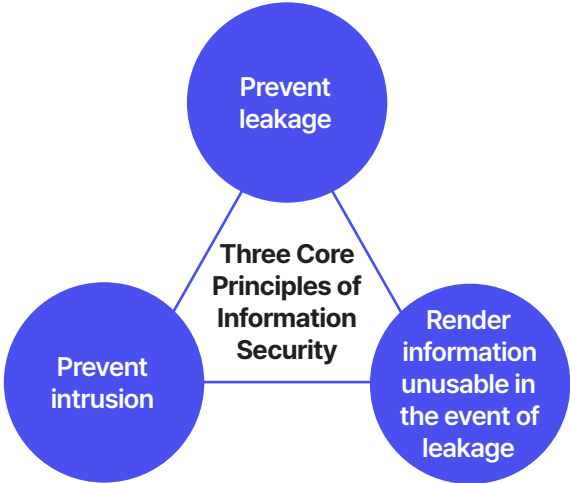
Changshin protects both company and client information assets through the rigorous operation of our information security system. Based on relevant laws and regulations such as the Personal Information Protection Act and the Act on Promotion of Information and Communications Network Utilization, we have established a systematic information security system and strengthen awareness of information and cybersecurity among all employees through regular education. This management system is uniformly applied to both our headquarters and overseas subsidiaries, effectively preventing data breaches and cyber threats that may arise in the era of digital transformation.

Information Security System

Information Security Framework

Changshin has established and strictly adheres to three core principles of information security. To protect the client's trade secrets, we proactively identify potential threats and prevent information leakage through both technical and administrative safeguards. A systematic information security policy and management system have been implemented across our headquarters and overseas subsidiaries, and regular security education and inspections are conducted to elevate company-wide security standards.

Three Core Principles of Information Security



¹ RFID (Radio Frequency Identification): A technology that uses electronic tags to wirelessly identify and track object information

² MDSS (Mobile Device Security System): A mobile device security system

Information Security System

Changshin has built an information security management system encompassing both product security and information security. For product security, we strengthen the protection of physical and digital assets through sample control, access control, and anti-recording systems. For information security, we manage secure storage and leakage prevention through the implementation of DRM, DLP, and print security systems.

Sample Management System

We have adopted an RFID¹-based sample tracking system that allows for real-time monitoring of sample movement and management. This system prevents sample loss and unauthorized removal, while reinforcing protection of product information.

DRM(Digital Rights Management) : Document Encryption System

All internally generated files are automatically encrypted through DRM technology. When files are accessed externally, a separate decryption process is required to prevent data leakage outside the company.

Access Control System

We have implemented access control using speed gates to prevent unauthorized access to company premises. Access logs for employees and visitors are systematically managed to enhance physical security.

MDSS² In-House Photography Prevention System

A strict no-photography policy is enforced within company premises. Using the MDSS app, the camera function on personal mobile phones is automatically disabled when passing through speed gates. Additionally, a separate in-house surveillance system is in place to fundamentally prevent unauthorized photography and information leakage.



Print Security System

To strengthen printed document control, we operate a print security system that requires employee badge authentication. User authentication is required when printing documents to manage printing records and prevent unauthorized printing and leakage of sensitive information.

DLP(Data Loss Prevention) : Information Leakage Prevention System

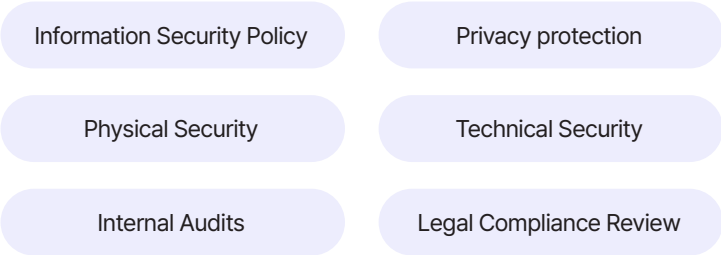
The use of personal removable storage media (USB, etc.) is blocked on company PCs, and only designated USB media approved by the security team can be used. This effectively blocks unauthorized export of important internal data.

Information Security

International Information Security Certification

Changshin acquired the ISO 27001 certification, the international standard for information security management systems, in 2020 and has maintained it to date. We systematically establish and operate policies such as developing our information security policy, defining the scope of information security, and complying with legal requirements. In addition, we continuously improve our systems and practices each year to strengthen our information security capabilities.

Scope of ISO 27001 Certification



Security Management For Partners

Changshin builds trust in all business transactions by ensuring rigorous information security management with all partners. When entering into contracts or initiating new projects with partners, we establish a legal basis for information protection by signing a Non-Disclosure Agreement (NDA). In addition, we require partner employees to submit a pledge to protect trade secrets, thereby clarifying their responsibility for information protection. Furthermore, the scope of information accessible to partner personnel is strictly limited to the minimum necessary. Access and handling rights are granted only for approved information, and permissions are managed to prevent misuse or data breaches in advance.

Employee Security Education

To raise company-wide awareness of information security and reinforce practical implementation, Changshin provides regular information security education to all employees. This education includes the basic concepts of information security, our company's information security management systems, real-world cases of security violations at other companies, employee security guidelines, and methods for anonymous reporting. The program is designed to be practical so that employees can effectively prevent security incidents in their daily work. Additionally, all new hires receive foundational information security education during onboarding, along with separate training on how to use secure equipment and data storage systems. For employees leaving the company, we mitigate security risks by implementing a process that includes the return of equipment and storage devices, deactivation of security systems, and inspection of personal belongings upon departure. We also monitor for any suspicious activity for a certain period after resignation to prepare for potential threats.

Employee Security Guidelines

To ensure that all employees naturally incorporate information security into their daily work, Changshin has established and distributed clear employee security guidelines throughout the company. These guidelines outline the core principles and behavioral standards of information security, and all employees are regularly informed and required to comply. We also operate an internal reporting system and channels that enable employees to promptly identify and respond to security breaches. Anonymous reporting is available to help instill a strong culture of information protection across the organization.

- 1

Compliance with procedures (e.g., no proxy approvals, no chaining of approvals)
- 2

No photography of production processes or samples using personal devices (mobile phones, cameras, tablets, etc.)
- 3

Unauthorized removal of samples or components (e.g., insoles, uppers) is prohibited
- 4

Use of samples without RFID tags is prohibited; any such case must be reported to the security team
- 5

Upon leaving work, computers must be shut down and removable storage devices such as USB drives must be stored in locked drawers
- 6

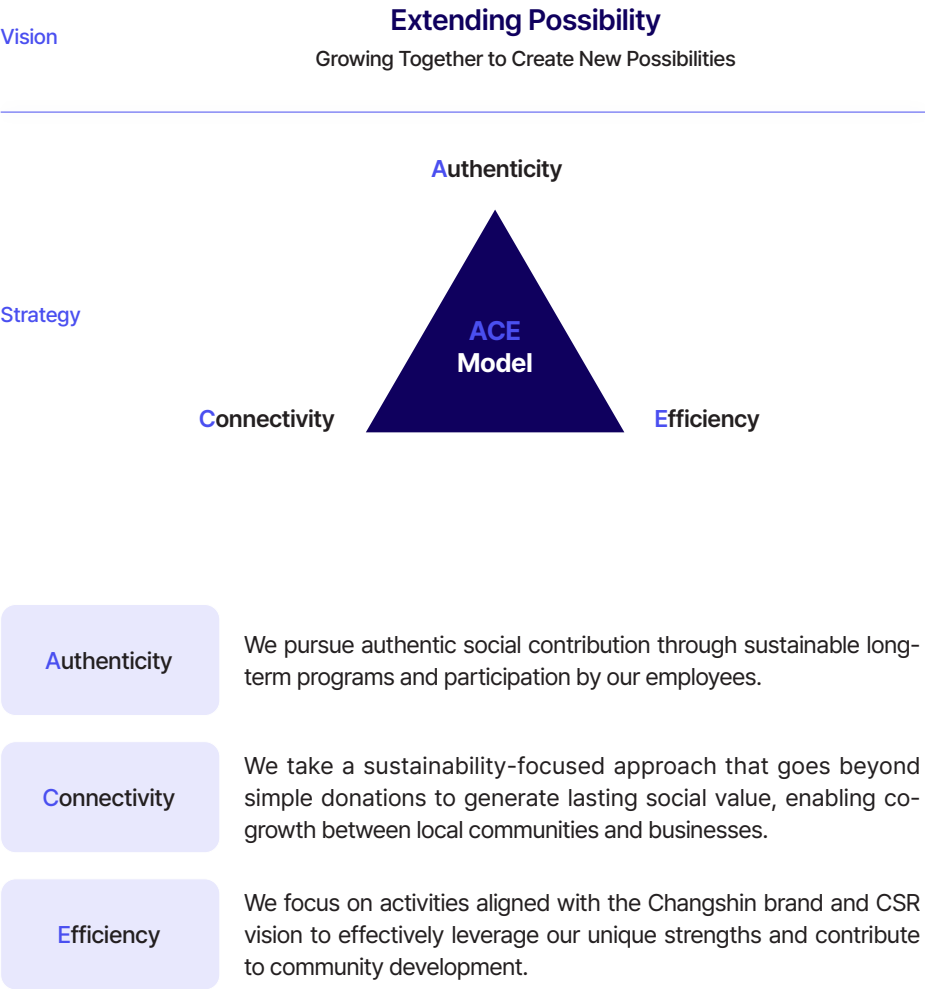
Employees are required to sincerely comply with security inspections and screenings when leaving work.
- 7

Use of external cloud services for work-related data backup is prohibited

Social Contribution

In 2023, Changshin announced a new CSR vision—“Extending Possibility”—which aligns with the brand’s values and aspirations. This vision reflects our commitment, as “The AceMaker—The Ace That Makes Aces,” to generate opportunities for personal and community growth and contribute to expanding such growth into new possibilities and development. Under this direction, Changshin places the “ACE Model” at the core of our CSR strategy, which is built on three pillars: Authenticity, Connectivity, and Efficiency. We pursue initiatives that harmoniously integrate these three elements. Through this approach, Changshin is advancing its social contribution initiatives in a more systematic manner, in alignment with our brand value and CSR vision, as we continue to take action toward building a better future together.

CSR Vision and Strategy



Future Athletes Sponsorship Program

Changshin signed an agreement with the Lotte Giants to support promising young athletes in Busan as part of our commitment to nurturing future sports talent. This program is carried out through the “1 Stolen Base = 1 Pair of Shoes” donation campaign, in which Changshin donates a pair of running shoes—developed and manufactured by the company—for each stolen base by Lotte Giants players during the season. Changshin will continue to provide sustainable support in partnership with the local community, helping young people realize their dreams and potential through the power of sports.



Social Contribution Agreement ceremony between Changshin and Lotte Giants

- Examples of Overseas Sports Sponsorships for Youth
- Sponsorship of children's soccer teams and skating athletes
 - Construction of volleyball courts at local elementary schools
 - Support for national taekwondo competitions for elementary and middle schools

Social

Contribution

Cataract Surgery Support

Since 2001, Changshin Vietnam has partnered with Dong Nai General Hospital to provide free cataract surgeries for employees, their families, and local residents. Due to Vietnam's geographical location near the equator, where UV exposure is high, the incidence of cataracts is elevated. Many individuals face the risk of vision loss or blindness due to a lack of financial resources for treatment. Empathizing with this local reality, Changshin has consistently supported surgeries for 20 to 30 patients annually. As of 2024, we have surpassed 500 cumulative beneficiaries. We will continue to expand this free surgery program to help employees and community members living in medically underserved areas lead better lives, while deepening engagement and co-prosperity with the local community.

Cataract Surgery Beneficiaries: 514 (2001~2024)



Cataract surgery beneficiary recognition ceremony

Fundraising for Victims of Agent Orange

Since 2014, Changshin has consistently raised funds to support victims of Agent Orange. This initiative is part of our effort to help communities still suffering from the long-term effects of war. Each year, nearly 30,000 employees of Changshin Vietnam voluntarily participate in fundraising efforts alongside the company. The funds raised are donated annually to approximately 180 victims of Agent Orange. As of now, the total cumulative donation has reached approximately KRW 160 million. We will continue to stand in solidarity with the local community through warm-hearted giving in partnership with our employees.

Cumulative Fund for Victims of Agent Orange

USD 122,566 (2014~2024)

"House of Love" Program

Since 2002, Changshin Vietnam has consistently carried out the "House of Love" program to improve the housing conditions of employees, their families, and local residents. In Vietnam, homes are often damaged or destroyed by typhoons and other natural disasters, making the establishment of stable housing a critical factor in quality of life. Changshin provides housing support to employees and local residents facing difficult circumstances or living in substandard conditions. Over the past 23 years, we have donated a total of 187 "Houses of Love," continuing our journey together with the local community.

Houses of Love Donated 187 (2001~2024)



"House of Love" donation event

2024 Local Co-Prosperity Initiatives

Subsidiary	Activities	Achievements
Changshin Vietnam	Support for vulnerable children	· Donated gifts to 720 vulnerable children · Built playgrounds at elementary schools · Restored flood-damaged kindergartens
	Support for disaster victims	· Conducted flood recovery activities and created a relief fund (USD 140,699)
Changshin Indonesia	Building a social safety net	· Provided health education for local children · Dengue fever prevention education · Oral health education for elementary students · HIV/AIDS prevention education · Safe driving awareness education · Monthly donation of health supplies to local health centers
	Support for vulnerable children	· Donations to local orphanages (6 in 2024)



Governance

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Board Operations

Changshin's Board of Directors operates in accordance with relevant laws and the Articles of Incorporation, acting as the highest decision-making body responsible for reflecting and reconciling the diverse interests of stakeholders and enhancing the company's sustainable growth and value. The Board deliberates and approves key matters such as investment plans, internal transactions involving conflicts of interest, executive compensation, and company-wide risk management and sustainability initiatives. Through these processes, Changshin continues to build a transparent and professional governance system and to realize strategic and responsible corporate management.

Board Composition and Operations

Board Composition

As of the end of 2024, the Changshin Board of Directors consists of seven members: three executive directors and four independent directors. In accordance with the Articles of Incorporation, the Chair of the Board is elected by the Board of Directors. The Board performs strategic decision-making and supervisory functions regarding the company's fundamental management policies and major business operations. In addition, the Board deliberates and resolves key business matters and determines the composition and operation of specialized committees under the Board, thereby ensuring a responsible and transparent governance structure.

	Name	Area of Expertise	Major Career
Executive Directors	Whanil Jeong		(Current) Chair, Changshin Inc.; Board Chair
	Choongil Nam	Management	(Current) CEO, Changshin Inc.
	Dongheun Jeong		(Current) CSO ¹ , Changshin Inc.
Independent Directors	Sangwan Lee	Accounting	(Current) Professor of Business Administration, Dong-A University; Board Member, Omin Academy
	Okbong Park	Legal Affairs	(Current) Attorney, Samdeok Law Firm; Legal Advisor, Sungwoo Hitech
	Chaemin Im	Legal Affairs	(Current) Advisor, Lee & Ko Law Firm; (Former) Minister of Health and Welfare
	Younghun Lee	Management	(Current) Independent Director, HDC Group; (Former) CEO, POSCO E&C

Board Operations

Changshin's Board of Directors is divided into regular and extraordinary meetings. Regular board meetings are held quarterly in principle, and extraordinary meetings are convened as necessary. Board resolutions, unless otherwise specified by law, require the attendance of a majority of directors and the approval of a majority of those present. To improve participation, board members may attend and vote in meetings using remote communication systems that allow simultaneous voice transmission, even if some or all are not physically present. In 2024, the Board held a total of five meetings, during which 18 agenda items were addressed. The attendance rate of directors was 86%.

Board Resolutions

Matters concerning the general meetings of shareholders	Matters stipulated by the Commercial Act	Matters concerning the management
Matters concerning investment and financial matters	Other important management matters	

Board Operation Overview

Number of Meetings	Agenda Items Resolved/Reported	Director Attendance Rate
5	18	86%
(4 regular, 1 extraordinary)	(10 resolutions, 8 reports)	

¹ CSO (Chief Strategy Officer): Responsible for overall corporate strategy

Board Operations

Independence, Expertise, and Diversity of the Board

To realize responsible corporate governance, Changshin strives to operate a Board of Directors that is independent, expert-driven, and diverse. This approach ensures that strategic decision-making for the company's sustainability and long-term growth can be carried out effectively.

Independence	Expertise	Diversity
· The Board is composed of a majority of independent directors * Independent directors provide oversight and checks on management decisions.	· The Board consists of members with professional expertise in various fields including manufacturing, accounting, law, business management, and sustainability	· In 2023, Changshin established its Board Diversity Policy · The Board is composed to reflect a balance of gender, age, background, knowledge, and experience, thereby fulfilling the principle of diversity

Board Committees

To strengthen the Board's oversight and decision-making functions, Changshin operates two specialized committees under the Board of Directors: the Audit Committee and the ESG Committee. Each committee exercises effective supervision and provides strategic advice based on its expertise and independence in the respective field.



Roles of the Audit Committee

Changshin's Audit Committee is composed entirely of three independent directors and functions as a core body to ensure the independence and transparency of the audit system. As an independent body under the Board of Directors, the Audit Committee operates a reporting structure in which the internal audit organization—the Audit Group—reports directly to the committee. This strengthens the objectivity and independence of all audit activities. The committee oversees accounting and business operations to ensure financial soundness and compliance with applicable laws and regulations, and regularly reviews and improves the company's internal control and risk management systems.

Key Roles

- Review and approval of the Audit Group's audit plans
- Review and approval of audit result reports
- Regular and ad-hoc supervision of the compliance system and key risk factors

Role of the ESG Committee

Changshin's ESG Committee has been in operation since 2021 and serves as a strategic advisory and supervisory body under the Board of Directors. It is composed of three independent directors and one executive director. The ESG Committee supervises the integration of Environmental, Social, and Governance (ESG) factors across all aspects of company-wide management activities. In particular, it plays a proactive role in reviewing ESG-related risks during the development of mid- to long-term strategies and short-term business plans. The committee oversees the entire ESG process—from strategy development and implementation to performance monitoring—and drives the internalization of ESG to enhance Changshin's sustainability and long-term value.

Key Roles

- Prior review of ESG-related risks and opportunities, including safety and health, human rights, and the environment
- Development of ESG strategy implementation plans and monitoring of their execution
- Supervision of ESG disclosures and external assurance processes

Ethics and Compliance Management

Changshin continuously works to establish a culture of ethics and compliance, grounded in the belief that all employees must act with honesty based on ethical values and comply with the company's Code of Ethics. We strictly apply a zero-tolerance policy toward unethical behavior and are working to spread responsible behavioral standards across the organization. The Audit Group conducts audits on both financial and non-financial areas as part of the annual audit process, while our legal team strengthens our compliance response system. In addition, we are enhancing the accessibility and credibility of our whistleblowing channels and are implementing company-wide, preventive internal controls to realize transparent and responsible management.

Ethical Management System

Establishment of the Code of Ethics

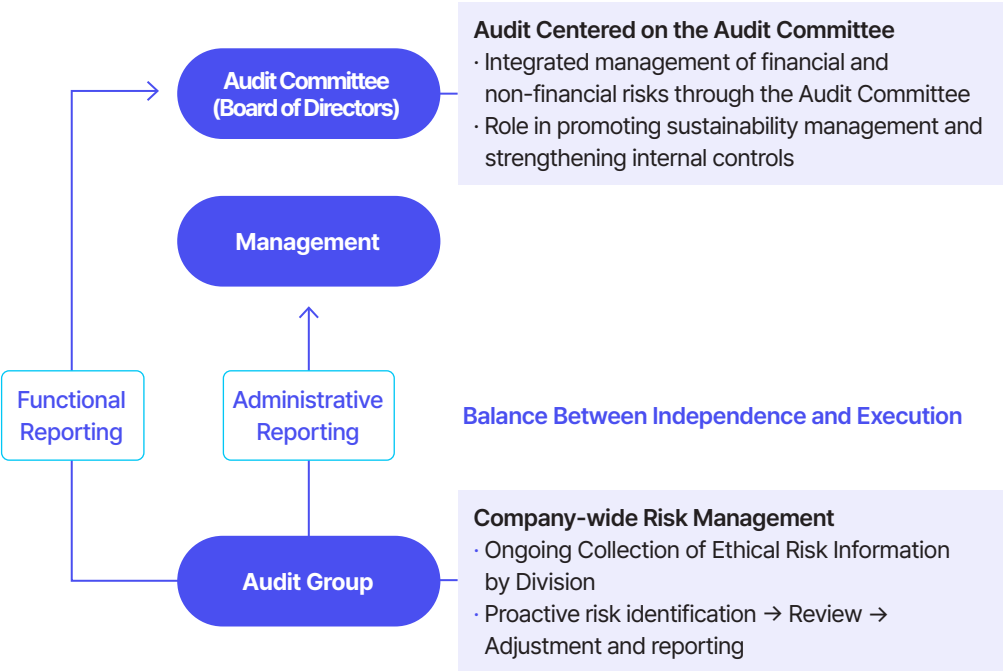
Changshin has established and implemented a Code of Ethics to ensure that all employees perform their duties based on fair and sound judgment. The Changshin Code of Ethics goes beyond value-based declarations to emphasize the cultivation of a practice-driven ethical culture within the organization. We are committed to fostering a sound ethical environment to elevate our corporate ethics, secure the trust of stakeholders, and pursue sustainable growth in collaboration with local communities. The Code of Ethics applies to all employees of Changshin Group and is also recommended for compliance by corporate and individual entities in business relationships with the company.

Eleven Principles of Ethical Practice

1. Equal opportunity must be provided.
2. Health and safety must be protected.
3. Stakeholders—including the customer and competitors—must be respected.
4. Privacy must be protected.
5. The environment must be protected and energy conserved.
6. Inappropriate working conditions must be prevented.
7. Improper financial dealings or entertainment with fellow employees, the customer, competitors, or other stakeholders are prohibited.
8. Confidential information must not be disclosed.
9. Company business or information must not be used for personal gain.
10. Political involvement is prohibited.
11. Responsibility must be upheld toward the nation and society.

Ethical Management Governance

To ensure the independence of the organization and functions of the Audit Group, Changshin operates a reporting system in which the Audit Group reports directly to the Audit Committee under the Board of Directors. At the same time, we strengthen execution through close communication with management. Under the leadership of the Audit Committee, financial and non-financial risks are managed in an integrated manner. The Audit Group continuously gathers information on ethical risks by business division and responds systematically to company-wide risks through the procedures of identification, review, adjustment, and reporting. We also proactively detect blind spots in management and guide necessary improvements, thereby promoting ethical and responsible corporate management.

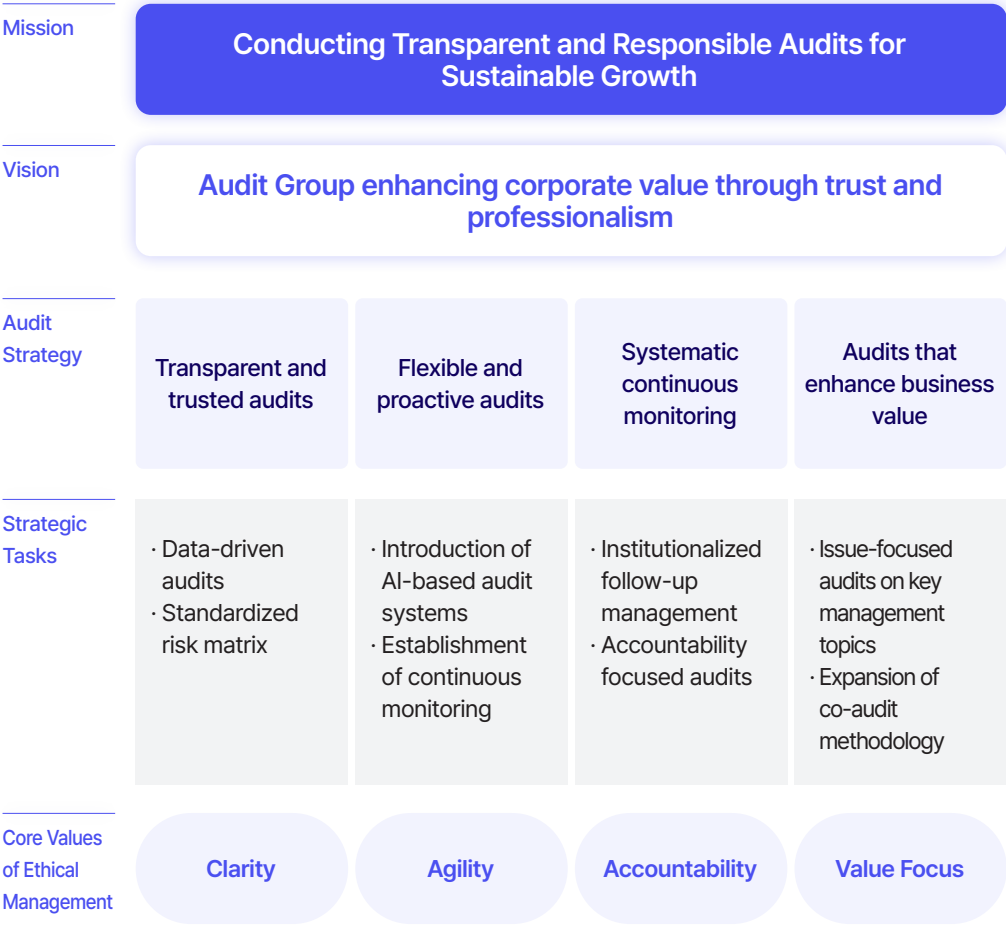


Ethics and Compliance Management

Ethical Management Strategy and Activities

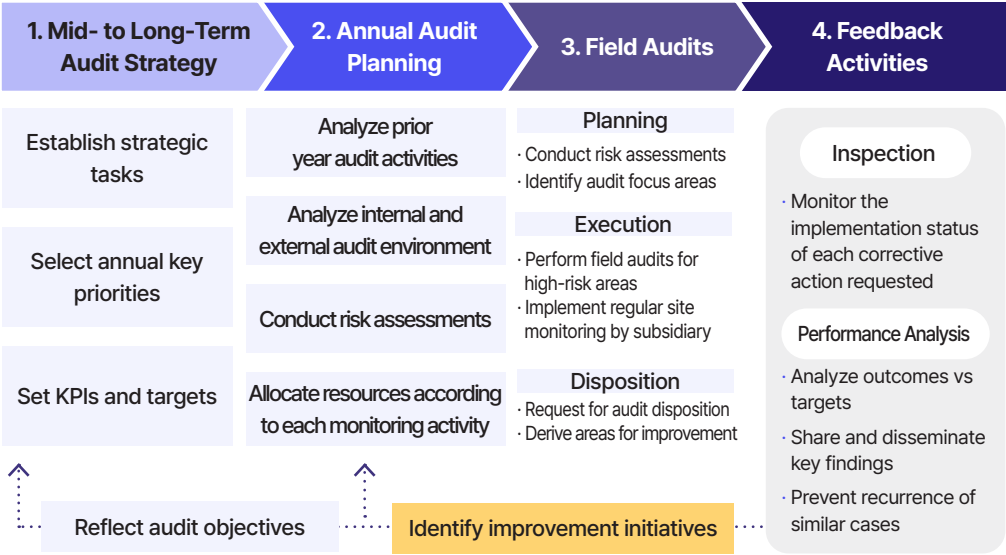
Mid- to Long-Term Ethical Management Strategy

Changshin promotes a mid- to long-term audit strategy based on the mission of “Conducting transparent and responsible audits for sustainable growth,” with the core values of Clarity, Agility, Accountability, and Value Focus. Aligned with this strategic direction, the Audit Group selects annual priority tasks, reflects them in performance indicators and targets, and establishes and implements an annual audit plan to ensure a systematic audit operation.



Audit Process

The Changshin Audit Group conducts audits based on a four-stage process—from establishing mid- to long-term strategies to identifying improvement tasks and providing feedback. Through systematic implementation grounded in the PDCA¹ cycle, the Audit Group plays a proactive and periodic internal audit role.



2024 Audit Status

The Changshin Audit Group conducts audits of subsidiaries and affiliates in accordance with the annual audit plan. In 2024, we conducted regular audits of four affiliates located in Indonesia, including subsidiaries. The audits covered key management areas such as finance, HR, procurement, and inventory. Audit results were reported to the Audit Committee, and follow-up action plans have been established and are being continuously monitored for implementation.

Major Audits Conducted Over the Past Three Years

2022	2023	2024
4 entities in Indonesia (3 subsidiaries, 1 affiliate)	3 entities in Vietnam (2 subsidiaries, 1 affiliate)	4 entities in Indonesia (3 subsidiaries, 1 affiliate)

¹ PDCA (Plan–Do–Check–Act): A cyclical management framework for planning, execution, evaluation, and improvement

Ethics and Compliance Management

Operation of Whistleblowing Channels for Ethical Management

Changshin operates whistleblowing channels to allow both internal and external stakeholders to freely seek ethical management consultations or report misconduct. All reports are handled through a fair and structured process, and we maintain a robust whistleblower protection system to ensure complete confidentiality and anonymity of the informant.

Types of Reports

- Acts of misconduct, corruption, behavior damaging to dignity, or actions that harm the company's image
- Unfair personal gain through bribery, acceptance of money or gifts, embezzlement, or breach of trust
- Leakage of company confidential information or customer-related data
- Deliberate neglect of duty or abuse of authority causing company losses
- Verbal or physical abuse, acts that violate public decency, or socially unacceptable behavior
- Suggestions for improvement or requests related to ethical regulations

Whistle blowing Process

Report Submission

· Report is submitted through Changshin's official whistleblowing channel

Content Verification

- Preliminary review by relevant departments under strict confidentiality and protection of the whistleblower's identity
- * Report contents are processed confidentially and not disclosed to third parties

Investigation Initiation

· The investigation begins once the investigation plan including assigned personnel and timeline is confirmed

Investigation Completion

· The investigation is completed after verifying the facts of the report through objective evidence and thorough examination

Case Closure

· Based on internal regulations, disciplinary actions (if applicable) are determined and the case is formally closed

Whistle blowing Channels

- 📧 · Email: ethics@changshininc.com
- ☎️ · Phone: +82-51-290-4654
- ✉️ · Mail: Audit Group, Changshin Inc., 242, Jangpyeong-ro, Saha-gu, Busan Republic of Korea

Status of Whistleblowing Reports

Changshin handles all submitted reports transparently and fairly in accordance with the ethical management process, and regularly reports whistleblowing status and investigation outcomes to the Audit Committee.

2022	2023	2024
1 case	1 case	2 cases

Compliance Response

As business globalization and diversification increase, so too do legal risks and issues. In response, Changshin established the LEGAL Group in 2022 and recruited legal professionals, including in-house counsel, to systematically handle a wide range of legal matters across civil, criminal, and administrative areas—as well as arbitration, mediation, and petitions—both domestically and internationally. In 2024, we introduced a legal management system that allows for the efficient and systematic handling of legal advisory services, contract reviews, and issue response history. This system supports employees in responding more quickly and accurately to legal issues that may arise in the course of their work.



Implementation of Integrity Pledges

Changshin is committed to establishing a fair and open business environment and continuously promoting transparent and ethical business practices. As part of these efforts, we require all parties to sign an Integrity Pledge when entering into contracts. Suppliers pledge to comply with relevant laws, including those governing fair trade, prohibition of unjust enrichment, and antitrust regulations. This practice contributes to building transparent and trustworthy business relationships. This system is managed systematically through our legal management platform under the leadership of the LEGAL Group and serves as a practical foundation for ethical management.

- Prohibition of unfair practices and unjust enrichment
- Prohibition of bribery to government agencies and administrative authorities
- Prohibition of providing money, gifts, or entertainment and engaging in secret transactions
- Compliance with the Monopoly Regulation and Fair Trade Act and the Fair Subcontracting Transactions Act

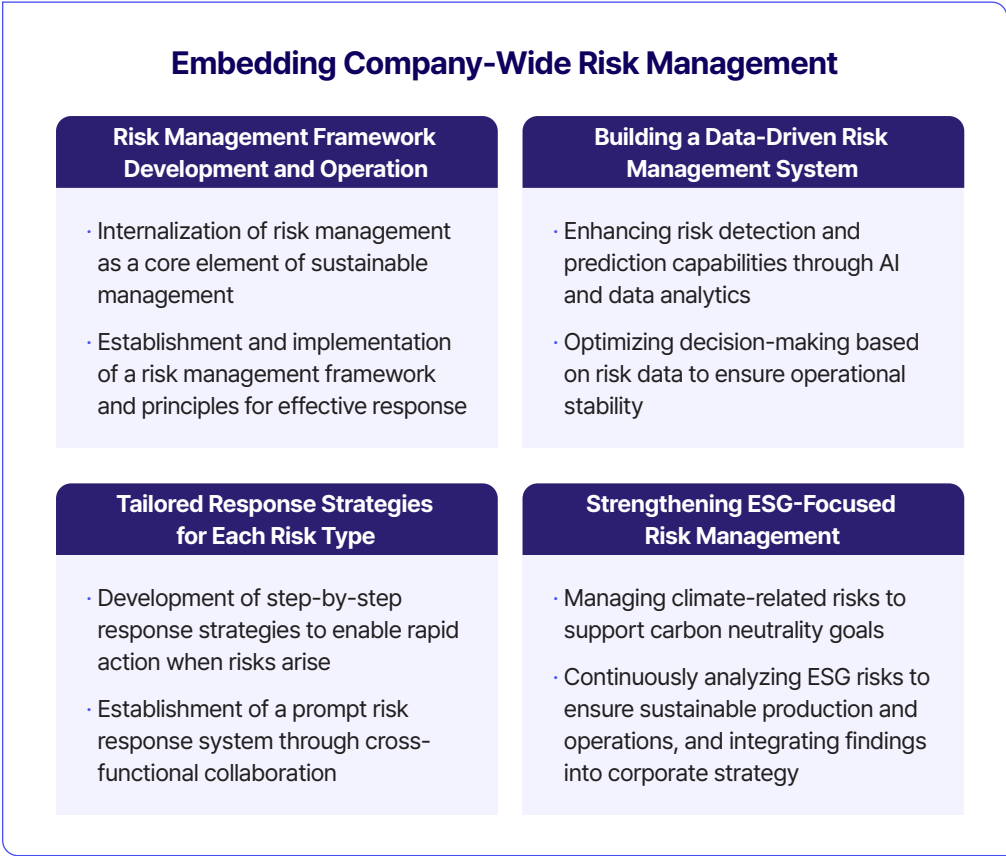
Risk Management

As a leading global footwear manufacturer, Changshin systematically identifies and manages legal, financial, and operational risks that may arise from its domestic and international business activities, thereby ensuring sustainable management. Leveraging our global network spanning Korea, Vietnam, China, and Indonesia, we are strengthening our risk response capabilities through data-driven management. We recognize risk management as a core element of our corporate strategy and have established a company-wide response framework to minimize the likelihood of risk occurrence and to implement proactive measures for prompt response. We also continuously monitor various global risk factors—including ESG-related risks—to support the company’s long-term sustainable growth.

Company-Wide Risk Management System

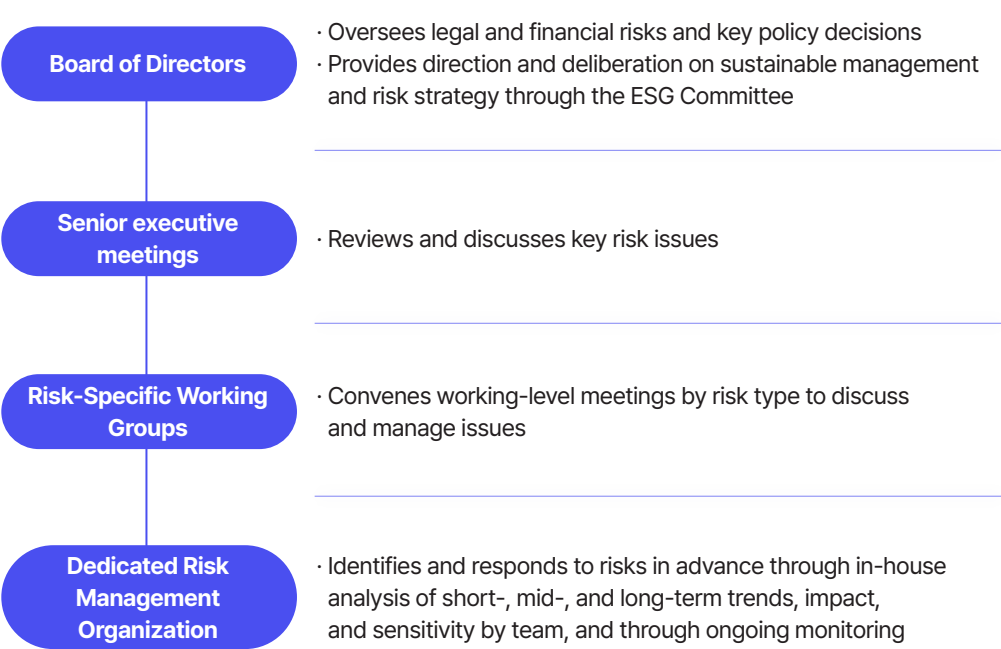
Risk Management Strategy and Policy

Changshin is committed to embedding risk management into our operations to ensure corporate sustainability and has established the following strategies and policies:



Risk Management Governance

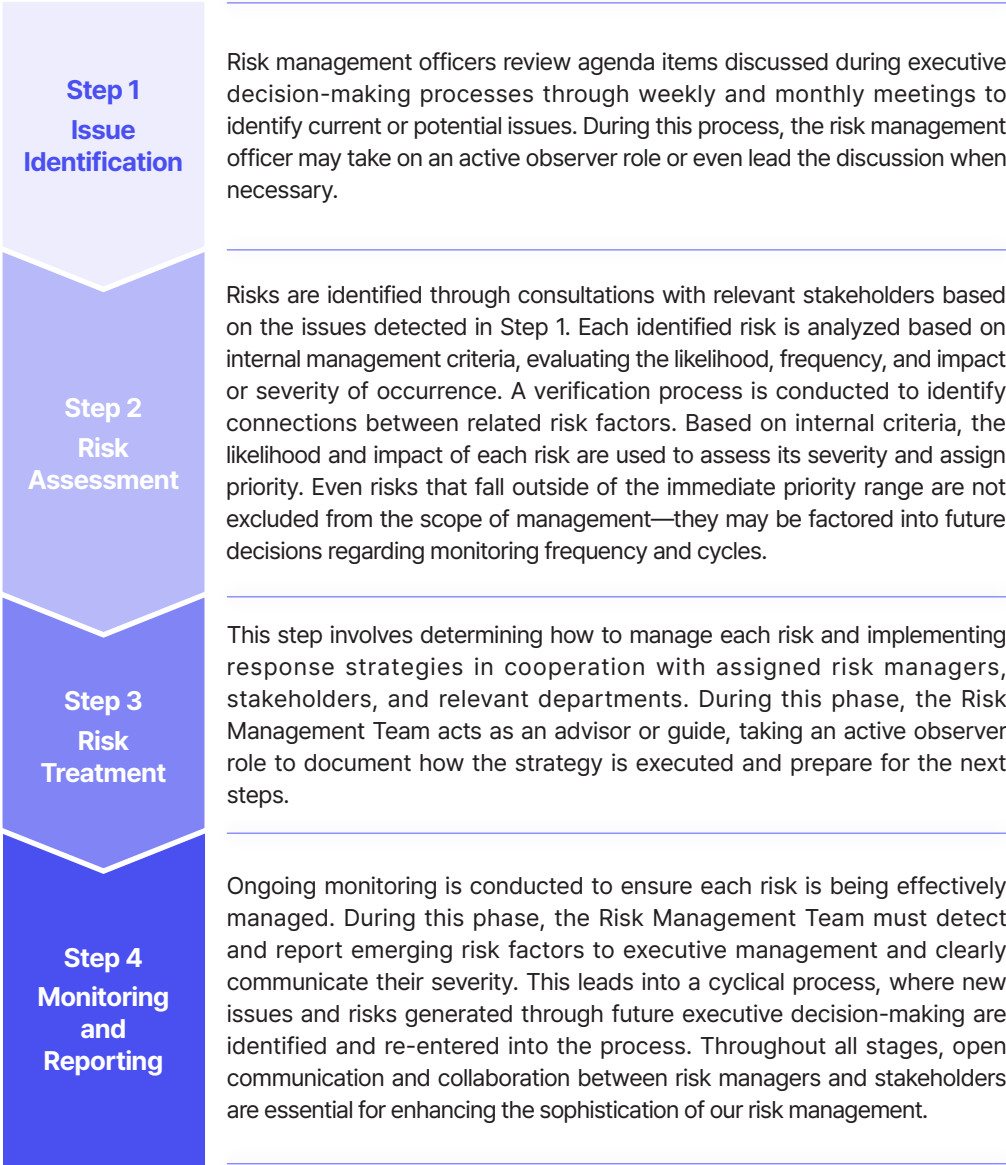
Changshin has established a clear risk management structure and operates the following governance system to manage it effectively:



Risk Management

Risk Management Process

Changshin takes a proactive approach to managing both financial and non-financial risks. We identify risks through the identification and assessment of key issues by business division, establish mitigation activities for each identified risk, and regularly monitor their status.



Risk Management Areas

Changshin identifies and manages a wide range of risks that may impact business performance and has established a segmented and structured approach for mid- to long-term response planning. Identified risks are addressed using the risk management process, with mitigation strategies developed accordingly and managed under an integrated, company-wide system. We aim to continuously advance our risk management framework and internalize risk response capabilities across the organization to realize sustainable management. To that end, we will further strengthen company-wide risk management governance, identify key risk factors in advance, and ensure swift and effective response.

Environment	Finance	Operations and Supply Chain	Human Resources and Organization
· Climate change · Environmental regulations · Natural disasters	· Market economy · Foreign exchange fluctuations · Credit volatility · Liquidity fluctuations	· Production infrastructure · Partners	· Workforce supply and demand · Organizational capability · Labor-management relations
Digital and Information Security	Legal and Compliance		Geopolitics and External Environment
· System security · Data breaches · Technology ethics	· Contracts and regulations · ESG-related regulations · Safety and health · Human rights and ethics · Privacy protection		· Political stability in production countries · Global economy · Communications

Fostering a Risk Management Culture

Changshin carries out various initiatives to strengthen organization-wide risk awareness and enhance response capabilities. To strengthen employees' risk response capabilities, we provide regular education programs that enable them to proactively identify key risk factors and respond swiftly and effectively. In particular, we offer tailored training by risk area—such as ESG, safety, health, and environment—to systematically improve risk management competencies within our global operating environment. We also enhance internal communication to raise company-wide awareness of the importance of risk management. Real-world risk cases and corresponding response strategies are shared regularly through data-driven reports and internal communications, helping employees learn from actual incidents and apply those insights to their day-to-day work. Furthermore, Changshin identifies and standardizes global risk management best practices and promotes them throughout the organization. These efforts are aimed at embedding a strong risk management culture across the company.

Risk Management

Proactive Risk Management

Legal & Regulatory	Risk Definition/ Background	Potential Business Impact	Risk Response Activities
Transition to a Low-Carbon Economy	As global carbon neutrality targets become more stringent, manufacturers are under increasing pressure to undergo structural transformations that reduce carbon emissions. Governments worldwide are setting greenhouse gas reduction goals, while regulations mandating the use of eco-friendly technologies and renewable energy are intensifying. This trend increases the burden on companies to overhaul existing production methods and adopt environmentally responsible processes.	As carbon reduction demands grow, capital expenditures related to converting existing production processes into eco-friendly systems may rise. Additionally, increasing carbon credit prices and the potential introduction of carbon border taxes could elevate operating costs. Delayed development of green technologies or improvements in manufacturing processes could result in weakened market competitiveness.	To prepare for the low-carbon transition, Changshin is adopting eco-friendly production processes and expanding its renewable energy strategy. We are continuously investing in process optimization, renewable energy use, and energy efficiency improvements to reduce carbon emissions. We are also enhancing R&D efforts to respond to global environmental regulations.
Compliance Risk Due to Strengthening of ESG Regulations	ESG-related regulations in key export markets—such as mandatory sustainability disclosures and due diligence requirements—are becoming increasingly stringent. In particular, the European Union's Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD) require companies to establish sophisticated ESG risk management frameworks.	The burden of establishing data collection, disclosure, and management systems for regulatory compliance may increase, and ESG compliance is likely to serve as a major evaluation factor in transactions with the customer. Failure to comply with regulations may result in negative impacts such as fines, sanctions, and declining corporate reputation, and companies' ESG competitiveness may deteriorate if they fail to respond quickly to continuous regulatory changes.	Changshin is periodically monitoring ESG-related regulatory trends to respond to ESG regulatory strengthening, and is rapidly updating internal regulations based on this. Additionally, we issue sustainability reports every two years and establish internal management systems for regulatory compliance, and strive to enhance corporate transparency by referring to major sustainability reporting standards.
Digital and Cybersecurity Risk	As digital transformation accelerates, corporate IT systems, data, and operational networks have become prime targets for cyberattacks. The increasing threats of ransomware, hacking, and data breaches have made information security a critical management issue. Manufacturing companies, particularly those integrated into global supply chains, face heightened exposure to cyberattacks, which may lead to production disruptions and operational paralysis.	If cybersecurity threats materialize, companies may face leaks of confidential information, loss of customer data, and disruptions to production—resulting in a loss of trust and direct financial damage. Failure to comply with security requirements in contracts with the key client may also lead to legal disputes, with potential negative impacts on future business opportunities.	To mitigate cybersecurity risks, Changshin continues to adopt the latest security technologies and improve its IT infrastructure. We have obtained ISO 27001 certification, the international standard for information security management systems. We enforce data encryption and access control policies and have established systems to meet legal requirements, ensuring ongoing review and improvement to maintain a high level of security. We also enhance employees' cybersecurity awareness through training programs and apply global-standard security policies to strengthen trust with the customer and stakeholders.
Political Stability in Production Countries and Global Economic Risk	For companies operating global manufacturing bases, political stability in production countries and global economic trends can significantly impact business operations and the entire supply chain. Key production hubs—such as Indonesia, Vietnam, and China—are susceptible to political events like elections, legislative changes, and stricter labor policies. Global economic uncertainties—including U.S.-China tensions, geopolitical conflicts, currency fluctuations, and surging raw material prices—also create complex risks for export-oriented manufacturers.	Political instability, strikes, and changes in public policy in production countries may disrupt local factory operations and increase regulatory risks. In addition, a global economic downturn or rising interest rates could reduce exports, weaken demand, and increase logistics costs—thereby hurting profitability. Frequent changes in trade policy or sharp currency fluctuations may further heighten cost uncertainty and increase financial burden.	Changshin regularly monitors political and economic developments in production countries and promptly develops response scenarios with support from local legal advisors when issues arise. We are also diversifying our production portfolio to reduce dependency on any one country and to enhance flexibility in regional shifts. To address global economic volatility, we continuously strengthen our response systems for foreign exchange and raw material price fluctuations, review export-import strategies, and proactively manage logistics risks.
Safety and Health Risk	The footwear industry relies heavily on human labor, making workplaces inherently prone to harmful and hazardous conditions that can negatively affect worker health or lead to major industrial accidents. With the enforcement of stricter occupational safety and health regulations, including the Serious Accidents Punishment Act in Korea, workplace safety and health management has emerged as a key indicator of corporate sustainability. Companies are now expected to move beyond accident prevention to establish proactive safety and health management systems and foster a safety culture based on leadership from top management.	If safety and health risks materialize, they may result in direct losses from production halts, injury or death, and operational disruptions. Non-compliance with laws such as the Serious Accidents Punishment Act may lead to administrative penalties, criminal liability, reputational damage, and further regulatory scrutiny. Recurring safety issues may lower employee morale and erode stakeholder trust, while the client and regulators may increase on-site audits and safety verification requirements.	Changshin places safety as a top management priority and is committed to preventing industrial accidents through the establishment of a comprehensive safety and health management system. We proactively identify and assess hazardous elements in the workplace and continuously monitor and implement corrective actions to minimize the likelihood of accidents. To ensure the credibility and consistency of our safety practices, we have obtained ISO 45001 certification—the international standard for occupational health and safety management systems—at key production sites, and we are working to expand it company-wide. These proactive safety efforts have led to tangible improvements in overall workplace safety.



ESG Data

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Economic Performance

Summary Consolidated Statement of Financial Position

Unit: KRW

Category	2022	2023	2024
Current Assets	493,425,594,094	453,255,779,842	585,801,057,655
Non-current Assets	693,227,306,922	687,711,793,357	752,885,429,686
Total Assets	1,186,652,901,016	1,140,967,573,199	1,338,686,487,341
Current Liabilities	681,543,078,465	584,065,458,929	637,217,350,596
Non-Current Liabilities	49,684,420,106	69,356,505,542	37,272,553,524
Total Liabilities	731,227,498,571	653,421,964,471	674,489,904,120
Capital	2,200,000,000	2,200,000,000	2,200,000,000
Other Components of Equity	6,045,125,179	3,878,277,109	30,365,969,088
Retained Earnings	435,557,137,575	436,748,796,985	565,184,694,132
Non-Controlling Interests	11,623,139,691	44,718,534,634	66,445,920,001
Total Equity	455,425,402,445	487,545,608,728	664,196,583,221

Summary Consolidated Statement of Income

Unit: KRW

Category	2022	2023	2024
Revenue	2,222,621,594,818	1,948,065,762,478	2,098,491,763,514
Cost of Sales	1,814,354,552,496	1,613,280,204,554	1,703,207,396,469
Gross Profit	408,267,042,322	334,785,557,924	395,284,367,045
Operating Profit	200,399,873,909	129,684,259,913	182,422,209,344
Profit Before Income Tax	163,216,273,216	112,533,195,501	191,894,148,633
Net Income	125,862,560,983	84,148,180,297	154,230,144,593
Other Comprehensive Income	1,219,621,876	(1,500,474,014)	42,275,923,224
Total Comprehensive Income	127,082,182,859	82,647,706,283	196,506,067,817

List of Consolidated Subsidiaries

Subsidiary	Ownership Ratio (%)	Location	Business Type
Changshin Vietnam	100.00	Vietnam	Footwear manufacturing and sales
Changshin Dong Nai	100.00	Vietnam	Footwear manufacturing and sales
Qingdao Changshin Shoes Co., Ltd.	100.00	China	Footwear manufacturing and sales
Changshin Indonesia	66.67	Indonesia	Footwear manufacturing and sales
Changshin Reksa Jaya	82.28	Indonesia	Footwear manufacturing and sales

Creation and Distribution of Economic Value

Unit: KRW million

Category	Indicator	2022	2023	2024
Country	Corporate Tax ¹	19,539	37,266	46,412
Shareholders	Dividends ²	27.5	50,500	20,500
Local Communities	Social Contribution Expenses	209	227	225

¹ Based on tax expenses for the relevant year (excluding deferred corporate tax)

² Based on payment date (final dividends are reflected in the following fiscal year)

Environmental Performance

Energy Consumption¹

The environmental performance data presented in this report covers the headquarters and five overseas subsidiaries. The data is aggregated based on the location of each business site. The reporting scope is as follows:

- Korea: Changshin Inc. (Headquarters and Jangrim Plant)
- Vietnam: Changshin Vietnam, Changshin Dong Nai
- China: Qingdao Changshin Shoes Co., Ltd.
- Indonesia: Changshin Indonesia, Changshin Rekso Jaya

Category	Unit	2022	2023	2024				
				Total	Korea	Vietnam ²	China	Indonesia
Total Energy Consumption	MWh	444,614	391,814	399,041	6,612	238,164	30,145	124,120
Total Non-Renewable Energy Consumption	MWh	393,485	315,744	301,016	6,612	238,045	29,673	26,687
Non-Renewable Energy Consumption by Type	Fuel Consumption	MWh	53,278	44,794	316	15,826	1,966	26,687
	Electricity Consumption	MWh	339,736	264,692	255,685	6,296	222,219	0
	Steam Consumption	MWh	471	349	536	0	0	0
Total Renewable Energy Consumption	MWh	51,129	76,070	98,025	0	119	472	97,433
Renewable Energy Usage Ratio ³	%	11.5	19.41	24.57	0.00	0.05	1.57	78.50
Energy Consumption Intensity ⁴	KWh/pair	5.61	5.9	6.12	-	6.80	6.70	5.05

¹ Energy consumption data for 2022 has been revised to reflect updates in energy conversion factors and the inclusion of previously omitted sources

² From 2023, energy consumption data includes performance from Changshin Dong Nai

³ Renewable Energy Usage Ratio = (Total Renewable Energy Consumption ÷ Total Energy Consumption) × 100

⁴ Energy Consumption Intensity = Total energy consumed by manufacturing sites ÷ Total number of shoes produced. Calculated as the amount of energy used per pair of shoes, based on overseas production sites (excluding the headquarters in Korea).

Greenhouse Gas Emissions⁵

Category	Unit	2022	2023	2024				
				Total	Korea	Vietnam ⁶	China	Indonesia
Total GHG Emissions (Scope 1 & 2)	tCO ₂ e	215,052	158,261	154,818	2,924	129,115	17,207	5,573
GHG Emissions by Type	Direct Emissions (Scope 1)	tCO ₂ e	10,973	9,681	65	3,662	381	5,573
	Indirect Emissions (Scope 2)	tCO ₂ e	203,677	147,288	145,138	125,453	16,826	0
GHG Emissions Intensity (Scope 1, 2) ⁷	kgCO ₂ e/pair	2.72	2.38	2.37	-	3.69	3.82	0.23

⁵ GHG emissions data for 2022 has been revised to reflect updates in emission factors

⁶ From 2023, GHG emissions data includes performance from Changshin Dong Nai

⁷ GHG Emission Intensity = Total GHG emissions emitted by manufacturing sites ÷ Total number of shoes produced. Calculated as the amount of GHG emitted per pair of shoes, based on overseas production sites (excluding the headquarters in Korea).

Environmental Performance

Water Consumption

Category		Unit	2022	2023	2024
Total Water Consumption ¹		ton	2,517,960	2,283,782	2,243,790
Water Withdrawal by Source	Municipal Water	ton	1,346,203	1,166,477	1,194,872
	Groundwater	ton	84,283	100,130	76,237
	Surface Water	ton	19,812	29,243	30,160
Total Water Recycled		ton	1,067,662	987,932	942,521
Total Water Recycling Rate		%	42.40	43.26	42.01
Water Consumption at Korea Headquarters		ton	16,246	13,356	12,935
Water Withdrawal by Source	Municipal Water	ton	16,246	13,356	12,935
	Groundwater	ton	0	0	0
	Surface Water	ton	0	0	0
Total Water Recycled		ton	0	0	0
Total Water Recycling Rate		%	0.00	0.00	0.00
Water Consumption at Changshin Vietnam		ton	1,878,393	1,681,326	1,692,674
Water Withdrawal by Source	Municipal Water	ton	1,026,852	889,594	910,368
	Groundwater	ton	0	0	0
	Surface Water	ton	0	0	0
Total Water Recycled		ton	851,541	791,732	782,306
Total Water Recycling Rate		%	45.33	47.09	46.22
Water Consumption at Changshin China		ton	158,661	135,918	116,362
Water Withdrawal by Source	Municipal Water	ton	144,500	123,188	105,464
	Groundwater	ton	0	0	0
	Surface Water	ton	0	0	0
Total Water Recycled		ton	14,161	12,730	10,898
Total Water Recycling Rate		%	8.93	9.37	9.37
Water Consumption at Changshin Indonesia		ton	464,660	453,182	421,819
Water Withdrawal by Source	Municipal Water	ton	158,605	140,339	166,105
	Groundwater	ton	84,283	100,130	76,237
	Surface Water	ton	19,812	29,243	30,160
Total Water Recycled		ton	201,960	183,470	149,317
Total Water Recycling Rate		%	43.46	40.48	35.40

¹ Defined as the sum of water withdrawal and water recycled

Waste Treatment Volume

Category		Unit	2022	2023	2024	Notes(Treatment Type)
Total Wastewater Treated		m³	556,117	453,417	385,779	
Wastewater by Region	Korea	m³	46	47	63	Outsourced wastewater treatment
	Vietnam	m³	262,272	241,829	223,052	Sewage/Wastewater treatment facility
	China	m³	86,989	73,502	62,926	Sewage/Wastewater treatment facility
	Indonesia	m³	206,811	138,039	99,737	Sewage/Wastewater treatment facility

Water Pollutant Emissions

Category		Unit	2022	2023	2024
Korea	Chemical Oxygen Demand (COD)	mg/L	5.6	3.4	3.4
	Biological Oxygen Demand (BOD)	mg/L	2.1	2.8	3.8
	Suspended Solids (SS)	mg/L	0	<1	<1
	n-Hexane Extracts (n-H)	mg/L	0	0	0
Vietnam	Chemical Oxygen Demand (COD)	mg/L	16.0	41.8	31.5
	Biological Oxygen Demand (BOD)	mg/L	12.0	19.8	15.0
	Suspended Solids (SS)	mg/L	30.0	16.8	17.0
	n-Hexane Extracts (n-H)	mg/L	13.2	14.1	12.0
China	Chemical Oxygen Demand (COD)	mg/L	28.7	14.7	24.7
	Biological Oxygen Demand (BOD)	mg/L	6.5	2.5	6.5
	Suspended Solids (SS)	mg/L	17.7	7.7	13.3
	n-Hexane Extracts (n-H)	mg/L	13.0	8.7	8.1
Indonesia	Chemical Oxygen Demand (COD)	mg/L	38.0	20.0	31.0
	Biological Oxygen Demand (BOD)	mg/L	8.0	8.0	7.9
	Suspended Solids (SS)	mg/L	15.0	9.0	13.4
	n-Hexane Extracts (n-H)	mg/L	1.0	0.8	0.4

Environmental Performance

Waste Treatment¹

Category			Unit	2022	2023	2024
Total Waste Treated			ton	16,369	14,715	16,052
Waste Treatment by Type	General Waste	Incineration (Energy recovery)	ton	5,874	5,411	5,580
		Recycling	ton	8,954	7,968	8,968
	Designated Waste	Incineration (Energy recovery)	ton	1,541	1,336	1,504
		Recycling	ton	0	0	0
Total Waste Recycling Rate			ton	54.70	54.15	55.87
Total Waste Treatment at Korea Headquarters			ton	440	406	455
Waste Treatment by Type	General Waste	Incineration (Energy recovery)	ton	42	16	20
		Recycling	ton	362	362	406
	Designated Waste	Incineration (Energy recovery)	ton	36	28	29
		Recycling	ton	0	0	0
Total Waste Recycling Rate			%	82.35	89.17	88.55
Total Waste Treatment at Changshin Vietnam			ton	9,806	8,822	8,684
Waste Treatment by Type	General Waste	Incineration (Energy recovery)	ton	2,757	2,714	2,460
		Recycling	ton	6,146	5,389	5,554
	Designated Waste	Incineration (Energy recovery)	ton	903	719	670
		Waste	ton	0	0	0
Total Waste Recycling Rate			%	62.67	61.09	63.96
Total Waste Treatment at Changshin China			ton	629	638	1,070
Waste Treatment by Type	General Waste	Incineration (Energy recovery)	ton	176	219	672
		Recycling	ton	387	353	334
	Designated Waste	Incineration (Energy recovery)	ton	67	66	64
		Recycling	ton	0	0	0
Total Waste Recycling Rate			%	61.44	55.40	31.22
Total Waste Treatment at Changshin Indonesia			ton	5,614	4,849	5,843
Waste Treatment by Type	General Waste	Incineration (Energy recovery)	ton	2,923	2,463	2,425
		Recycling	ton	2,142	1,863	2,677
	Designated Waste	Incineration (Energy recovery)	ton	550	524	740
		Recycling	ton	0	0	0
Total Waste Recycling Rate			%	38.14	38.42	45.82

¹ In accordance with Changshin's Zero Landfill policy, no waste is disposed of through landfilling

Air Pollutant Emissions

Category			Unit	2022년	2023년	2024년
Korea	Nitrogen Oxides (NO _x)		mg/m ³	0.0	0.0	0.0
	Sulfur Oxides (SO _x)		mg/m ³	0.0	0.0	0.0
	Particulate Matter		mg/m ³	50.4	63.7	54.8
	Volatile Organic Compounds (VOCs)		mg/m ³	0.0	0.0	0.0
Vietnam	Nitrogen Oxides (NO _x)		mg/m ³	25.0	14.9	13.0
	Sulfur Oxides (SO _x)		mg/m ³	22.0	21.0	5.0
	Particulate Matter		mg/m ³	31.3	31.4	36.6
	Volatile Organic Compounds (VOCs)		mg/m ³	802.8	763.3	791.0
China	Nitrogen Oxides (NO _x)		mg/m ³	0.0	0.0	0.0
	Sulfur Oxides (SO _x)		mg/m ³	0.0	0.0	0.0
	Particulate Matter		mg/m ³	0.0	0.0	0.0
	Volatile Organic Compounds (VOCs)		mg/m ³	2.1	5.6	5.0
Indonesia	Nitrogen Oxides (NO _x)		mg/m ³	135.0	83.0	153.0
	Sulfur Oxides (SO _x)		mg/m ³	20.0	12.0	7.0
	Particulate Matter		mg/m ³	29.0	47.0	21.0
	Volatile Organic Compounds (VOCs) ²		mg/m ³	N/A	N/A	N/A

² VOC emissions are not tracked in Indonesia as they are not required under local regulations.

Environmental Performance

Eco-Friendly Investment Amounts

Region	Unit	2022	2023	2024
Korea	USD	33,612	35,906	216,366
Vietnam ¹	USD	173,514	160,423	37,574
China ²	USD	114,925	0	13,911
Indonesia ³	USD	41,379	27,520	157,924

¹ Cost for renovation and maintenance of gray water treatment facilities and replacement of air pollution control filters

² Investment in air pollutant emission control systems

³ Renovation of gray water treatment facility (WWTP) in 2022; investment in air pollutant emission control systems in 2023–2024

Environmental Education¹

Region	Unit	2022	2023	2024
Total Education Hours	hours	32	46	52
Total Participants	persons	33	33	34
Education Hours per Employee	hours	1	1.4	1.5

¹ Calculated based on headquarters data

Environmental Compliance

Region		Unit	2022	2023	2024
Violation of Environmental Regulations	Number of Penalty Cases	Cases	0	0	0
	Total Amount of Penalties Imposed	KRW	0	0	0

Social Performance

This report's social performance data covers the headquarters and five overseas subsidiaries. Data from Changshin Dong Nai is included under Changshin Vietnam.

Employees

Employees

Category		Unit	2022	2023	2024
Changshin Inc. (Headquarters)	Total Number of Employees ¹	persons	1,170	1,159	1,177
	By Gender	Male	791	774	783
		Female	379	385	394
	By Position (Management) ²	Male	633	622	622
		Female	209	217	225
		Total by position	842	839	847
	Total by position	persons	842	839	847
Changshin Vietnam	Total Number of Employees	persons	42,796	38,925	39,643
	By Gender	Male	9,788	8,981	9,153
		Female	33,008	29,944	30,490
	By Position (Management)	Male	1,437	1,414	1,433
		Female	1,956	1,893	1,888
		Total by position	3,393	3,307	3,321
	Total by position	persons	3,393	3,307	3,321
Changshin China	Total Number of Employees	persons	4,641	4,283	3,999
	By Gender	Male	706	673	631
		Female	3,935	3,610	3,368
	By Position (Management)	Male	116	114	111
		Female	290	271	257
		Total by position	406	385	368
	Total by position	persons	406	385	368
Changshin Indonesia	Total Number of Employees	persons	17,914	17,649	17,525
	By Gender	Male	2,135	2,095	2,208
		Female	15,779	15,554	15,317
	By Position (Management)	Male	824	795	781
		Female	732	755	755
		Total by position	1,556	1,550	1,536
	Total by position	persons	1,556	1,550	1,536
Changshin Reksa Jaya	Total Number of Employees	persons	11,224	10,655	11,614
	By Gender	Male	866	834	867
		Female	10,358	9,821	10,747
	By Position (Management)	Male	416	425	438
		Female	277	291	310
		Total by position	693	716	748
	Total by position	persons	693	716	748

¹ Total number of employees as of December 31 of each respective year (including expatriates)

² Office workers only (excluding production workers)

Diversity Status

Category		Unit	2022	2023	2024
Changshin Inc. (Headquarters)	Female employees	persons	379	385	394
		%	32.39	33.22	33.47
	Female managers	persons	209	217	225
		%	24.82	25.86	26.56
	Persons with Disabilities	persons	13	15	15
	Foreign Nationals	persons	4	4	3
	National Veterans	persons	13	13	13
	Non-Regular Employees ³	persons	36	24	40
	Female employees	persons	33,008	29,944	30,490
		%	77.13	76.93	76.91
Changshin Vietnam	Female managers	persons	1,956	1,893	1,888
		%	57.65	57.24	56.85
	Persons with Disabilities	persons	391	395	393
	Non-Regular Employees	persons	11,331	9,078	8,067
	Female employees	persons	3,935	3,610	3,368
		%	84.79	84.29	84.22
Changshin China	Female managers	persons	290	271	257
		%	71.43	70.39	69.84
	Persons with Disabilities	persons	60	57	55
	Non-Regular Employees	persons	0	0	0
	Female employees	persons	15,779	15,554	15,317
		%	88.08	88.13	87.40
Changshin Indonesia	Female managers	persons	732	755	755
		%	47.04	48.71	49.15
	Persons with Disabilities	persons	188	189	174
	Non-Regular Employees	persons	0	0	0
	Female employees	persons	10,358	9,821	10,747
		%	92.28	92.17	92.53
Changshin Reksa Jaya	Female managers	persons	277	291	310
		%	39.97	40.64	41.44
	Persons with Disabilities	persons	114	108	120
	Non-Regular Employees	persons	0	0	0
	Female employees	persons	10,358	9,821	10,747
		%	92.28	92.17	92.53

³ Includes contract and temporary employees

Social Performance

New Hires and Turnover Status

Category		Unit	2022	2023	2024
Changshin Inc. (Headquarters)	Number of New Hires	persons	135	65	97
	Number of Departures	persons	84	73	88
	Number of Departures by Type	Voluntary ¹	persons	84	70
		Involuntary	persons	0	3
	Total Turnover Rate	%	7.18	6.56	7.65
	Average Length of Service ²	years	6	7	7
Changshin Vietnam	Number of New Hires	persons	8,682	481	3,894
	Number of Departures	persons	2,832	4,383	3,214
	Number of Departures by Type	Voluntary	persons	2,832	4,383
		Involuntary	persons	0	0
	Total Turnover Rate	%	6.62	11.26	8.11
	Average Length of Service ²	years	6	7	8
Changshin China	Number of New Hires	persons	50	32	135
	Number of Departures	persons	301	388	414
	Number of Departures by Type	Voluntary	persons	288	381
		Involuntary	persons	13	7
	Total Turnover Rate	%	6.49	9.06	10.35
	Average Length of Service ²	years	14	15	16
Changshin Indonesia	Number of New Hires	persons	1,319	640	1,005
	Number of Departures	persons	4,589	1,457	1,875
	Number of Departures by Type	Voluntary	persons	4,589	1,457
		Involuntary	persons	0	0
	Total Turnover Rate	%	25.62	8.26	10.70
	Average Length of Service ²	years	6	8	8
Changshin Reksa Jaya	Number of New Hires	persons	1,350	1,015	2,452
	Number of Departures	persons	1,890	1,584	1,493
	Number of Departures by Type	Voluntary	persons	1,888	1,572
		Involuntary	persons	2	12
	Total Turnover Rate	%	16.84	14.87	12.86
	Average Length of Service ²	years	3	3	4

¹ Includes employees reassigned as expatriates (resignation and re-entry processed upon overseas assignment)

² Average length of service for employees remaining as of year-end (employees with less than one year of service counted as 0)

Parental Leave Status

Category		Unit	2022	2023	2024
Changshin Inc. (Headquarters)	Employees Who Took Parental Leave	persons	17	24	19
	Number of Employees Returned from Leave	persons	13	18	25
	Retention Rate 12 Months After Return	%	76	89	100
Changshin Vietnam	Employees Who Took Parental Leave	persons	1,975	2,543	2,150
	Number of Employees Returned from Leave	persons	1,910	2,543	2,150
	Retention Rate 12 Months After Return	%	82	91	80
Changshin China	Employees Who Took Parental Leave	persons	10	28	33
	Number of Employees Returned from Leave	persons	9	13	14
	Retention Rate 12 Months After Return	%	0	92	93
Changshin Indonesia	Employees Who Took Parental Leave	persons	2,540	5,820	5,424
	Number of Employees Returned from Leave	persons	2,220	5,752	5,356
	Retention Rate 12 Months After Return	%	100	99	98
Changshin Reksa Jaya	Employees Who Took Parental Leave	persons	1,032	1,289	1,212
	Number of Employees Returned from Leave	persons	741	809	770
	Retention Rate 12 Months After Return	%	95	59	66

Social Performance

Labor Union Membership Status

Category		Unit	2022	2023	2024
Changshin Inc. (Headquarters)	Number of Employees Eligible for Union Membership ¹	persons	1,170	1,171	1,172
	Number of Union Members ²	persons	327	320	330
	Union Membership Rate	%	28	27	28
	Number of Labor-Management Council Meetings	sessions	4	4	4
Changshin Vietnam	Number of Employees Eligible for Union Membership	persons	42,791	38,925	39,643
	Number of Union Members	persons	42,790	38,922	39,640
	Union Membership Rate	%	100	100	100
	Number of Labor-Management Council Meetings	sessions	16	17	10
Changshin China	Number of Employees Eligible for Union Membership	persons	4,641	4,283	3,999
	Number of Union Members	persons	4,641	4,283	3,999
	Union Membership Rate	%	100	100	100
	Number of Labor-Management Council Meetings	sessions	2	2	2
Changshin Indonesia	Number of Employees Eligible for Union Membership	persons	17,914	17,649	17,525
	Number of Union Members	persons	16,012	15,532	15,366
	Union Membership Rate	%	89.4	88.0	87.7
	Number of Labor-Management Council Meetings	sessions	8	12	12
Changshin Reksa Jaya	Number of Employees Eligible for Union Membership	persons	11,224	10,655	11,614
	Number of Union Members	persons	3,790	3,737	3,872
	Union Membership Rate	%	33.8	35.1	33.3
	Number of Labor-Management Council Meetings	sessions	1	1	1

¹ Total number of employees as of December 31 of the reporting year (including expatriates)

² 100% union membership for production workers

Grievance Handling Status

Category		Unit	2022	2023	2024
Changshin Inc. (Headquarters)	Number of Grievances Resolved	cases	43	12	15
	Number of Grievances Received	cases	43	12	15
	Average Response Time	days	10	9	9
Changshin Vietnam	Number of Grievances Resolved	cases	43	39	27
	Number of Grievances Received	cases	43	39	27
	Average Response Time	days	7	7	7
Changshin China	Number of Grievances Resolved	cases	25	5	6
	Number of Grievances Received	cases	25	5	6
	Average Response Time	days	2	2	2
Changshin Indonesia	Number of Grievances Resolved	cases	10	33	38
	Number of Grievances Received	cases	10	30	35
	Average Response Time	days	7	30	30
Changshin Reksa Jaya	Number of Grievances Resolved	cases	138	86	104
	Number of Grievances Received	cases	138	86	104
	Average Response Time	days	30	7	7

Social Performance

Education Status (Based on Headquarters)

	Category	Unit	2022	2023	2024
Total Education Status ¹	Total Training Hours	hours	37,971	30,586	24,899
	Training Hours per Employee	hours	43.0	42.7	32.2
	Total Number of Trainees ²	persons	884	716	774
	Employee Training Participation Rate	%	84.4	71.6	77.4
	Total Training Expenses	KRW million	346	276	248
	Training Expense per Employee	KRW thousand	330	254	229
Sexual Harassment Prevention Education	Training Hours	hours	967	962	1,008
	Number of Participants	persons	967	962	1,008
Workplace Bullying Prevention Education	Training Hours	hours	967	962	1,008
	Number of Participants	persons	967	962	1,008
Disability Awareness Improvement Education	Training Hours	hours	967	962	1,008
	Number of Participants	persons	967	962	1,008
ESG/Sustainability Management Education	Training Hours	hours	16	108	24
	Number of Participants	persons	16	27	24

¹ Includes legally mandated education programs

² Duplicate headcounts excluded

Social Performance

Occupational Safety and Health

Safety and Health Indicators

	Category	Unit	2022	2023	2024
Changshin Inc. (Headquarters)	Number of Fatal Accidents	persons	0	0	0
	Number of Occupational Injuries	persons	0	2	3
	Occupational Injury Rate	%	0.00	0.20	0.29
	Lost Time Incident Rate (LTIR)*	cases per 200,000 hours	0.00	0.18	0.27
Changshin Vietnam	Number of Fatal Accidents	persons	0	0	0
	Number of Occupational Injuries	persons	10	15	2
	Occupational Injury Rate	%	0.03	0.05	0.01
	Lost Time Incident Rate (LTIR)	cases per 200,000 hours	0.03	0.05	0.01
Changshin China	Number of Fatal Accidents	persons	0	0	0
	Number of Occupational Injuries	persons	2	0	0
	Occupational Injury Rate	%	0.07	0.00	0.00
	Lost Time Incident Rate (LTIR)	cases per 200,000 hours	0.06	0.00	0.00
Changshin Indonesia	Number of Fatal Accidents	persons	0	0	0
	Number of Occupational Injuries	persons	17	9	2
	Occupational Injury Rate	%	0.08	0.05	0.01
	Lost Time Incident Rate (LTIR)	cases per 200,000 hours	0.08	0.06	0.01
Changshin Reksa Jaya	Number of Fatal Accidents	persons	0	0	0
	Number of Occupational Injuries	persons	13	0	3
	Occupational Injury Rate	%	0.11	0.00	0.03
	Lost Time Incident Rate (LTIR)	cases per 200,000 hours	0.12	0.00	0.03

* LTIR: Lost Time Incident Rate

Occupational safety and health education

	Category	Unit	2022	2023	2024
Changshin Inc. (Headquarters)	Total Training Hours	hours	15,324	15,648	16,068
	Total Number of Trainees	persons	964	984	1009
	Education Hours per Employee	hours	16	16	16
Changshin Vietnam	Total Training Hours	hours	279,829	254,559	263,674
	Total Number of Trainees	persons	32,921	31,006	29,760
	Education Hours per Employee	hours	8.50	8.21	8.86
Changshin China	Total Training Hours	hours	6,694	8,510	9,049
	Total Number of Trainees	persons	30,685	33,115	35,898
	Education Hours per Employee	hours	0.22	0.26	0.25
Changshin Indonesia	Total Training Hours	hours	11,254	9,626	20,756
	Total Number of Trainees	persons	30,781	19,479	31,038
	Education Hours per Employee	hours	0.37	0.49	0.67
Changshin Reksa Jaya	Total Training Hours	hours	9,967	13,403	28,892
	Total Number of Trainees	persons	8,236	8,026	11,697
	Education Hours per Employee	hours	1.21	1.67	2.47

Governance Performance

Board of Directors

Category			Unit	2022	2023	2024
Board Performance	Number of Meetings Held	Regular	Frequency	3	4	4
		Extraordinary Meetings		1	1	1
	Resolved Agenda Items		cases	13	5	10
	Reporting Agenda		cases	13	8	8
	Number of Amended Resolutions		cases	0	0	0
	Female Director Ratio		%	0	0	0
	Average Attendance Rate		%	100	97	86
Board Composition	Executive Directors		persons	3	3	3
	Independent Directors ¹		persons	4	4	4

¹ Includes three Audit Committee members

Anti-Competitive Behavior

	Category	Unit	2022	2023	2024
Number of Lawsuits Related to Anti-Competitive and Anti-Monopoly Violations	Number of Non-Monetary Sanctions	cases	0	0	0
	Number of Legal and Regulatory Violations	cases	0	0	0
	Amount of Fines	KRW	0	0	0
Violations in the Social and Economic Domains	Number of Legal and Regulatory Violations	cases	0	0	0
	Amount of Fines	KRW	0	0	0

Ethical Management Reporting and Handling

Category	Unit	2022	2023	2024
Number of Ethical Management Reports Received	cases	1	1	2



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GRI Index

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GRI Content Index

Statement on Reporting	Changshin Inc. reports on its sustainability performance for the reporting period from January 1, 2024 to December 31, 2024, in accordance with the GRI Standards.
GRI Standards	GRI 1: Foundation 2021
Application of GRI Sector Standards	As of the publication date of this report, there are no GRI Sector Standards that reflect the industrial characteristics of Changshin Inc. Accordingly, this report discloses information based on the GRI General Disclosures and Topic-specific Standards.

GRI Index

Topic-specific Standards

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Forced Labor	409-1	Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	No applicable sites
Local Communities	413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	73-74, 85
Supplier Social Assessment	414-2	Negative Social Impacts in the Supply Chain and Actions Taken	67-68
Customer Health and Safety	416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	69-70

UN SDGs

Changshin Inc. supports the 17 Sustainable Development Goals (SDGs) proposed by the United Nations for a sustainable future for humanity and the planet. We recognize our corporate responsibility in achieving these goals and are actively taking part in fulfilling them. The SDGs are universal goals agreed upon by the global community to address shared global challenges such as human dignity, environmental protection, and sustainable economic growth by 2030. We strive to identify areas across our business operations where we can contribute to the achievement of the SDGs and align them with our organizational strategies to create social and environmental value. We will continue to strengthen our concrete efforts toward the implementation of the SDGs and fulfill our role as a company committed to building a sustainable future.

SDG Goals and Strategic Directions		Key Activities	Report Location
1 NO POVERTY 	Enhancing Resilience of Vulnerable Groups and Improving the Environment End poverty in all its forms everywhere	· Educational support for children from low-income families in global communities · Support for building local community infrastructure	73-74
3 GOOD HEALTH AND WELL-BEING 	Ensuring Healthy and Happy Lives Ensure healthy lives and promote well-being for all at all ages	· Establishment of an occupational safety and health management system · Activities to reduce air and water pollutants · Building a social safety net	57-66
4 QUALITY EDUCATION 	Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	· Talent development programs · Organizational culture enhancement activities · Female talent development programs	46-48
5 GENDER EQUALITY 	Gender Equality Achieve gender equality and empower all women and girls	· Female talent development programs · Women's health promotion and family-friendly programs · Endorsement of the UN Women's Empowerment Principles (WEPs)	54-56
6 CLEAN WATER AND SANITATION 	Safe and Sustainable Water Management Ensure availability and sustainable management of water and sanitation for all	· Wastewater reduction and reuse initiatives · ZDHC Wastewater Certification · Participation in the National Platform on Wastewater Initiatives (NPWI)	35-36
7 AFFORDABLE AND CLEAN ENERGY 	Sustainable Production and Consumption of Energy Ensure access to affordable, reliable, sustainable and modern energy for all	· Expansion of renewable energy and operation of energy management systems · Establishment of Scope-specific reduction strategies · Enhancement of energy efficiency through process optimization and high-efficiency equipment	38-39
8 DECENT WORK AND ECONOMIC GROWTH 	Expanding Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	· Strengthening of technological capabilities through data innovation · Job fairs and employment mentoring · Career development opportunities through the internal Job Posting system	13-14, 45
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Fostering Innovation and Infrastructure Development Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	· Securing competitiveness through data-driven technology innovation and lean innovation culture	13-18

SDG Goals and Strategic Directions		Key Activities	Report Location
10 REDUCED INEQUALITIES 	Reducing All Forms of Inequality Reduce inequality within and among countries, regardless of age, gender, disability, religion, etc.	· Employment of persons with disabilities and inclusive culture · DE&I education and organizational culture improvement initiatives · Operation of human rights grievance channels	52-56
11 SUSTAINABLE CITIES AND COMMUNITIES 	Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient, and sustainable	· Emergency response and disaster risk management · Improvement of housing conditions for vulnerable global communities	61, 74
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Sustainable Consumption and Production Ensure sustainable consumption and production patterns	· Optimization of raw material usage · Expansion of waste recycling and maintenance of zero landfill · Awareness-building through expansion of eco-friendly campaigns	32-33
13 CLIMATE ACTION 	Climate Change Response Take urgent action to combat climate change and its impacts	· Establishment of climate change response strategies and expansion of renewable energy adoption · Response to climate-related disclosure (participation in CDP Climate Change assessment)	37-43
14 LIFE BELOW WATER 	Conservation of Marine Ecosystems Conserve and sustainably use the oceans, seas, and marine resources for sustainable development	· Minimization of negative impacts from discharge through regular analysis of wastewater quality	35
15 LIFE ON LAND 	Preservation of Terrestrial Ecosystems Promote sustainable forest management, combat desertification, and conserve biodiversity	· Tree planting activities for biodiversity protection	36
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Peace, Justice, and Strong Institutions Promote inclusive societies, ensure justice for all, and build accountable institutions	· Enhancement and operation of Board expertise · Compliance and ethical management · Sustainable decision-making through risk management	76-83
17 PARTNERSHIPS FOR THE GOALS 	Strengthening Partnerships and Cooperation Strengthen the means of implementation and revitalize the global partnership for sustainable development	· Establishment of ESG implementation framework · Collaboration with global municipalities and organizations	21, 74

Third-Party Assurance Statement

To: Esteemed Stakeholders of Changshin

Overview

This assurance opinion presents the findings of an independent, third-party assurance activity conducted by the Korea Value Convergence Association (hereinafter, 'the Assurer'), a professional assurance body, on Changshin's 2025 Sustainability Report (hereinafter, 'the Report'). The primary purpose of this assurance is to confirm the reliability of the non-financial information disclosed in the Report and to assure that Changshin has clearly and comprehensively addressed its material sustainability issues. Ultimate and full responsibility for all information and content within the Report rests solely with Changshin Inc., which prepared and officially disclosed it. The Assurer is responsible only for the objective and independent assurance opinion derived from the rigorous conduct of this assurance activity.

Assurance Criteria

This assurance activity was rigorously performed in accordance with the internationally recognized assurance standard, AA1000 Assurance Standard v3, officially published by AccountAbility. Specifically, this assurance applied Type 2 and Moderate levels. This signifies a comprehensive evaluation of the application and adherence to the four core principles of AA1000AS v3: Inclusivity, Materiality, Responsiveness, and Impact. Furthermore, it included a thorough review of the robustness of the company's information collection procedures and internal management systems, along with an assessment of the reliability and overall quality of the non-financial information disclosed in the Report. A Moderate level implies that the assessment was conducted based on evidence collected within a defined scope to provide a reasonable level of assurance. Additionally, during this assurance process, the reporting principles and requirements of GRI Standards (2021), an international standard for reporting, were reviewed. Reference was also made to relevant content from ISO 26000, the international guidance on social responsibility, for a multifaceted assessment of the Report's appropriateness.

Assurance Scope

The Assurer, as an independent assurance body, strictly adhered to the procedures and guidelines of the assurance standard throughout this assurance. The scope of this assurance was limited to the information and data contained within the reporting period from January 1, 2024, to December 31, 2024. Specifically, the following key verification points were included in the assurance:

- Appropriateness of applying the four core principles of AA1000AS v3.
- Stability of processes and management systems for the collection, analysis, and review of sustainability information.
- Reliability and overall quality of the non-financial information disclosed in this Report.
- Reference to GRI Standards (2021).

Assurance Methodology

The Assurer applied the following systematic methodologies to conduct the assurance activity:

- Comprehensive Review of Material Sustainability Issues: Firstly, a comprehensive review was conducted on sustainability issues that could significantly impact the company and are of interest to key stakeholders.
- In-depth Review of Materiality Determination Process: Secondly, a detailed review of the procedural validity and appropriateness of the materiality determination process used to select key issues for this Report was performed.
- Evaluation of ESG Data Process: Thirdly, the entire process, from raw data collection to aggregation, review, and final inclusion in the Report for each ESG indicator, was evaluated and confirmed.
- Cross-Verification of Assertions and Performance Data: Fourthly, various documents, including internal policies, procedures, meeting minutes, contracts, and reports, were cross-referenced to assure the reliability of the assertions and performance data presented in this Report.
- Interviews and Management System Evaluation: Fifthly, interviews were conducted with key performance data managers from the environmental, social, and governance sectors to confirm data generation processes and the operational status of management systems, and to evaluate the effectiveness of relevant management systems.

Assurance Findings

The final assurance opinion, derived from the aforementioned assurance methodologies and activities, is as follows. The Assurer confirms that no significant matters were found that would lead to a conclusion that the information presented in the Report, regarding all major sustainability issues, was not fairly or objectively represented. For more detailed assurance opinions, please refer to the content provided under each principle and assessment item below.

- Application of Inclusivity Principle: The Assurer confirms that Changshin has appropriately implemented the Inclusivity principle of AA1000AS v3. Changshin systematically identified diverse key stakeholder groups—including customers, employees, partners, government agencies, and local community members—who influence or are influenced by its business activities. Furthermore, the company effectively maintained regular communication channels and implemented various stakeholder engagement programs, actively ensuring that their diverse perspectives, expectations, and concerns were faithfully reflected in the selection and response processes for material sustainability issues. These efforts demonstrate that stakeholder participation and feedback significantly contribute to the company's sustainability strategy.

Third-Party Assurance Statement

- **Application of Materiality Principle:** The Assurer confirms that Changshin has appropriately implemented the Materiality principle of AA1000AS v3. Changshin systematically conducted a Double Materiality Assessment, thoroughly considering both the financial impact of its activities on the organization (Financial Materiality) and their positive and negative impacts on the environment and society at large (Impact Materiality). Through this process, Changshin effectively identified and faithfully reflected in the Report issues of significant importance to its business characteristics and stakeholders, such as efforts to reduce pollutant emissions, climate change risk response, energy consumption reduction and renewable energy expansion, and the protection and respect of stakeholder human rights. This indicates the company's broad consideration of not only what is material to itself but also its impact on society and the environment.
- **Application of Responsiveness Principle:** The Assurer confirms that Changshin has appropriately implemented the Responsiveness principle of AA1000AS v3. Changshin has not merely listed the key sustainability issues identified through the Double Materiality Assessment but has actively integrated them into its long-term strategies and daily business operations. This strategic integration demonstrates that the company systematically, promptly, and effectively responds to the diverse demands and concerns of its stakeholders. This clearly affirms the company's firm commitment to responsible management and continuous improvement efforts by actively utilizing stakeholder feedback in its management decisions.
- **Application of Impact Principle:** The Assurer confirms that Changshin has appropriately implemented the Impact principle of AA1000AS v3. Changshin systematically identified and evaluated, both quantitatively and qualitatively, the positive and negative impacts of its business activities and performance not only on the company itself but also on the broader economy, environment, and society. By transparently disclosing the identified and thoroughly assessed impacts for each material issue through this Report, the company clearly demonstrates its extensive responsibilities and tangible contributions to society as a whole. This shows the company's commitment to recognizing and managing the impacts it generates.
- **Data and Information Reliability:** The Assurer concludes that Changshin has effectively established and operates appropriate and reliable internal systems and processes for the collection, accumulation, analysis, and review of sustainability-related data and information. Furthermore, the ESG information and data described in the Report are generally reliable, and during this assurance activity, no material errors or intentional biases that could affect data accuracy or completeness were found.
- **Reference to GRI Standards (2021):** The Assurer confirms that this Report has been faithfully prepared referencing GRI Standards (2021) and has appropriately complied with the requirements specified in GRI's core reporting principles, essential disclosure items, and the GRI Content Index. This ensures alignment with international

Independence and Competence

The Korea Value Convergence Association, which conducted this assurance, performed the assurance activity while maintaining complete independence from Changshin Inc., ensuring no undue influence. The Assurer affirms that it has no commercial relationship with Changshin, which prepared and disclosed the Report, other than providing third-party assurance services, and declares the absence of any potential or actual conflicts of interest. The Assurer consistently operates a comprehensive and rigorous assurance quality management system, which includes documented policies and procedures. Furthermore, this assurance team possesses extensive multi-year experience and profound expertise in sustainability, Corporate Social Responsibility (CSR), and ESG management. They also demonstrate an excellent understanding of international assurance standard methodologies, thereby possessing sufficient and objective competence to effectively perform this assurance activity.



July 2025
Hyun Lee, Head of ESG Assurance Committee

Major Certifications and Awards

Awards

Business Site	Award Title	Awarding Institution	Award Date
Changshin Inc. (Headquarters)	Selected as an Excellent Case of Vocational High School On-site Training	Korea SMEs and Startups Agency	2022.02.
	Grand Prize in the Korea HRD 2022	Korea HRD Association	2022.04.
	Grand Prize, 2024 Ministry of Employment and Labor Contest	Ministry of Employment and Labor	2024.09.
Changshin Vietnam	Meritorious Service Award from Dong Nai Provincial Government	Government of Dong Nai Province	2022.04.
	2023 RoSPA Silver Award for Health and Safety Excellence	Royal Society for the Prevention of Accidents (RoSPA)	2023.03.
	2022 Commendation for Excellence in Occupational Safety and Health	Dong Nai People's Committee	2023.04.
	CSR Excellence Award	Vietnam General Confederation of Labor (VGCL)	2023.10.
	Selected as an Outstanding Taxpayer in Vietnam (2023)	General Department of Taxation, Vietnam	2023.10.
	Commendation for Fire Safety Excellence (2023)	Dong Nai Police Department	2023.11.
	2024 RoSPA Gold Award for Health and Safety Excellence	Royal Society for the Prevention of Accidents (RoSPA)	2024.05.
	Commendation for Fire Safety Excellence (2024)	Dong Nai Police Department	2024.11.
	2024 RoSPA Silver Award for Health and Safety Excellence	Royal Society for the Prevention of Accidents (RoSPA)	2024.03.
	Excellence in Disability Employment	Karawang Regency Government	2022.02.
Changshin China	Excellence in COVID-19 Prevention and Response	Ministry of Manpower, Indonesia	2022.05.
	Excellence in HIV/AIDS Prevention and Response	Ministry of Manpower, Indonesia	2022.05.
	Excellence in Social Security Program (BPJS) Implementation	Badan Penyelenggara Jaminan Sosial (BPJS), Indonesia	2022.06.
Changshin Indonesia	Meritorious Service Award for Participation in Public Hospital Improvement Project	Karawang Regency Government	2022.09.
	Award for Excellence in Employment Social Security	Badan Penyelenggara Jaminan Sosial (BPJS), Indonesia	2022.11.
	CSR Excellence Award	West Java Provincial Government	2022.12.
	CSR Excellence Award	Karawang Regency Government	2022.12.
	2022 Blue Rating for Environmental Excellence	Ministry of Environment and Forestry, Indonesia	2023.03.
	Excellence in COVID-19 Prevention and Response	Ministry of Manpower, Indonesia	2023.06.

Business Site	Award Title	Awarding Institution	Award Date
Changshin Indonesia	Platinum Award for Excellence in HIV/AIDS Prevention and Response	Ministry of Manpower, Indonesia	2023.06.
	CSR Excellence Award	Karawang Regency Government	2023.09.
	Gold Award for Excellence in HIV/AIDS Prevention and Response Programs	West Java Provincial Government	2023.11.
	Platinum Award for Occupational Safety and Health Committee Excellence	West Java Provincial Government	2023.11.
	2023 Blue Rating for Environmental Excellence	Ministry of Environment and Forestry, Indonesia	2024.03.
	Award for Excellence in Tuberculosis Prevention and Response Programs	Ministry of Health, Indonesia	2024.04.
	CSR Excellence Award	West Java Provincial Government	2024.04.
	2024 Excellence in Disability Employment	Karawang Regency Government	2024.05.
	Excellence in Return-to-Work Program Operation	Badan Penyelenggara Jaminan Sosial (BPJS), Indonesia	2024.06.
	Award for Excellence in National Health Insurance Contributions	BPJS Kesehatan	2024.07.
	Recognition for Contribution to Infant Malnutrition Prevention in West Java Province	National Population and Family Planning Agency (BKKBN), West Java Province, Indonesia	2024.07.
	Energy Management Leadership Award	Clean Energy Ministerial (CEM)	2024.12.
	CSR Excellence Award	Karawang Regency Government	2024.09.
	Recognition for Mangrove Reforestation (3,000 trees)	West Java Provincial Forestry Service	2024.10.
	Excellence in Energy Efficiency	Ministry of Energy and Mineral Resources, Indonesia	2024.12.
	1st Renewable Energy Award	Garut Regency Government	2023.06.
	Excellence in Tuberculosis Prevention and Response	Garut Regency Government	2023.11.
	Platinum Award for Occupational Safety and Health Committee Excellence	West Java Provincial Government	2023.11.
Changshin Reksa Jaya	Platinum Award for Excellence in HIV/AIDS Prevention and Treatment Programs	West Java Provincial Government	2023.11.
	2023 Blue Rating for Environmental Excellence	Ministry of Environment and Forestry, Indonesia	2023.12.
	2024 RoSPA Silver Award for Health and Safety Excellence	Royal Society for the Prevention of Accidents (RoSPA)	2024.03.
	Gold Award for Excellence in HIV/AIDS Prevention and Response	Ministry of Manpower, Indonesia	2024.08.

Major Certifications and Awards

Certifications

Business Site	Certification Title	Certification Period	Certification Authority
Changshin Inc.	ISO 45001	2023.07.~2026.07.	Korea Standards Association
Changshin Inc.	ISO 27001	2023.03.~2026.03.	IGC
Changshin Vietnam	ISO 14001	2024.05.~2027.05.	BSI
Changshin Vietnam	ISO 45001	2024.05.~2027.05.	BSI
Changshin China	ISO 14001	2023.02.~2026.02.	SGS
Changshin China	ISO 45001	2023.02.~2026.02.	SGS
Changshin Indonesia	ISO 14001	2023.01.~2026.01.	SUCOFINDO
Changshin Indonesia	ISO 45001	2023.01.~2026.01.	SUCOFINDO
Changshin Indonesia	ISO 50001	2023.01.~2026.01.	SUCOFINDO

Membership in Associations

Korea Industrial Safety Association
Korea Fire Safety Institute
Korea Association of Occupational Health Nurses
Indonesian Employers Association
Indonesian Footwear Association
Vietnam Leather, Footwear and Handbag Association(LEFASO)

