



SUSTAINABILITY REPORT 2024

HUMAX Networks Sustainability Report 2024



ABOUT THIS REPORT

REPORT OVERVIEW

In the current year 2024, HUMAX Networks has published its first sustainability report, which compiles and presents its economic, environmental, and social values and the performance achievements derived from its sustainable management activities. Moving forward, the company will share its sustainable management activities, performance, and future plans with its stakeholders through the periodic publication of sustainability reports.

REPORTING PRINCIPLES

This report has been prepared by referring to the GRI (Global Reporting Initiative) Standards 2021, a global standard for sustainable management reporting.

SCOPE

The scope of this report encompasses all domestic and overseas business sites of HUMAX Networks. Some information requiring caution in the reporting scope and boundaries has been described with separate notes.

REPORTING PERIOD

This report covers HUMAX Networks’ ESG performance and activities from January 1, 2023 to December 31, 2023, and includes some information on its performance up to the first half of 2024. For quantitative data, the company’s performance over the past three years (2021-2023) has been included so as to enable the identification of yearly trends.

ASSURANCE

This report has undergone a certification process by ESG Innovation Network, an independent external certifying agency, to ensure the reliability of the reported details. The report has been certified according to AA1000AS v3, an international certification standard. The details related to the report certification are disclosed on pages 77-78.

REPORTING CYCLE

Biennial

INQUIRIES

For inquiries and matters requiring improvement regarding this report, please contact the Management Support Team of HUMAX Networks.

- Address: HUMAX Village, 216, Hwangsaetul-ro, Bundang-gu, Seongnam city, Gyeonggi province
- Tel: 82+ 31-606-8320 • E-mail: esg_tft@humax-networks.com • Website: <https://www.humax-networks.com/kr>

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01

COMPANY OVERVIEW

We will connect your future, allowing customers from all around the world to stay connected anytime, anywhere!



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CEO Message



We will become a company that leads the global network and provides the highest value based on customer-centered thinking and action.

Dear esteemed stakeholders, HUMAX Networks is constantly striving to provide the best network technologies and services with the aim of creating sustainable happiness in a world where mankind, society, and the environment coexist through customer-centered thinking and actions.

Today, sustainable growth is becoming increasingly important due to such pressing issues as the climate crisis, international conflict, and economic recession among others. As such, HUMAX Networks deeply recognizes the importance of sustainable management. The heart of HUMAX Networks’ management lies in raising the value of our stakeholders through customer value innovation. Through this, we aim to strengthen customer trust, practice responsible management that conforms to the global standards, and voluntarily comply with the values and contents of the ten UN Global Compact Principles. As a part of such efforts, HUMAX Networks is publishing its first sustainability report. With this publication, we aim not only to introduce management performance but also to transparently show how we are creating a better future.

First, we will fulfill our environmental responsibilities as a global corporation.

The international community, having recognized the seriousness of climate change and the need to address it, has entered into a climate agreement aimed at limiting the global temperature rise to within 1.5°C. HUMAX Networks is also deeply aware of the seriousness of climate change, and has committed itself to a short-term greenhouse gas emission reduction target that conforms to the climate science in collaboration with SBTi.

Second, we will provide a safe, healthy, and respected work environment.

We strictly prohibit discrimination on the grounds of gender and disability, and have established a culture of mutual respect to ensure that all our employees enjoy equal rights and opportunities. Amid such an environment, we believe that our employees can maximize their competences and capacities, and are actively supporting them based on the conviction that each individual’s personal growth leads to corporate growth.

Third, we will practice fair and transparent management.

this, we strengthen trust with our stakeholders and pursue sustainable growth. Furthermore, we are doing our utmost to create a sustainable supply chain through close cooperation with our partners, and operate our business with a strong sense of responsibility for all processes.

We at HUMAX Networks will live up to the expectations of our stakeholders, and become a corporation that contributes to creating a better world. We ask for your continued support and interest.

Thank you!

HUMAX Networks Co., Ltd.
CEO **Lee Seung-jae**

A stylized handwritten signature in black ink.

2023 Sustainable Management Highlights

ENVIRONMENTAL

Greenhouse gas emissions

414.4 tCO₂eq

Energy consumption

3.06 TJ

Water usage

3,045 Ton

Violations of Environmental Laws

ZERO



SOCIAL

Average welfare cost per employee

KRW 1,127 million

Periodic performance assessment execution rate

100 %

In-house human rights training participation rate

100 %

Average training time per employee

29.2 hours

Industrial accident rate

ZERO

Amount spent on goods from socially responsible companies

KRW 81 million

GOVERNANCE

Non-executive director ratio

50 %

BOD attendance rate

100 %

Employees' integrity & ethics training completion rate

88.9 %

Violations of social/economic laws

ZERO



CERTIFICATION

Environmental management system certification:

ISO 14001

Health & safety management system certification:

ISO 45001

Quality management system certifications:

ISO 9001/TL 9000

Information security management system certification:

ISO 27001

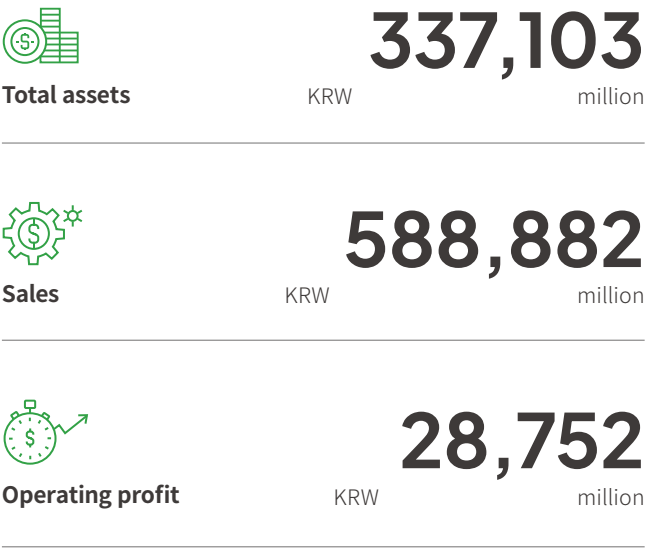
Company Profile

Spun off from HUMAX Co., Ltd. in 2019, HUMAX Networks is a company that supplies a variety of network solutions and broadband network equipment. The company provides diverse products including xPON, routers/extenders, DOCSIS, xDSL, and other solutions, and creates new values through constant R&D aimed at enhancing the performance of its products with the adoption of innovative technologies, such as Wi-Fi 7, Wi-Fi Sensing, Wi-Fi EasyMesh, etc.

Overview

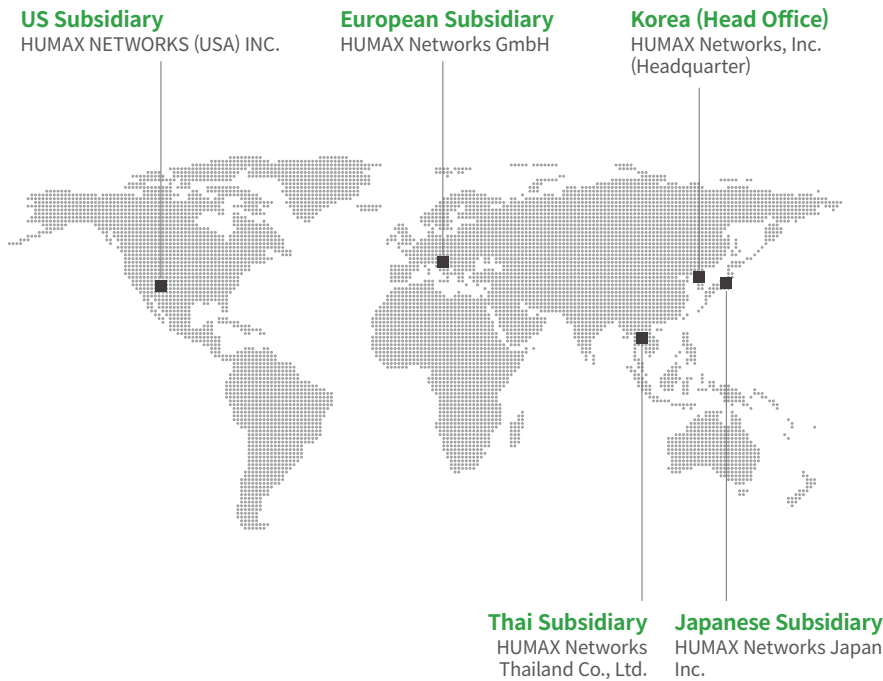
Company name	HUMAX Networks, Inc.
Date of foundation	Nov. 26, 2019
CEO	Lee Seung-jae
Business area	Supply of wired & wireless communication equipment and solutions
Employees	193 persons (including overseas subsidiaries, as of the end of 2023)
Head office address	216, Hwangsaeul-ro, Bundang-gu, Seongnam city, Gyeonggi province.
Business sites	USA, Europe, Thailand, Japan

Key Figure



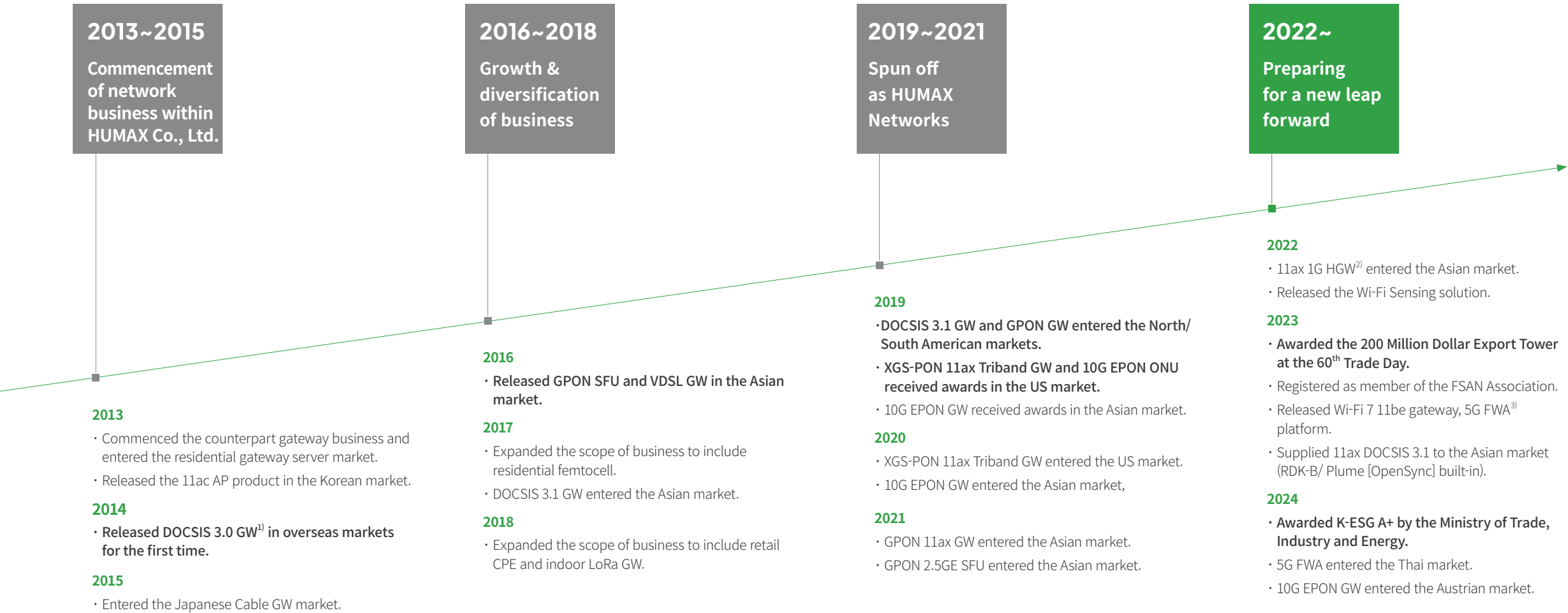
* As of December 2023.

Global Network



Company Profile

Company History



1) GW : Gateway 2) HGW : Hybrid Gateway 3) FWA : Fixed Wireless Access

Company Profile

Mission, Vision, Core Values

HUMAX Network has established its mission, vision, and core values to become a “global leading company” that provides new value through innovative yet non-destructive creation. We will take a major leap forward to become the top company by continuously securing technological competitiveness and recruiting excellent talents based on our customer-oriented core values.

Mission

To enhance connectivity with the future and provide new values through innovative and non-destructive creation.

Vision

A company that provides broadband devices that can be used easily anytime, anywhere.

Core Values



Customer-centered thinking

- Make the customer’s everyday life more convenient.
- Provide the best network technologies and services.



Seamless connectivity

- Guarantee fast and easy wire/wireless connection to all customers from anywhere.



Leading and innovative technologies

- Maximize customer satisfaction.
- Provide high-performance equipment offering convenience.

Business Overview

Main Business

HUMAX Networks provides broadband network devices that can be used easily anytime, anywhere through innovative technologies.




- Broadband communication equipment.
- Video receiving/Playback equipment.
- Software solutions.

Business Overview

Key Products

HUMAX Networks provides high-speed Internet network products and solutions to major telecommunication carriers worldwide, and also supplies set-top boxes and OTT products for video reception and playback. Thanks to our products, customers can enjoy fast and stable Internet services and video services.

**Broadband Gateway**

We provide high-speed telecommunication equipment used for Internet services inside the customer’s home. We also possess products designed to satisfy various protocols (5G, 4G, PON, DOCSIS, Ethernet), each of which is individually supported by different telecommunication carriers.

1

Mobile Broadband (5G/4G) (IDU/ODU)

2

xPON

3


Module & Stick

4

DOCSIS

5

Ethernet Router/Extender



**Remote Antenna Positioning System**

We provide a system in which telecommunication carriers operating wireless networks such as 4G, 5G, and UAM can easily identify and change the positioning of an antenna remotely. Through this system, telecommunication carriers can establish an optimized network and save CAPEX and OPEX.


1

OC (Optical Compass)

2

RA (Robot Arm)



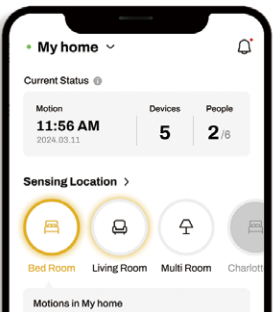
**Software Solutions**

We provide significant additional services so that telecommunication carriers can operate various services by utilizing Wi-Fi functions when supplying a gateway containing Wi-Fi. Using this technology, customers can detect activities and changes within their home environment, and enjoy various services such as family care, health monitoring, etc.

1

Wi-Fi-based care service

**Home Care Service
for Telcos**



**Set-top Box / OTT**

We provide 4K set-top boxes, OTT boxes, and OTT dongles to TV businesses including telecommunication carriers. Customers can enjoy not only Live TV but also a wide range of Android TV-based video services through HUMAX Networks’ products.

1

Set-top box

2

OTT box

3

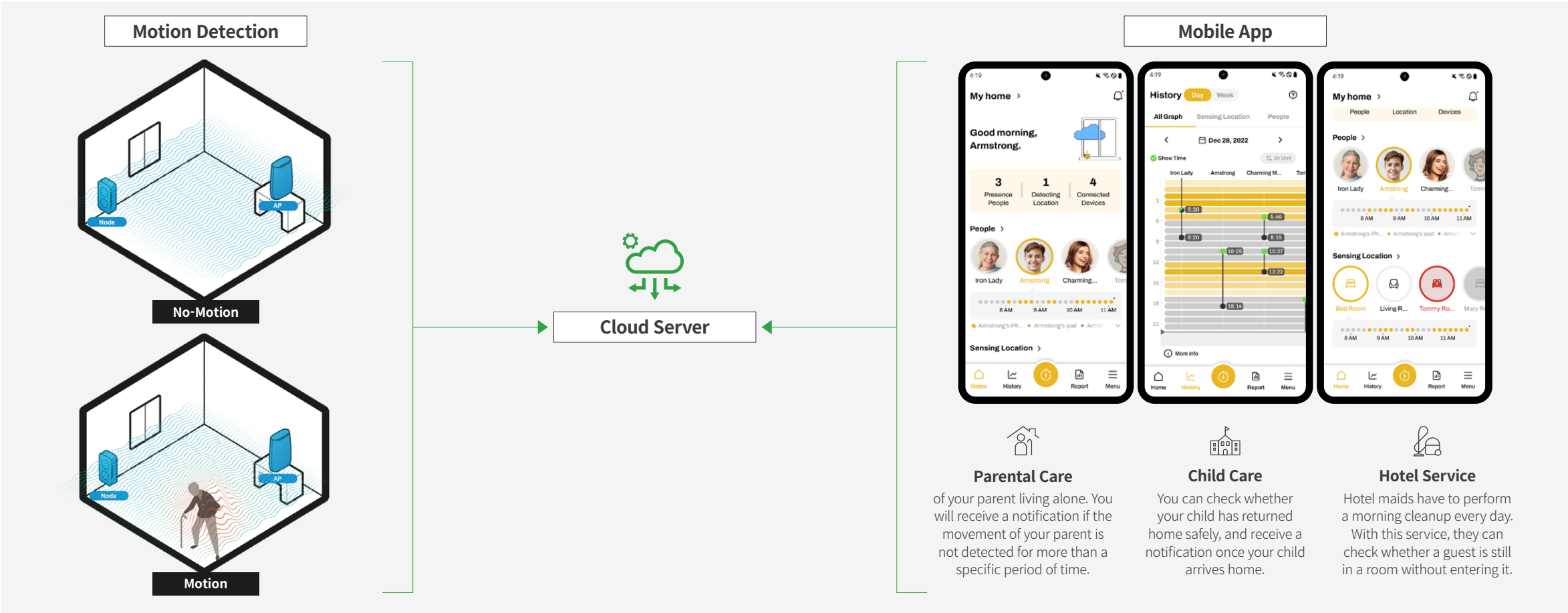
OTT dongle



Business Overview

Key Services

HUMAX Networks has developed a service through which a person’s movements indoors can be identified using Wi-Fi Sensing technology, and that provides the information the user needs. This service provides breathing detection, checking for presence in a room, sleeping time measurement, and monitoring of the nighttime activities of elderly persons. It can notify the user of any anomaly if it detects a deviation in a person’s behavior pattern from ordinary times, based on an analysis of that person’s movement pattern over a certain period of time. In addition, family members can check whether someone has gone out or is back home using Wi-Fi or GPS. We anticipate applying this technology to schools and companies to create services for checking classroom and office attendance among others.



Growth Strategy

As the use of the Internet continues to increase, the number of devices connected within a household has reached around 17 to 21 on average, and the amount of data used every month is a staggering 641GB on average. Due to the growth of the IoT and the smart home industry, the connections between devices and the amount of data used are forecast to further increase. Accordingly, the demand for high-performance broadband gateway products that can be stably connected to multiple devices and with which a large amount of data can be used without interruption is on the rise.

HUMAX Networks has developed a wide range of high-performance broadband gateway products based on the wealth of experience and know-how it has accumulated over the years, and it now plans to diversify its clients by expanding its global sales network. In the medium to long term, we will expand our business areas to include various product lines and solutions needed by major telecommunication carriers. Through such a diversification of our portfolio and the expansion of our client base, we aim to promote sustainable growth along with an increase in sales and the stable creation of profits.

Major Strategies



- Expansion of global sales network:** Expand the market through cooperation with major global telecommunication carriers.
- Diverse product line-up:** Satisfy customer requirements through various products applied with the latest technologies.
- Continuous technology development:** Create new values and strengthen competitiveness through innovative research and development.

Our Growth Roadmap



02

SUSTAINABILITY MANAGEMENT

HUMAX Networks, Connecting your future through technology and ESG!



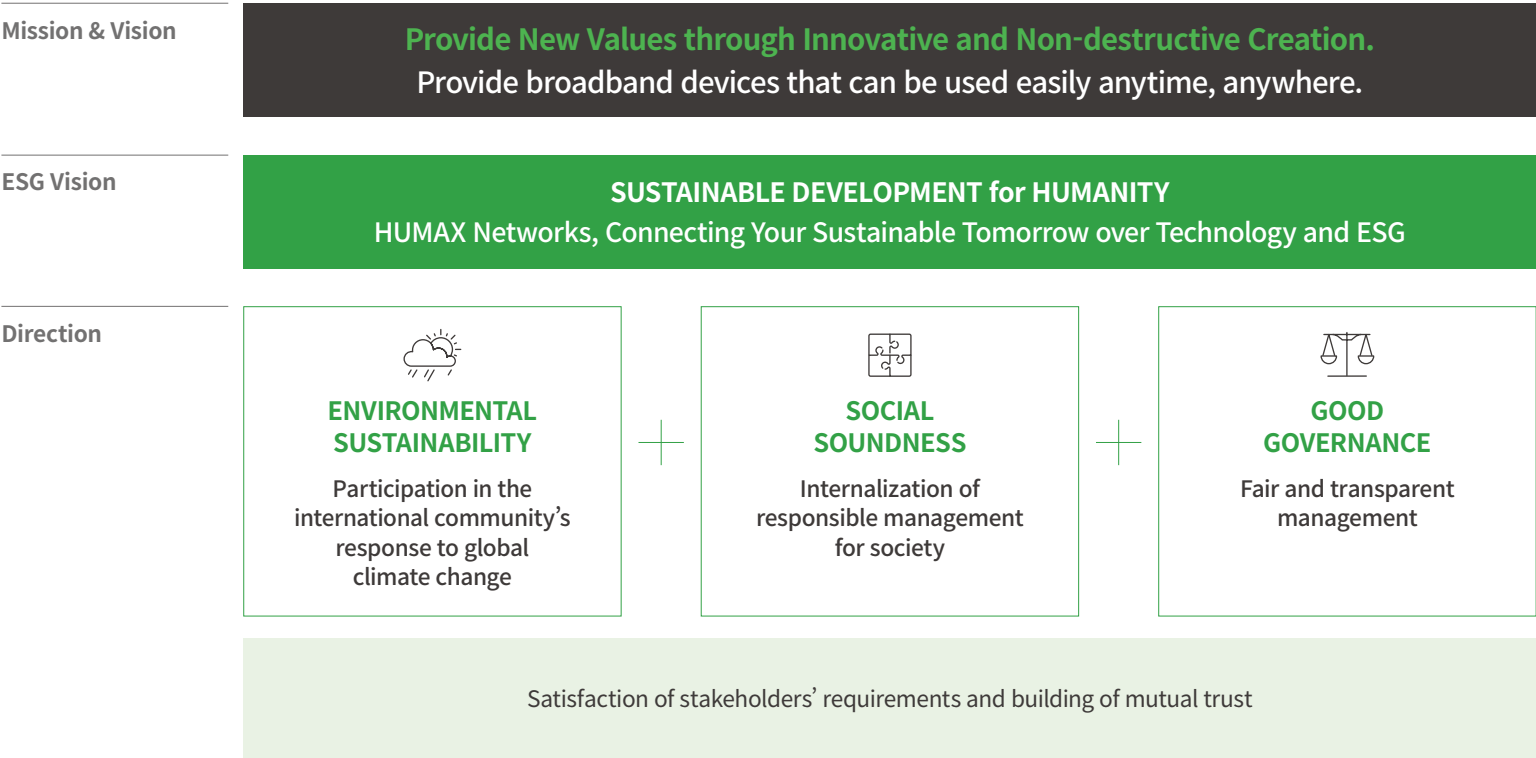
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Approach to ESG

ESG Strategy

ESG Vision and Policy

HUMAX Networks’ ESG vision is to fuse technology with ESG to connect to a sustainable tomorrow. Through this, our ultimate goal is to pursue the sustainability of mankind. Such an ESG vision is being realized in detail in each specific issue related to environment, society, and governance. From the environmental perspective, we actively support carbon neutrality and pursue environmental sustainability in response to domestic and overseas environmental policies such as climate change, reduction of greenhouse gas emissions, etc. From the social perspective, we listen to the voices of various stakeholders and strive to create a healthy and responsible corporate culture. Last of all, from the perspective of governance, we are leading the way in building trust with our stakeholders through fair and transparent management. HUMAX Networks will demonstrate leadership in the area of environment, society, and governance based on policies for addressing each ESG issue and the Triple Bottom Line in order to realize our ESG vision, and we will do our best to satisfy the requirements of our stakeholders and build mutual trust.



Approach to ESG

ESG Management Committee

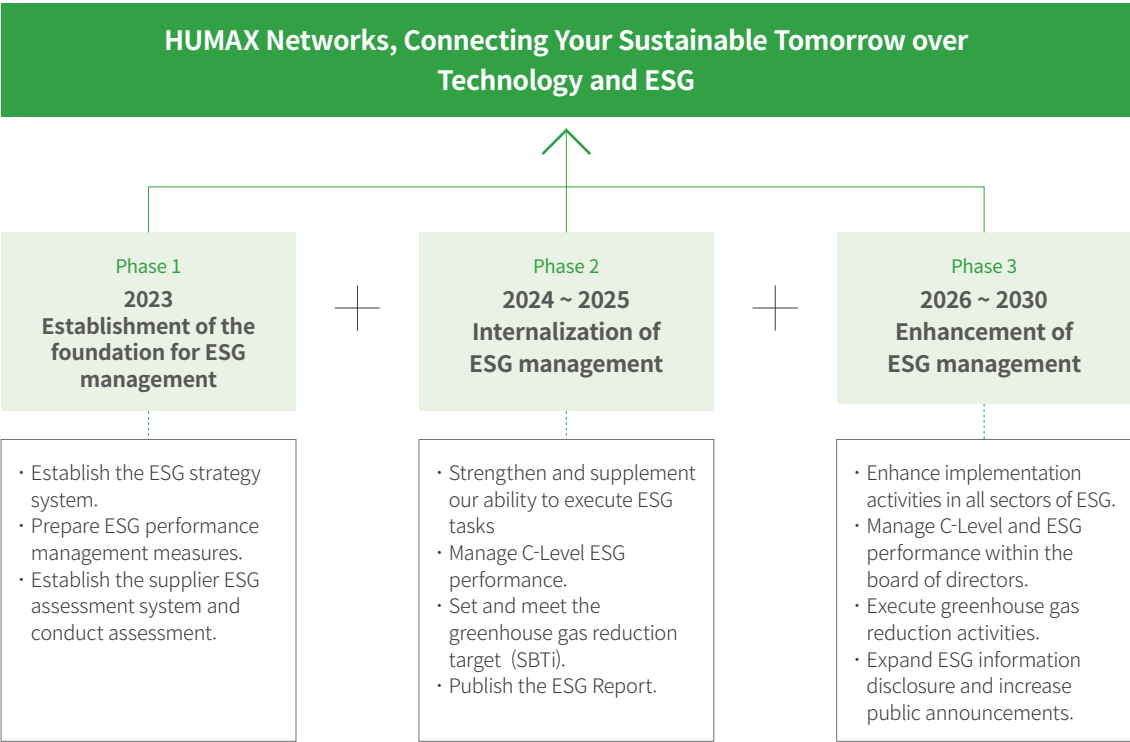
HUMAX Networks currently operates an HR committee, management committee, and ESG management committee. The members of each committee are appointed by the board of directors, and the current status of committee operation is periodically reported to the CEO. Among these committees, the ESG management committee reviews major items of the management agenda from an ESG perspective and makes important decisions accordingly.



Function/Role	Reviews/approves major items of the management agenda from an ESG perspective: <ul style="list-style-type: none">• Mid- and long-term plans and their modification.• Checks ESG status and issues.• Identifies, assesses, and supervises ESG risks.• Major strategic decision-making.
Composition	Members are appointed by the board of directors.
Operating Process	Convened frequently depending on needs; periodically reports to the board of directors. Makes major decisions through the board of directors.

Mid- and Long-term ESG Goal

HUMAX Networks has set up an ESG management roadmap to strengthen its corporate competitiveness and contribute to the growth of a sustainable society. Beginning in 2023, we established the ESG management strategy system and performance management measures, and laid the foundations for ESG management by conducting an ESG assessment of our suppliers. As of 2024, we have pushed ahead with the internalization of ESG by raising our ability to execute ESG tasks, and we aim to establish company-wide sustainable management by enhancing the implementation activities of all sectors of ESG from 2026.



Approach to ESG

Identification of ESG Risks

HUMAX Networks recognizes that non-financial (ESG) risks can have a negative impact on the company’s financial performance. Thus, related departments in the company are managing risks by setting management indexes by ESG area. Regarding necessary data, we will continuously monitor the correlation and conformity to the company’s ESG strategy and goals, and constantly manage them.

ESG Management Indices		Data Needing Management		2030 Goals	
Environment	Environmental management system	• Environmental management manager and organizational system.	• Maintenance of the ISO 14001 certification.	• Maintain the ISO 14001 certification.	
	Greenhouse gas emissions	• Carbon dioxide emissions.	• Energy consumption.	• Reduce GHG emissions by 42%.	
	Resource usage/disposal and recycling	• Amount of waste disposed of.	• Water intake quantity.		
	Product carbon footprint	• Carbon emissions per unit by product.			
Society	Employment practices	• No. of employees (classified by gender, age, nationality). • Percentage of temporary positions (contract workers/part-time workers). • Company’s wage level vs. minimum wage.	• Gender wage gap. • Status of overtime work hours by individual workers. • Human rights impact assessment.	• Expand diversity and equity.	• Conduct annual human rights impact assessments.
	Prohibition of discrimination and workplace bullying	• Employee turnover/retirement rate.	• Status of actions taken on reported cases of grievances within the company.	• Achieve an employee satisfaction score of 80 points or more.	
	Occupational health & safety	• Industrial accident rate. • Maintenance of the ISO 45001 certification.	• Incidence of occupational illnesses.	• Maintain an industrial accident rate of 0%.	• Maintain the ISO 45001 certification.
	Product safety & quality	• Percentage of all products undergoing a quality inspection. • Customer satisfaction status	• Status of product recalls/refunds.	• ZERO recalls.	• Maintain the ISO 9001 certification.
Governance	Anti-corruption/compliance management	• Status of compliance with related laws. • Anti-corruption risk assessment (Integrity assessment).	• No. of employees who received ethics training.	• ZERO violations of anti-corruption laws.	
	Information security	• Information security system audit/ management cycle. • No. of information security training hours and no. of workers what they learned from the training.	• Maintenance of the ISO 27001 certification • Current status of information leakage.	• Maintain the ISO 27001 certification	• ZERO personal information leakages.

Stakeholders Engagement

Communication with Major Stakeholders

Stakeholder Communication Channel & Major Issues

HUMAX Networks considers all its employees, customers, shareholders, investors, suppliers, and local communities to be its major stakeholders, and listens to their diverse voices via common channels through which we can communicate with them at all times, as well as via individual channels suited to each stakeholder.

The verified opinions of our stakeholders are reflected when setting ESG management strategies and tasks.

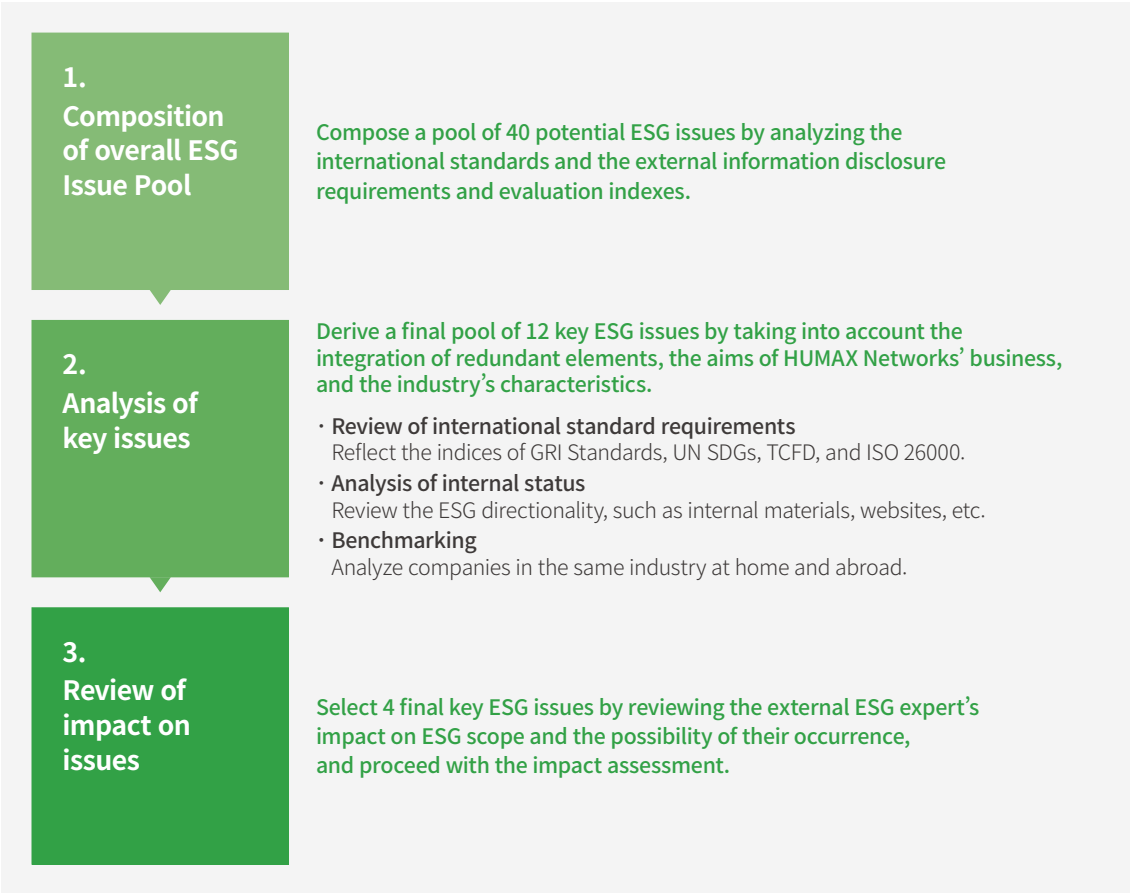
Category	Stakeholder	Major communication channels and programs		Key interests
		Common channels	Individual channels and programs (Frequency)	
Internal	Employees 	<ul style="list-style-type: none">• Company website• Sustainability report	<ul style="list-style-type: none">• Employee communication program (regular).• Employee satisfaction survey (biennial).• Labor-management council, labor-management roundtable meetings (quarterly).• Companywide management briefing sessions (twice a year).	<ul style="list-style-type: none">• Recruitment and fostering of talents, improvement of employees' health and safety, and welfare and organizational culture
	Customers 		<ul style="list-style-type: none">• Face-to-face meetings with customers (regular).• Participation in exhibitions (regular).• Reception of inquiries and complaints (regular).	<ul style="list-style-type: none">• Product development, strengthening of product safety and quality.
	Shareholders & investors 		<ul style="list-style-type: none">• General meeting of shareholders (annually)• Corporate management disclosure (annually).	<ul style="list-style-type: none">• Responsible management by the board of directors/top management, ethical and compliance management.
	Suppliers 		<ul style="list-style-type: none">• Face-to-face meetings & roundtable meetings (regular).• Purchasing portal system (regular).	<ul style="list-style-type: none">• Fair trade, coexistence with suppliers.
	Local communities 		<ul style="list-style-type: none">• Social contribution collaboration project (regular).	<ul style="list-style-type: none">• Social contribution activities.

Materiality Assessment

Double Materiality Assessment

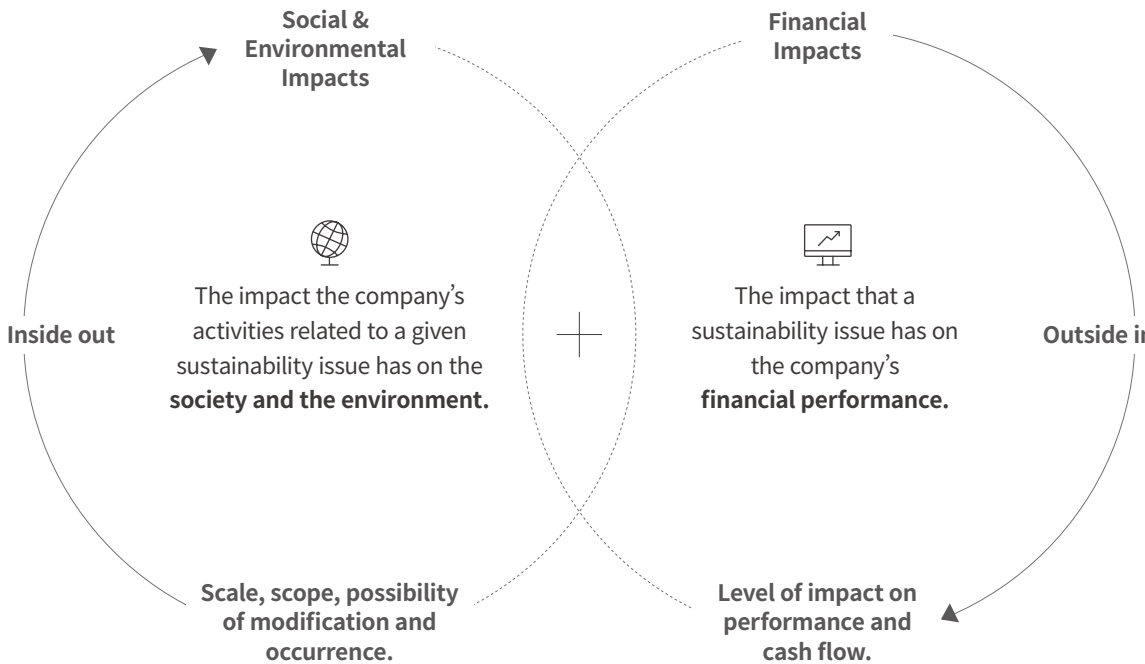
In 2023, HUMAX Networks conducted a Double Materiality Assessment to analyze the impact that sustainable management-related issues have on the company’s financial status and, conversely, to assess the impact that our business has on the environment and society. We proceeded with benchmarking of the same industry and surveys of our stakeholders by utilizing the double materiality assessment methodology required by the international standards, and ultimately derived four key response issues. The derived issues were then confirmed by reviews conducted by our department in charge of ESG and the top management, and by gathering the opinions of experts.

Double Materiality Assessment Process



Meaning of the Double Materiality Assessment

The double materiality assessment entails taking into account not only the impacts of corporate management activities on society and the environment, but also the impacts that external factors have on corporate value and finance. Through this, HUMAX Networks comprehensively reflects the perspectives of various stakeholders including customers, shareholders and investors, suppliers, employees, and local communities in order to establish and implement sustainable management strategies.



Materiality Assessment

Double Materiality Assessment Results

We have selected four material issues by considering their financial impact on the company and social and environmental materiality during the double materiality assessment, and presented their levels of impact on individual stakeholders. The activities and performance concerning related issue are reported in detail in this report.

Four Key Material Issues

ENVIRONMENTAL
Climate Change Response

SOCIAL
Health & Safety Management of Business Sites
Diversity & Anti-Discrimination

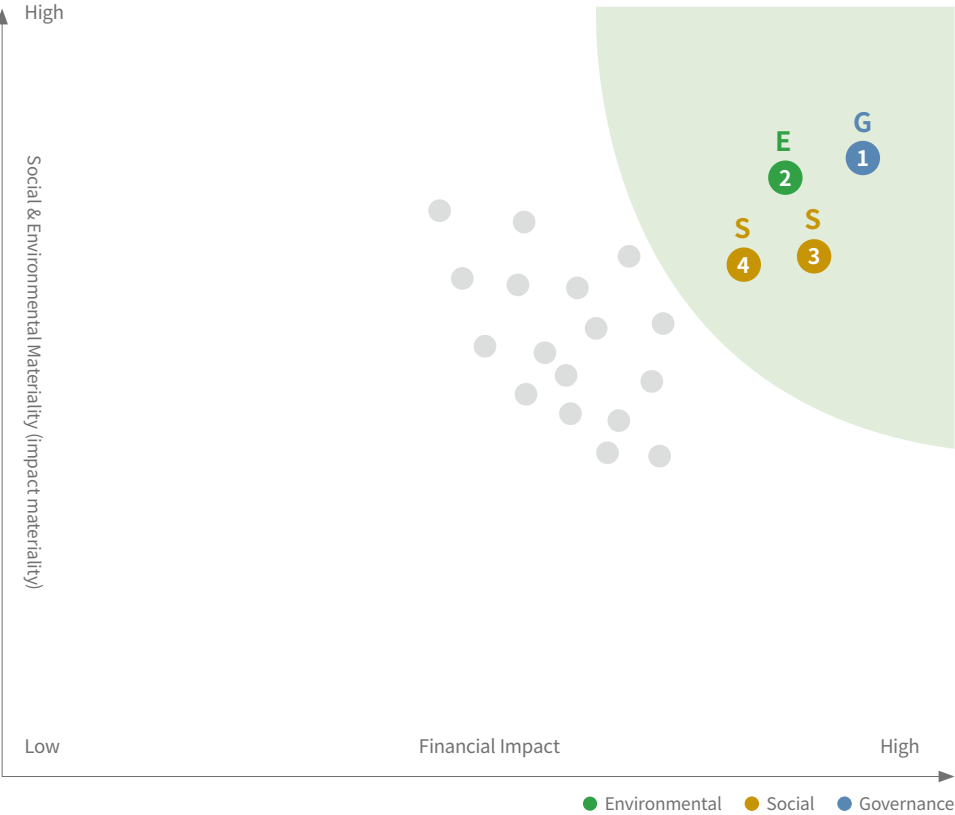
GOVERNANCE
Strengthening Ethical & Anti-Corruption Management

^

Rank	Classification	ESG Issue Report	Financial/Non-financial Impacts		GRI Index	Page no.
			Financial	Environmental & Social		
1	G Ethic	Strengthening Ethical & Anti-Corruption Management	●	●	205, 206	55~57p
2	E Environment	Climate Change Response	●	●	302, 305	23~27p
3	S Labor	Health & Safety Management of Business Sites	●	●	403	48~52p
4	S Human Rights	Diversity & Anti-Discrimination	●	●	405, 406	41~43, 66p

● High ● Medium ○ Low

HUMAX Networks’ Double Materiality Assessment Matrix



03

ESG PERFORMANCE

HUMAX Networks supporting the practice of ESG Life in everyday life



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ENVIRONMENTAL

Participation in the response to global climate change



MEASURES

- 1 Environmental Management Promotion System
- 2 Eco-Friendly Activities and Management



KEY PERFORMANCE

Greenhouse gas emissions	Energy consumption (Electricity)	Waste generation (General wastes):
414.4 tCO ₂ eq	3.06 TJ	15.66 ton
Greenhouse gas emission intensity	Amount of water used	Acquisition of Environmental Management System
2.26 tCO ₂ eq/No. of employees	3,045 ton	ISO 14001 certification



OUR APPROACH

The global response to climate change is now fully underway, and efforts to reduce greenhouse gas emissions are being expanded not only to companies but also to countries. In addition, domestic and overseas laws and regulations on the environment are being continuously tightened. As such, our company has built an environmental management promotion system to join in the response to global climate change, and is carrying out a project to reduce greenhouse gas emissions and save energy. Furthermore, we are focusing on managing the related core issues by identifying environmental impacts and issues arising due to our business activities. To this end, we have acquired the environmental management system certification, and are doing our best to comply with all the laws and regulations related to water, wastes, hazardous chemicals, etc.

Environmental Management Promotion System

Environmental Management Policy & Strategy

HUMAX Networks has established an environmental policy to prevent environmental damage and practice continuous improvement activities through eco-friendly business management. To this end, we have established an eco-friendly management system based on ISO 14001, a global standard, and are complying with domestic and overseas environmental laws and regulations. In addition, we have identified the environmental issues that we should focus on managing by assessing the environmental impacts arising due to the nature of our business, and then performing continuous management activities.

Direction of Environmental Management

Environmental policy

Practice continuous improvement activities through eco-friendly business management and adopt a preventive approach to environmental damages.

Environmental management system

Establish an eco-friendly management system through ISO 14001 and comply with the environmental laws and regulations.

Matters to be practiced



Reduction of energy consumption

Reduce electricity consumption

- Install automatic energy-saving switches with motion sensors in restrooms and lounges.
- Replace existing lights with energy-efficient LED lights.
- Always set laptops to the standby mode.
- Develop and supply products integrated with power saving functions.

Reduction of fuel consumption

- Engage in an energy-saving campaign aimed at lowering the heating temperature by 2°C, and raising the cooling temperature by 2°C.



Reduction and management of waste generation

- Encourage employees to participate in the process of sorting and disposing of wastes generated by everyday activities in the company.
- Actively encourage employees to bring and use their own reusable tumblers instead of disposable paper cups.
- Reuse old laptops as test laptops for product experiments.
- Dismantle products more easily by replacing PE pads with paper pads.
- Separately dispose of hazardous waste (industrial wastes) (comply with the Ministry of Environment’s guidelines).



Preservation of water resources

- Introduce a function for adjusting the water pressure of restroom sinks.
- Close the hot water valves of sinks during summertime to save water and reduce unnecessary energy consumption.



Preservation of biodiversity

- Engage in social contribution activities such as plogging to preserve biodiversity.



Promotion of eco-friendliness in the supply chain

- Request the aggregation of greenhouse gas emissions by major suppliers.
- Conduct an environmental risk assessment of major suppliers.

Environmental Management Promotion System

Environmental Management Certification

HUMAX Networks has been recognized for establishing an environmental management system at the global level by acquiring the ISO 14001 (environmental management system) certification in 2023. We will continuously renew and maintain all related certifications to ensure continuous operation of our eco-friendly management system.

Environmental Management System

- Reduction of greenhouse gas emissions
- Improvement of resource efficiency
- Improvement of energy efficiency
- Establishment of internal standards to comply with environmental laws and regulations
- Enhancement of eco-friendly management
- Production of eco-friendly products
- Capacity building through education and training



Environmental Management Guidelines

HUMAX Networks enacted the environmental management guidelines on December 2, 2022, and has updated it periodically. The environmental management guidelines consist of a set of basic principles, beginning with the CEO’s message, which contains the CEO’s commitment to environmental management, and a total of ten detailed principles. Through these environmental management guidelines, we will do our best to achieve our environmental goals and improve our performance by taking into account the environmental aspect in all the processes of corporate management activities.

1

Foreword

1. CEO’s Message
2. Purpose of environmental management
3. Key focus areas and goals
4. Responsibilities and rights
5. Scope
6. Definitions

2

Basic Principles

1. Compliance with environmental laws
2. Continuous improvement
3. Sustainable supply chain management
4. Communication with stakeholders

3

Detailed Principles

1. Eco-friendly products
2. Greenhouse gas emissions
3. Energy consumption
4. Management and recycling of wastes
5. Management of harmful substances
6. Air pollutants
7. Soil, noise, vibration, odors
8. Raw and sub-materials
9. Protection of water resources and management of sanitary facilities
10. Protection of the environment and ecosystems

Environmental Management Promotion System

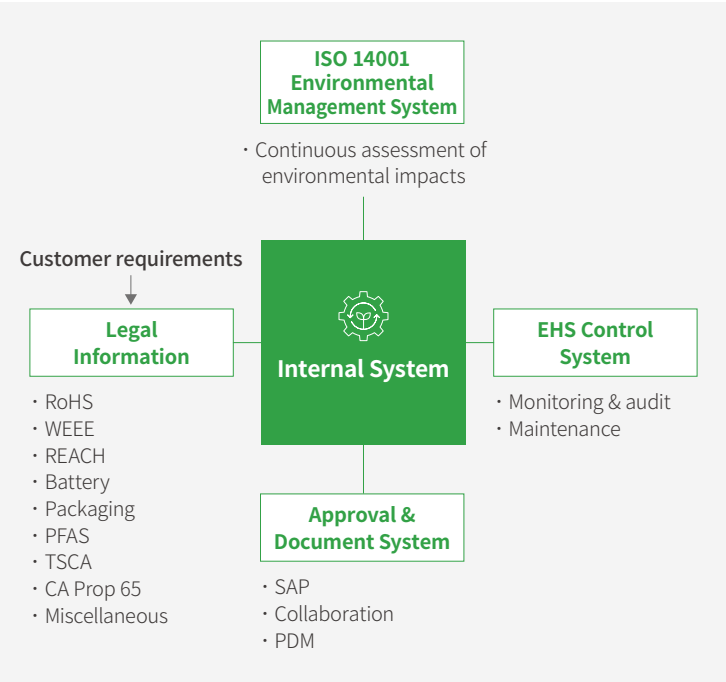
Governance of Environmental Management

HUMAX Networks has established an environmental management governance in which the top management participates. The company is equipped with an environmental management system for operating a sustainable business by managing and overseeing the company-wide implementation of environmental management based on environmental policies and guidelines.

Environmental Management Organizational Chart



Environmental Management System Process

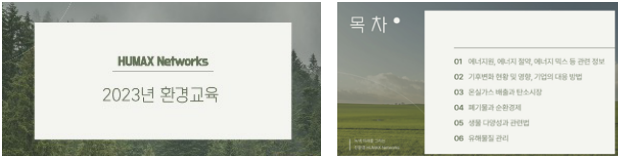


Environmental Management Training

We conduct training on the impact of corporate activities on the environment and the direction of the response in the future in order to raise our employees' environmental awareness and to strengthen their environmental competencies. We have conducted an online training program on the theme of "Understanding environmental management and how to respond to climate change" for all our employees. This training covered a diverse range of topics, such as energy-saving and energy mix, climate change and the company's response, greenhouse gas emissions and the carbon market, waste and the circular economy, biodiversity and related laws, management of hazardous substances, etc. In 2023, 175 persons participated in this training program.

Result of Environmental Training in 2023

- **Training topic** : Understanding environmental management and the response to climate change.
- **Target** : All employees
- **Date** : May 2-12, 2023
- **Training method** : In-house online training (Video viewing)
- **Training completed** : 175 persons
- **Training details** :
 1. Information related to energy, such as energy sources, energy saving, energy mix, etc.
 2. Current status and impact of climate change/response method of the company.
 3. Greenhouse gas emissions and the carbon market.
 4. Waste and the circular economy.
 5. Laws related to biodiversity.
 6. Management of harmful substances.



Eco-Friendly Activities and Management

Greenhouse Gas Emission Reduction and Management Activities


HUMAX Networks is deeply aware of the seriousness of climate change, and has consequently set its greenhouse gas emission reduction target for the first time to join the response to global climate change. Furthermore, to express our commitment to reducing greenhouse gas emissions, we have pledged to establish a reduction target based on science through the SBTi (Science Based Target initiative), a global initiative, and will continuously practice it by receiving the verification of SBTi.

Greenhouse Gas Emissions Reduction Goals

Classification	GHG emissions, 2023	Reduction goal, 2023 (As of 2023)	
		Reduction rate	Amount of reduction
Greenhouse gas emissions (Scope 2)	414.4 tCO ₂ eq	42%	174 tCO ₂ eq
Greenhouse gas emissions intensity	2.26 tCO ₂ eq / No. of employees	42%	0.95 tCO ₂ eq / No. of employees

Energy Conservation Activities

To reduce greenhouse gas emissions and save energy, we have installed motion-activated energy-saving switches with motion sensors in all the restrooms and lounges at our domestic business sites. In addition, we have replaced the existing lighting with highly-efficient LED lighting, and are developing and supplying products with power-saving functions. Besides this, we are running a campaign in which internal employees' always set their laptops to the standby mode.



Energy management

Eco-friendly equipment & facility investment

- Installed energy-saving switches with motion sensors in restrooms and lounges.
- Replaced existing lighting with LED and purchased household appliances with a high energy efficiency grade.
- Developed and began supplying power-saving products.

Employees' eco-friendly practice campaign

- Setting computers and laptops to the standby mode during break time.
- Turning off the power of office PCs when leaving the office.
- Preventing unnecessary consumption of electricity by turning off lights after 9 pm.
- Maintaining appropriate temperature for cooling/heating.

Greenhouse Gas Reduction in the Supply Chain

As the regulations on greenhouse gas emissions have recently been tightened in supply chains, the importance of greenhouse gas management within the supply chain is growing. Hence, the company is striving to manage the greenhouse gas emissions of its major suppliers. As a part of this effort, we identified and began managing the amount of energy consumption and greenhouse gas emissions of the Thai plant, which is a major outsourcing factory overseas, in 2023. HUMAX Networks will make further efforts to reduce Scope 3 emissions by expanding the scope of management in order to manage greenhouse gas emissions within the supply chain.



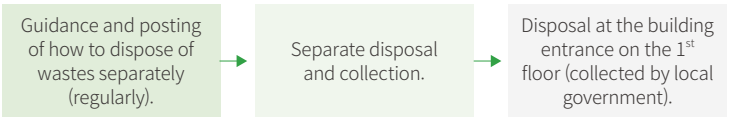
Eco-Friendly Activities and Management

Waste Management

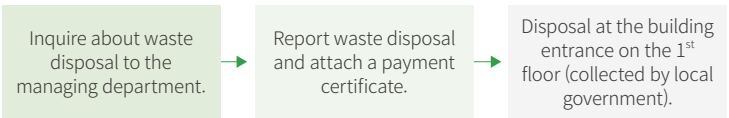
Waste Sorting and Disposal

HUMAX Networks classifies wastes into general waste and industrial waste: the former include papers, cans, glass bottles, plastic, and food wastes generated during employees’ working hours and break time, while the latter include PCBs, finished products, steel plates, etc. generated during product development. Wastes are disposed of by classifying them into wastes for incineration, reclamation, and recycling, in compliance with the standards of the Wastes Control Act. Moreover, items collected free of charge, such as TVs and laptops, are disposed of through organizations that support the recovery and recycling of waste electronics, and electronic industrial wastes are disposed of by waste collection companies designated by the local government.

General waste disposal process



Industrial waste disposal process (Large & electronic industry waste)



Industrial waste disposal process (Items collected free of charge)



Efforts to Practice Resource Saving and the Circular Economy

HUMAX Networks is inducing the active participation of its employees in sorting and disposing of wastes through the separate collection of domestic wastes, and is running a campaign recommending the use of reusable tumblers instead of disposable and paper cups. In addition to this, we have taken measures to replace the existing PE pads with paper pads to enhance convenience when dismantling products.

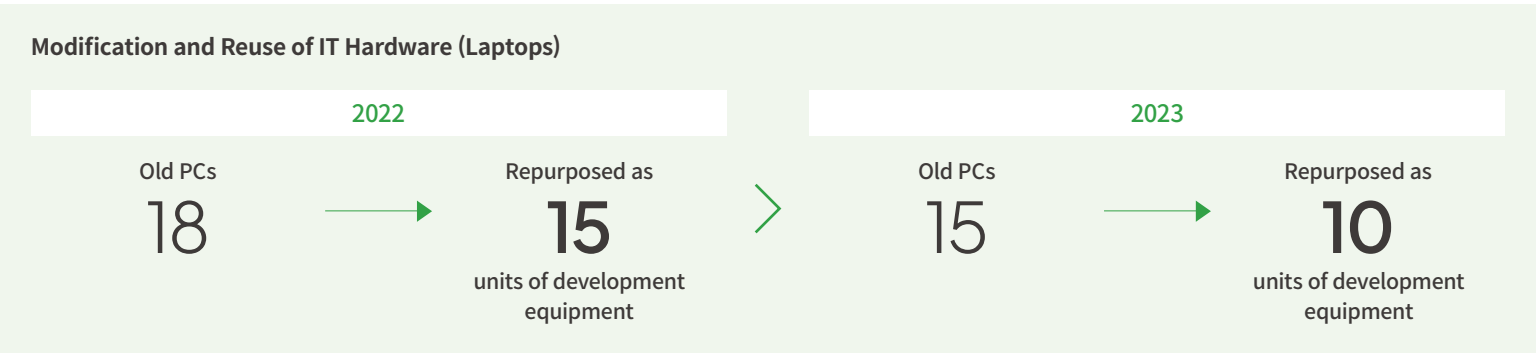
To reduce the generation of waste, our company is actively promoting the modification and reuse of IT hardware, particularly laptops. Through these efforts, old laptops are being reused as test equipment for product experiment, and in 2023 we converted 15 old PCs into 10 items of development equipment. We will minimize the generation of waste from the overall process of production, distribution, and consumption and increase waste recycling and reuse in order to reduce their impact on the environment.

**Resource saving**

- Conducted training aimed at raising employees’ awareness of wastes and recycling.
- Ran a campaign advocating the separate collection of domestic wastes.
- Recommended all employees to use tumblers and reusable paper to save paper.
- Encouraged paperless reporting & approval, electronic contracts, etc.

**Practice of the circular economy**

- Replaced PE pads with paper pads.
- Converted old PCs into development equipment (test laptops).
- Converted 25 PCs (cumulative) into development equipment (2022~2023).



Eco-Friendly Activities and Management

Management of Hazardous Chemical Substances

To respond to global environmental regulations such as RoHS, REACH, POPs, TSCA, CA Prop.65, PFAS, etc., HUMAX Networks has established its own environmental compliance management process. We are periodically monitoring the harmful chemical substances included in our products through verification of parts, and managing the chemical substances of raw and sub-materials in the supply chain by establishing the related database. We request our suppliers to manage data in accordance with global environmental regulations. The company also distributes the latest environmental regulation standards and manuals for hazardous substances to suppliers, and actively monitors whether suppliers comply with the standards.

Furthermore, we are blocking exposure at the source by establishing and implementing measures to prevent exposure according to the risk level based on the results of the chemical substance risk assessment. We are replacing high-risk materials based on the results of risk assessment, and continuing with our improvement efforts by establishing reduction plans. Besides this, we periodically measure the working environment of our worksites, and have furnished MSDS materials on the substances in use in each laboratory. To control exposure to harmful substances, we periodically commission external specialized agencies to measure the working environment and conduct monitoring. As a result, assessments have confirmed that we have “not exceeded the limit on exposure to carcinogenic substances”, and have not “exceeded twice the limit of exposure to chemical factors”.

Verification system	Establishment of parts verification system <ul style="list-style-type: none">• MSDS, MADS, non-use certificate, DoC, CoC, RoHS test report of parts verification through HUMAX Networks SAP system.• Establishment of a DB on the list of harmful substances according to environmental regulations and periodic updates.
Company management	Request and management of regulated material data by parts <ul style="list-style-type: none">• Distribution of HUMAX Networks’ harmful substance standards according to the latest environmental regulations and data registration manual, and management of companies.• Management of company’s environmental compliance certificate.
Customer response	Customer’s response to environmental regulation requirements <ul style="list-style-type: none">• Customer’s response to harmful substance requirements according to environmental regulations and response to technical documents.

Management of use of water

Although HUMAX Networks is not in an industry that uses large amounts of water resources, we are raising employees’ awareness of the importance of water conservation by conducting a campaign for saving water in order to reduce the amount of water used by the company. To save water and reduce unnecessary consumption, we are carrying out a campaign aimed at encouraging employees to use tooth-cleaning cups, turn off faucets, and use water appropriately by adjusting water pressure. In addition, we are saving water and energy during the summer season by adjusting the use of hot water valves.



Pollutant Management

Due to the nature of our business, which does not directly produce products, HUMAX Networks plays almost no part in the generation of air and water pollutants or foul odors, and is not a company subject to reporting to the government. Nevertheless, we always keep an eye on the domestic and overseas laws related to pollutants, and make sure that we manage our supply chain with a sense of responsibility so as to minimize the emission and discharge of pollutants in the supply chain.

Biodiversity Preservation Activities

HUMAX Networks’ domestic business sites do not fall under the ecological management area based on the National Institute of Ecology’s ecological and natural map provided by the Ministry of Environment. Nonetheless, HUMAX Networks engaged in a plogging event focused on protection of the ecosystem at Namhansanseong Fortress, Seoul, in which all its employees participated. The event was very meaningful in that it contributed to preserving an important cultural heritage site through healing, tracking, and plogging. We will contribute to protecting the environment and creating a sustainable future through small daily practices, such as picking up trash, by integrating environmental and social contribution activities.

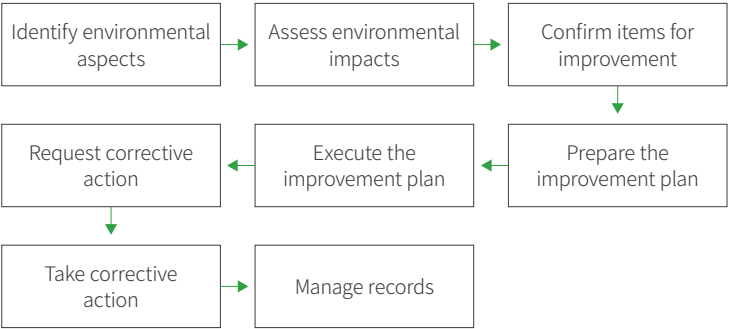


Eco-Friendly Activities and Management

Environmental Risk Assessment and Emergency Response

Environmental Impact Assessment Procedure

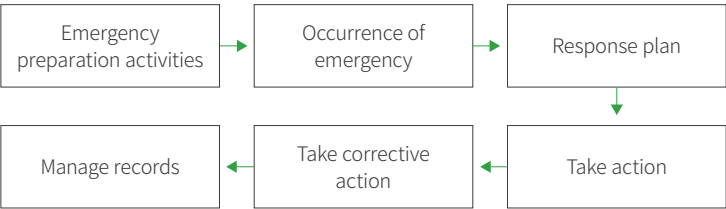
HUMAX Networks checks the environmental impacts occurring at all its business sites in order to assess the degree of direct and indirect environmental impacts that may arise in the future. We have classified the main environmental impact elements into air, water quality, soil, natural resources, plants, animals, and people, and are measuring the frequency, amount, and severity of such impacts. This measurement is conducted once a year to identify and manage important environmental issues, and we are taking measures to comply with domestic and overseas environmental laws and to fulfill the environment-related standards required by ISO 14001 and ISO 45001.



In addition to this, our company periodically monitors various domestic and overseas legal requirements. In particular, we are independently conducting legal compliance assessments and monitoring whether we satisfy the environmental standards required by our customers, such as overseas RoHS, REACH, POPs, TSCA, CA Prop.65, PFAS-related guidelines, etc.

Response to Environmental Emergency

We have identified risks by type and prepared response measures to prevent and prepare for the kinds of environmental accidents that may arise at our business sites. We conduct training once a year to ensure that we can respond quickly and safely to any emergency, such as accidents, flooding, fire, earthquake, etc., and periodically check the training plan for preparing for an emergency and analyze the response measures every two years.



Compliance with Environmental Laws

HUMAX Networks has not received any major fines or non-monetary sanctions due to violations of environmental regulations in the past three years, and will continue to comply with the environment-related laws. We have established a related reporting channel to actively listen to the opinions of our stakeholders on environmental safety, going beyond legal compliance. Our employees, as well as all external stakeholders, can freely use this reporting channel.

[Reporting channel related to customer’s health and safety](#)

Number of environmental regulation violations



SOCIAL

Embedding Social Responsibility in Management



MEASURES

- 1 Employee Culture
- 2 Customer Satisfaction Quality Management
- 3 Human Rights Respect and Protection
- 4 Supply Chain Management & Collaboration
- 5 Health & Safety



KEY PERFORMANCE

Average welfare cost per employee	Industrial accident rate	Average training time per employee	In-house human rights participation rate
KRW 11.27 million	ZERO	29.2 hours	100 %
Periodic performance assessment execution rate	Amount spent on goods from socially responsible companies	Acquisition of Environmental Management System	
100 %	KRW 81 million	ISO 45001 certification	



OUR APPROACH

HUMAX Networks is doing its best to foster talents. We select excellent talents through a fair and transparent recruitment policy from the recruiting stage, and are creating an environment in which employees can comfortably focus on their duties with appropriate compensation and work-life balance. In addition, we stress the human rights of our stakeholders, pursue diversity within the workplace, and promote a non-discriminatory corporate culture. Along with this, we develop products that fulfill customer requirements, and make diverse efforts to prevent and mitigate various risks that may arise in the supply chain. Moreover, we conduct periodic identification and assessment of the actual conditions of hazardous risk factors in order to create safe business sites, and provide various forms of support to take care of the health of our employees. We will realize the internalization of responsible management for our society, while doing our best to foster talents (人材), respect human rights (人権), and prevent man-made disasters (人災).

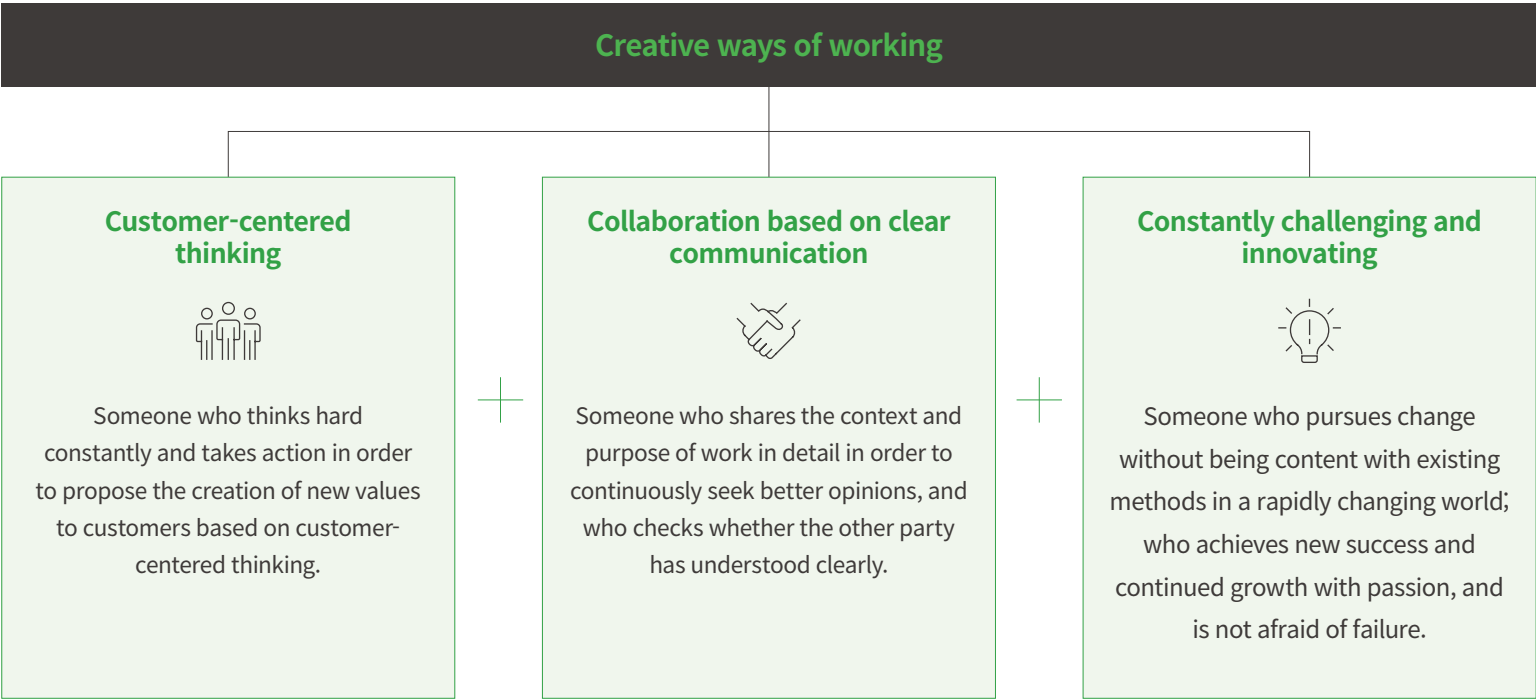
Employee Culture

Talent Development and Management

HUMAX Networks carries out various kinds of support activities designed to help employees settle into the organization and grow into experts, from the recruitment stage to the retirement stage of their career, including an onboarding program, the provision of fair promotion and compensation through periodic performance assessments, the development of each individual employee’s job competencies and career through systematic/periodic training programs, and a retirement program, etc.

Ideal Image of Talent

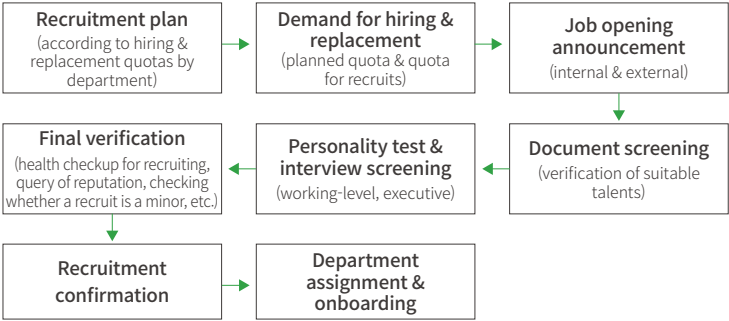
HUMAX Networks fosters ideal talents who possess skills such as customer-centered thinking, and who have the ability to collaborate based on clear communication, to face challenges and pursue innovation, and to find bold and creative ways of working. To secure suitable candidates, we post our image of the ideal talent on the company website so that potential employees wishing to build their career at HUMAX Networks can empathize with our values.



Fair Recruitment

HUMAX Networks focuses on verifying suitable talents while excluding unfair elements in the recruitment process. At the same time, we strictly abide by the related laws regarding the recruitment procedure. Meanwhile, as a result of our efforts to recruit talents by taking into account diversity, the number of our female talents has gradually increased. Besides this, we make every effort to ensure that unfair elements and discrimination due to gender, age, physical conditions, disabilities, religion, region of origin, academic background, etc. do not intervene when recruiting talents, and if recruitment is confirmed, we check the recruit’s age on their resident registration certificate in order to comply with the prohibition of child labor. Through such a recruitment process, we recruited 13 new employees in 2023.

HUMAX Networks human resource recruitment process



- Management of competency of talents suitable for each job and establishment of a recruitment plan for recruiting outstanding talents.
- Fair recruitment process, and compliance with the examination standard for each recruitment process.
- Prevention of unfair competition via compliance with the law regarding the fairness of recruitment procedures.
- Preferential treatment for persons with disabilities and war veterans.

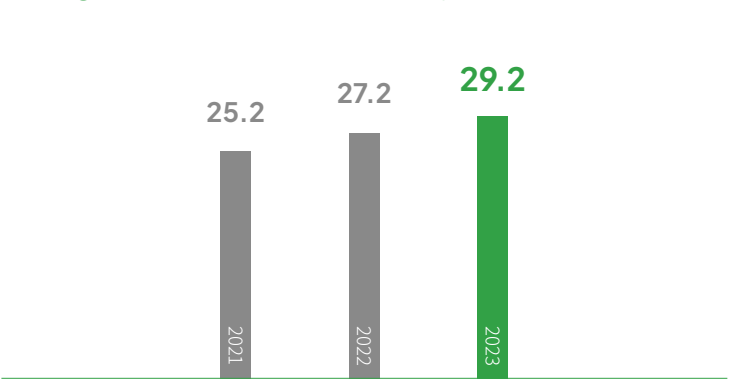
 **HUMAX Networks’ recruitment of human resources**

Employee Culture

Talent Development, Training, and Career Management

We are proceeding with the fostering and management of talents under the responsibility of the CEO, and improving the training system in stages through (annual) regular discussions on the fostering of talents. We are working hard to develop a company-wide fostering system in the future with a focus on fostering the leadership skills of position holders who play a pivotal role in the organization’s growth. Furthermore, we are establishing a voluntary learning culture, and operating a system of regular support to assist the development of each employee’s job competencies. The number of training hours per person in 2023 stood at 29.2 hours, for a total cost of approximately KRW 18 million. The total training cost for fostering talents and the training time per person have increased continuously over the past three years.

Training time per person over the past 3 years (Unit: Hours)



HUMAX Networks Talent Development System

Type of training	Company-wide training	Job competency training
Department	Hosted by HR	Hosted by working level
Management scope	Training plan, required environment analysis, training course design, development, implementation, assessment.	Training plan, operating strategy, training implementation, training course assessment.

Internal transfer and job rotation system

HUMAX Networks is operating an internal transfer and job rotation system as a part of each employee’s career management under the principle of ‘The Right Person in the Right Place, Commitment and Personal Growth.’

Career Development and Rotation over the Last 3 Years

2021	>	2022	>	2023
6		5		5
persons		persons		persons

HUMAX Networks Training Framework

- **Beginner**: New recruit orientation and mentoring, OJT program.
- **Job**: Strengthening an individual’s competency.
 - Support for attendance at external training & seminars.
 - Support for acquisition of job-related licenses, etc.
- **Strengthening of leader competency**
 - Operation of onboarding process for new position holders.
 - Leadership lectures for position holders; production and distribution of an in-house leadership textbook.
 - Language learning for position holders.
- **Mandatory**: Occupational health and safety training, training aimed at improving awareness of persons with disabilities within the workplace, and training on sexual harassment prevention, workplace bullying prevention, personal information protection, and retirement life and pension, etc.
- **Corporate ethics**: Employee ethics training, human rights training, environmental training.
- **Program**: Foreign language learning support, provision of welfare points.

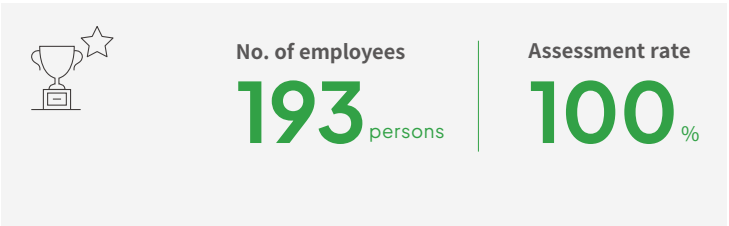
Employee Culture

Performance Management & Compensation System

We operate a performance review system to assess each individual’s performance and competencies fairly and objectively, and conduct performance feedback interviews for each organization in order to support an individual’s growth and mitigate any difficulties they are facing.

We have regularized the prevention of discrimination in the job training and promotion process in order to develop employees’ expertise. We are also working hard to ensure fairness in performance management and to prevent discrimination via a review by a final council composed of executives at the final stage of performance management. If an assessed individual feels that they are being discriminated against, we operate a process whereby one can submit an objection to the HR Committee, which then makes efforts to ensure fairness. Meanwhile, if additional work arises, we provide a substitution holiday or compensatory leave.

Periodic performance assessment in 2023

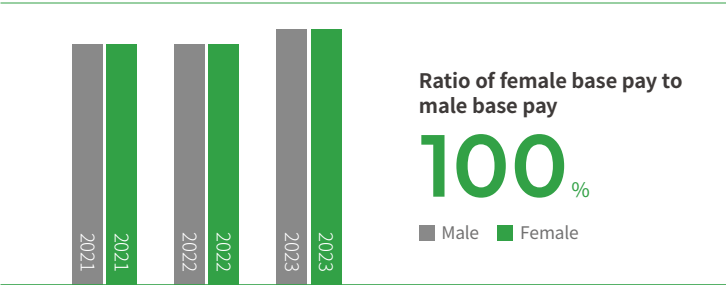


Employee Compensation and Gender-equal Wage Guarantee

We issue a certification of payment to our employees each month, and periodically announce the year-end salary standards and salary raise procedure. We discuss the amount of compensation for yearly performance, and issue compensations after receiving approval from the CEO and the board of directors. In 2023, we issued our first company-wide performance compensation.

HUMAX Networks operates a compensation system based on fair performance, and guarantees gender-equal wages so that female workers are compensated equitably without discriminating against them in favor of male employees.

Wage gap according to gender




Guarantee of Living Wages

HUMAX Networks complies with and supports the guidelines of the “Forward Faster” initiative in order to guarantee living wages.

Hence, we enacted the living wage policy on January 2, 2023 in order to realize responsible and sustainable management in all countries and regions where we run our businesses. After setting a mid-and long-term target to ‘guarantee living wages for all employees’ by 2030 according to the living wage policy, we benchmarked the cost of living and analyzed the wage level of employees in order to apply appropriate wages. As of 2023, HUMAX Networks set wages up by 5% compared to the legal minimum wage, as living wages and paid the wages.

Retirement Benefit Program

We comply with the legal standards on prospective retirees, and help our retirees to maintain a stable life after retirement by operating a retirement pension system and conducting retirement pension training every year.

- 
- Operation of retirement pension system and periodic training on retirement pension.
 - Support for application of unemployment benefits (applicable persons only).

Employee Culture

Work-Life Balance & Welfare

Work-Life Balance & Welfare System

HUMAX Networks is endeavoring to improve employee welfare to create a good work environment for all employees. We conduct periodic surveys in order to listen to the voices of our employees, and strive to enhance their quality of living and improve their satisfaction through healthcare, life support, family-friendly support, self-development programs, etc. In addition, we implemented selective working hours, deemed working hours, compensatory leave, etc. for all employees after labor and management reached a consensus on flexible working hours. In the case of 2023, we established new kinds of support for a fitness club and a self-led welfare points system so as to allow employees to select and use a variety of welfare benefits, including healthcare, travel/leisure, reading/education, and cultural performances, etc.

HUMAX Networks Welfare System Status

HUMAX Networks, an enjoyable workplace!

Goal 1: Create a good place to work in so that members can feel comfortable and focus on their task.

Goal 2: Provide care for employees needing help.

Goal 3: Enhance employees' satisfaction by boosting their quality of life

Health Support Program

- Comprehensive health checkup support.
- Influenza vaccination support.
- Fitness center support.
- Various health promotion events.

Life Support Program

- Meal support.
- In-company cafe.
- Subscription to group personal accident insurance.
- Provision of a shared car service for business purposes.

Family-friendly Support Program

- Children's educational expense support system.
- Nursery support.
- Congratulations/condolences support system.
- Commemoration day (birthday, wedding anniversary) support.
- Vacation support (including family care leave).

Personal Development Program

- Provision of self-led welfare.
- Foreign language education fees.
- Leadership training.

New Welfare Programs in 2023





BE HAPPY AND HEALTHIER

As it's spring, let's work out!

Health Care

Health checkup/medical treatment/
sports/leisure/home training/healing

Reading/Education

YES24 / Aladdin /
Kyobo Book
Center, regular
subscription to
online education

Travel/Leisure

Accommodation
booking
(YeoGi-eoTtae,
Yanolja), domestic
travel, overseas
travel

Miscellaneous

Performances, ticket, record, movies
(CGV, Megabox)

Self-led welfare points

We choose the benefits and use them for ourselves!

Status of Welfare Expenses for the Past 3 Years



Employee Culture

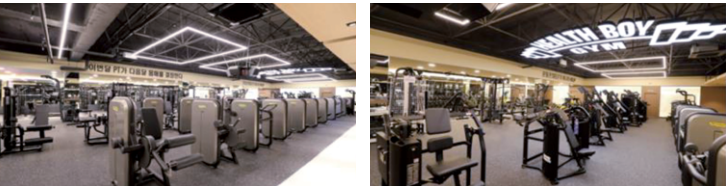
Maternity Protection

When female employees quit their jobs midway, it not only interrupts their career but also has a negative impact on the company’s policy for promoting diversity. Thus, in addition to the maternity protection system of the Labor Standards Act, HUMAX Networks operates various systems designed to enable female employees to work and take care of family matters by supporting their childbirth and child-rearing.

System	Support details
Reduction of working hours during pregnancy	Female employees can reduce their working hours during early and late pregnancy to safeguard their health during high-risk pregnancies.
Adjustment of commuting hours during pregnancy	Female employees can change the beginning and end times of their work while maintaining fixed work hours on a daily basis.
Granting of prenatal diagnosis time during pregnancy	Provision of time for prenatal medical check-ups by considering the health of pregnant workers.
Leave before and after childbirth	Support for 90 days of leave before and after childbirth (i.e. paid leave for 90 days), support for childbirth leave for male spouses.
Parental leave	Pregnant workers can also use parental leave. Female users can use this leave within 1 year by combining it with childcare leave after childbirth (which can be used separately).
Infertility leave	Infertility leave is permitted regardless of gender.
Use of parking lots	Provision of free parking during pregnancy.
Childbirth gift support	Provision of infant underclothing to home or postnatal care center upon childbirth.
Congratulatory payment support	First childbirth: KRW 200,000; Second childbirth: KRW 300,000; Third childbirth or more: KRW 500,000.
Group insurance support	Application of group insurance benefits for additional registration of a child upon childbirth (Type A_ actual expense type or Type B_ hospitalization benefit), Outpatient treatment during childbirth (Ultrasound, etc.) + hospitalization (upon childbirth).
Provision of paid breastfeeding time	If requested by a worker with an infant who is less than 1 year old, twice per day, more than 30 minutes of breastfeeding time provided.
Children’s educational expense support	KRW 500,000 paid once for kindergarten children.
Workplace nursery	Can be used for children aged 10 months to 5 years (can be admitted within quota).

Stress Relief & Psychological Well-being

We are carrying out the “Healthier Project” to manage the psychological health of our employees. We support employees’ well-being so that they can manage their health by guiding them on practical methods of stress relief, such as light outdoor activities and regular exercise for managing their health during transitional seasons. sufficient sleep, avoidance of overwork, frequent drinking of water, etc. In 2023, we partnered with a local fitness center to support employees’ health and are fostering a proactive culture of well-being within the company. The partnered fitness center facilities are steadily used by more than 30% of our employees, and we plan to support and operate related programs aimed at increasing the number of participants.



Child Care Support (Workplace Nursery)


HUMAX Networks employees who have children aged under 7 can access workplace childcare facilities. The workplace nursery is entrusted to the Purni Childcare Support Foundation for operation, and the period of daycare enrollment is in November of every year. HUMAX Networks plans to expand and strengthen its childcare programs, considering employees’ children as its own children.



Employee Culture

Social Conversation & Communication

HUMAX Networks prepares labor-related regulations and guidelines, and promotes periodic conversation and communication between labor and management. We are making efforts to boost smooth communication between employees by operating a labor-management council and a grievance settlement committee system according to the related laws, supporting female staff roundtable meetings, and conducting employee satisfaction surveys. Furthermore, we are working hard to actively listen to and reflect employees’ suggestions, while conducting regular surveys on issues regarding company management and system operation separately from the satisfaction surveys.



HUMAX Networks’ Social Conversation Method

- Company-wide management briefing (twice a year).
- Operation of a labor-management council (quarterly).
- Convocation of a grievance settlement committee (when a report is received).
- Grievance settlement reporting channel (regular).
- Female staff roundtable meeting (twice a year).
- Employee satisfaction survey (biennial).

Company-Wide Management Briefing

HUMAX Networks conduct two annual management briefing sessions: one for position holders and one for all employees in order to transparently share information on the company’s performance and business status. In addition, during each briefing session, we prepare a Q&A session for employees in order to listen to their suggestions and questions, and endeavor to promote their participation in corporate management.




Labor-Management Council

HUMAX Networks complies with the requirement to hold one council meeting per quarter according to the government’s law on labor-management councils. The labor-management council derives items of agenda based on the VoE (Voice of Employee), discusses current issues related to sharing business management status, systems, welfare, and work environment, and pursues employees’ job stability by carrying out continuous organizational improvement activities.

Year	Number of meetings held	Major items discussed
2021	3 (first conducted in Q2)	<ul style="list-style-type: none">• Labor-management’s consensus on flexible work hours to improve working conditions.
2022	4 (once per quarter)	<ul style="list-style-type: none">• Discussions related to expanding and improving employees’ work environment.
2023	4 (once per quarter)	<ul style="list-style-type: none">• Introduction of new welfare benefits to promote the health of employees.• Introduction of new welfare benefits for education, health, accommodation, and cultural life.• Discussion of review on training aimed at strengthening employees’ job competencies.

Grievance Settlement Reporting Channel

HUMAX Networks operates various channels through which employees can raise or submit grievances and express dissatisfaction. All relevant reporting channels guarantee not only the anonymity of the reporter but also the protection of their identity.

- **Grievance settlement committee counseling and reporting**
When a worker with a grievance reaches out to a member of the grievance settlement committee for counseling, the latter listens to the worker’s concerns, and then notifies him or her about the settlement of the grievance in writing within 10 days of receiving the request.
- **Grievance reporting channel, Clean Networks**
HUMAX Networks operates a channel through which employees can report their grievances, work-related difficulties or personal issues on a one-to-one basis, and through which it makes efforts to build healthy building effective communication channels.
- **Company website-integrated reporting channel** 
Operated on a 24/7 basis, this channel guarantees the anonymity and identity security of the reporter, and prohibits any retaliation, discrimination, or sanctions against the reporter.

Employee Culture

Female Staff Roundtable Meeting

HUMAX Networks aims to promote the diversity of its employees by actively encouraging and supporting the gathering of minorities. As a representative example, we organize roundtable meetings for female staff in order to support a stable work environment for our female employees. Female employees use networking to share and discuss the challenges of balancing work and family life, as well as various topics related to their workplace and family life.

Year	No. of meetings held	Major details
2022	2	• Promotion of networking between new and experienced female employees via “tea time” and events.
2023	2	• Guidance on matters concerning the protection of maternity for female workers; provision of support for their personal struggles as female employees.

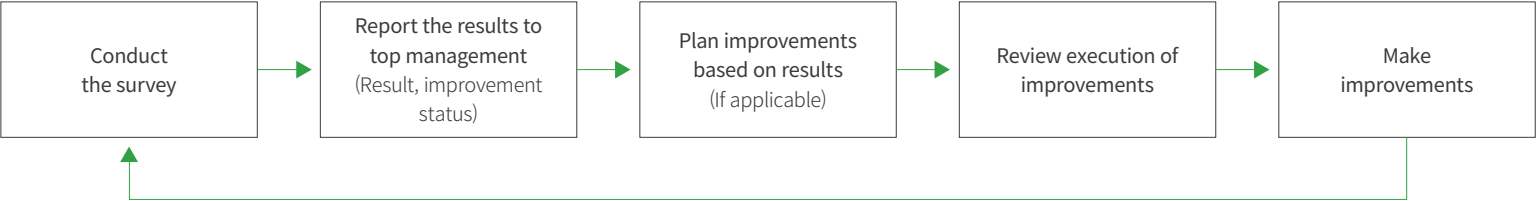


Employee Satisfaction Survey

HUMAX Networks conducts employee satisfaction survey to gather feedback on employee participation and directions for improvement regarding business management and HR affairs. The results of the survey are then reported to the top management, and the company works hard to take action on matters requiring improvement.

The results of the 2023 employee satisfaction survey revealed overall satisfaction among employees regarding the work environment, compensation, and welfare, whereas the score related to members’ participation in and communication on company policies was relatively low. Therefore, we plan to boost employees’ satisfaction by creating more opportunities for communication and by ensuring that all members have a chance to participate.

- **Survey period:** June 9-16, 2023
- **Participants in survey:** 170 persons
- **Survey details:** Communication, member’s participation, compensation and welfare, family-friendliness, health
- **Survey result:** 78.23 points



Customer Satisfaction Quality Management

Quality Management Promotion System

HUMAX Networks had adopted the ISO 9001:2015, TL9000, and ISO 14001:2015 standards throughout all processes related to product development, mass production, field operations, and customer response in order to improve and maintain the quality of its products. According to these standards, we are making concerted efforts to achieve a company-wide quality goal, and we will continue enhancing the quality control system to meet customer requirements.

Quality Management Policy

Quality is the foundation of all our activities. We pursue perfect quality by making continuous product improvements, and achieve customer satisfaction through these efforts.

- 1. We put quality first and pursue perfect quality from the frontend.
- 2. We understand our customers’ requirements, and deliver top-quality products and services through effective quality control.
- 3. We deliver the highest quality through constant innovation, and effectively utilize methods based on scientific management and processes.
- 4. We create processes that can be put into action, and comply with the processes we have created.

All our employees are required to fully understand the quality policy, to establish a quality management system that satisfies customer requirements, and to implement and maintain it continuously.

Quality Management Certification

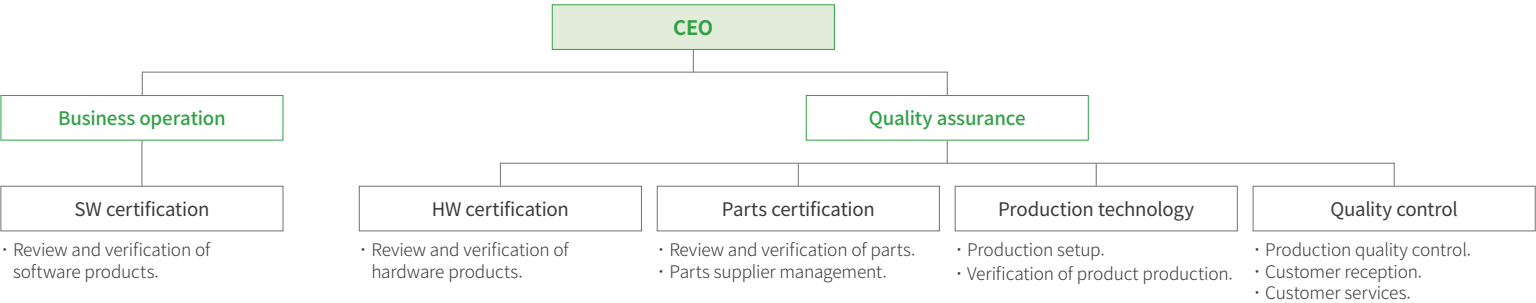
ISO 9001 is an international standard for consistently providing products and services that meet both customer and legal requirements, enhancing customer satisfaction, and addressing risks and opportunities related to an organization’s objective. HUMAX Networks was awarded the ISO 9001 (quality management system) certification in 2023 in recognition of its establishment of the system at the global level.

- Date of acquisition of ISO 9001 certification: Aug. 8, 2023
- Expiration date of ISO 9001 certification: Aug. 20, 2026



Quality Management Governance & Management System

Since product quality is directly connected with customer satisfaction, securing product quality is a top-priority issue requiring dedicated management. HUMAX Networks has established quality management governance to ensure customer satisfaction - from design and development to commercialization and sales of its products. The QA team is fully responsible for managing overall quality management and customer satisfaction under the supervision of the CEO.



Classification	Activities	Effect
Development quality	<ul style="list-style-type: none">Reliability verification/development of new methods of assessment.Prediction and management of product lifespan to reflect the customer’s use environment.Continuous supplementation of the quality verification system.	<ul style="list-style-type: none">Improve the completeness of developed products by securing frontend quality.Verification/securing of quality based on the customer’s use environment.
Parts quality	<ul style="list-style-type: none">Management and operation of data dispersion for parts suppliers.Risk management through process audits of parts suppliers.	<ul style="list-style-type: none">Securing of parts quality stability and mass-production quality.
Environmental regulations	<ul style="list-style-type: none">Management and review of the environmental standard of each country.Management of regulated substances by establishing a product environmental regulation system.	<ul style="list-style-type: none">Management of legal sanctions regarding environmental regulations and risk management.
Manufacturing/ process	<ul style="list-style-type: none">Application of a production system based on shop floor control.Quality control by monitoring each process.Management of production data automation and data DB management	<ul style="list-style-type: none">Test by sample and management of packing historyAnalysis through monitoring and improvement of qualityEnhancement of test reliability, minimization of expenses
Shipment	<ul style="list-style-type: none">Establishment of the shipment plan.Automation of shipment inspections.Implementation and optimization of quality inspections.	<ul style="list-style-type: none">On-time shipment, achievement of sales.Cost reduction, increased efficiency, history management.Prevention of shipping of non-conforming products, improvement of customer satisfaction.
Customer quality	<ul style="list-style-type: none">Collecting of customer feedback.Operation of a customer training program.Problem-solving and response.	<ul style="list-style-type: none">Improvement of products and service quality.Preemptive response to defects for customers, formation of close ties with customers.Increase of customer satisfaction, improvement of reliability, prevention of recurrence.

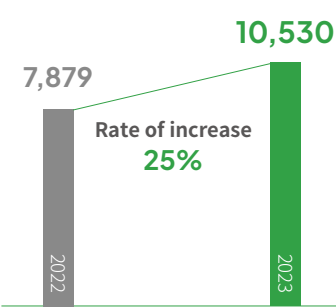
Customer Satisfaction Quality Management

Quality Management Activity & Performance

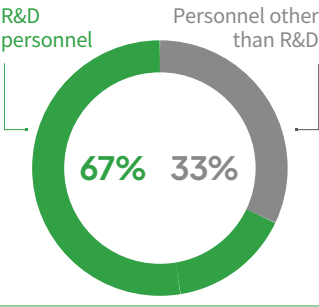
Research & Development for Quality Control

HUMAX Networks is continuously expanding its R&D expenditure and personnel for quality control. Our R&D expenditure as of the end of 2023 amounted to KRW 10.53 billion, an increase of 25% compared to the KRW 7.879 billion spent in the previous year. Furthermore, our company owns a total of 54 intellectual property rights (19 patents, 34 designs, 1 trademark referred to as SENSIFY) as of the end of June 2024. We will constantly conduct R&D and pursue innovation in order to create customer value and provide actual value to our customers.

R&D expenditure
(Unit: KRW 1 million)



Percentage of R&D personnel vs. total workforce

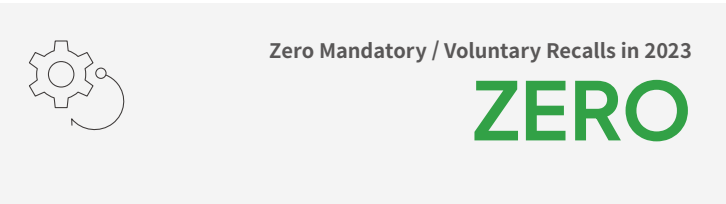


Current Status of Intellectual Property Rights (As of the end of June 2024)

Classification	Applications	Registrations	Total
Standard patents	4	6	10
Product patents	2	7	9
Designs	4	30	34
Trademark_SENSIFY	1	0	1
Total	11	43	54

Product Quality Assurance

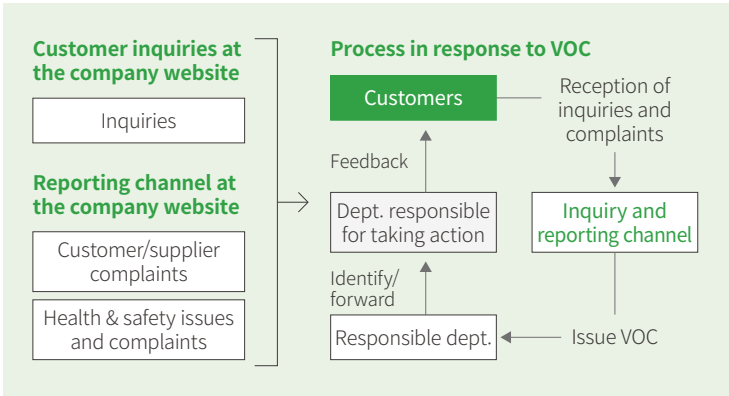
HUMAX Networks guarantees its products through a quality warranty, replacement, refunds, defect repairs, and after-sales services for sold products. If an issue is identified in a product through self-inspection or customer feedback, we put customer safety first by immediately recalling the product. In 2023, there were no mandatory recalls.



Customer Communication and Complaint Handling

HUMAX Networks periodically manages and monitors customer inquiries, complaints, and claims through the VOC (Voice of Customer). Customers can find detailed information on our products and services at the company website, and ask any questions anytime through the site's inquiry system. Furthermore, customers can report concerns and risks related to health and safety due to product defects, and inconveniences and complaints through the ESG integrated reporting channel.

Once a customer complaint or claim has been received, a department dedicated to quality and customer satisfaction forwards it to the relevant department (i.e. the department responsible for taking action) and provides feedback and improvement measures. We are committed to listening to the VOC and making improvements to ensure that our service activities are customer-oriented.



Marketing and Product Safety Violations

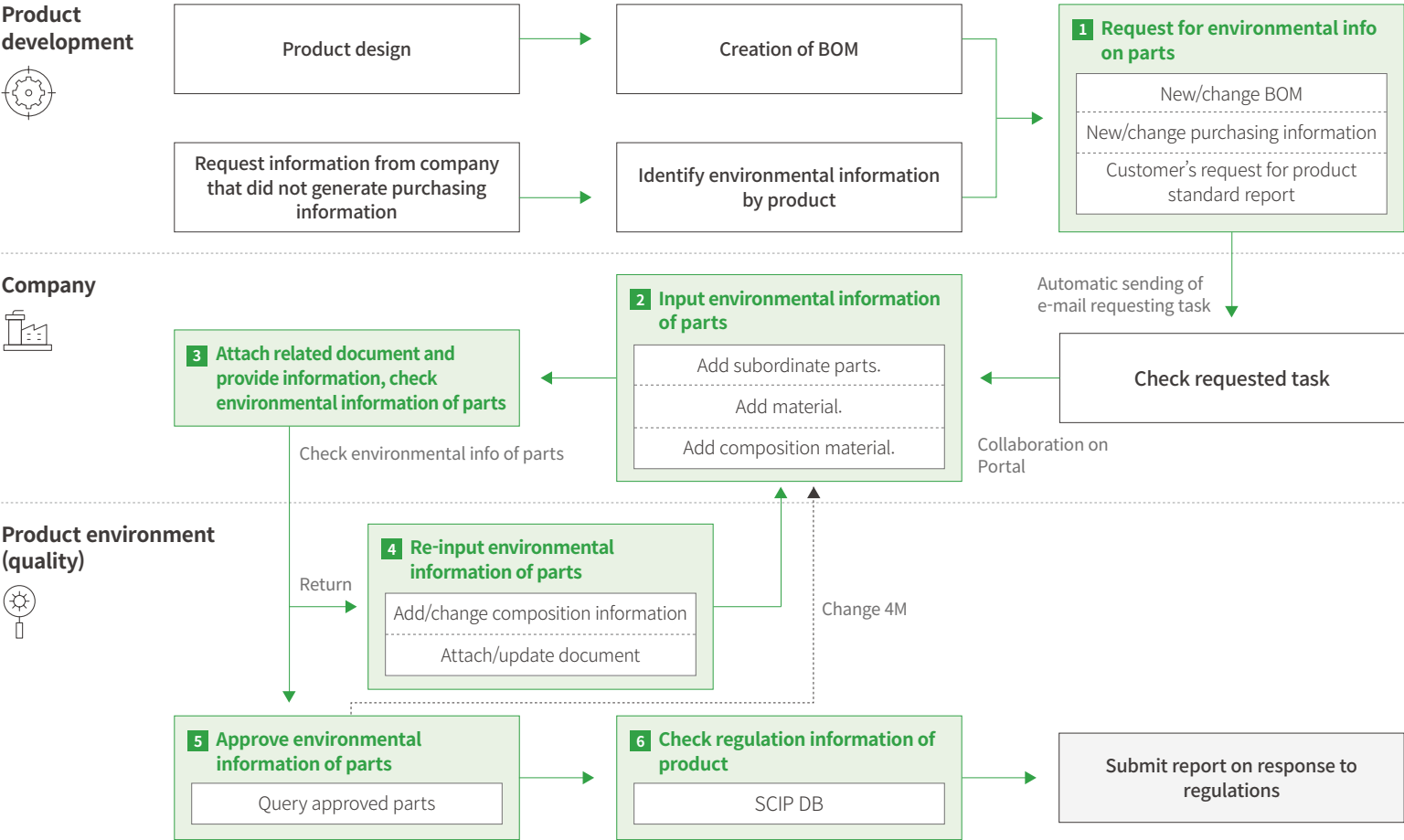
HUMAX Networks is committed to avoiding illegal and exaggerated advertisements and to building trust with its customers. Our company has not received any administrative punishments or fines for violating the laws related to false, exaggerated or misleading advertisements in the promotional materials for our products. In addition, we have not received any sanctions or penalties from the government for having a negative effect on our customers' health and safety due to our produced and manufactured products.



Customer Satisfaction Quality Management

Product Environmental Compliance Process

At HUMAX Networks, we integrate and manage information on environmental regulations regarding our products using the EHMS (Environmental Hazardous Substances Management System). When developing a product, we request environmental information on parts from our suppliers, who then register the related environmental information. Furthermore, we submit environmental information about our products upon request from our customers.



Consumer Health and Safety

We have enacted the PL (Product Liability), and PS (Product Safety) regulations to prevent risks caused by products and to protect the safety of our consumers. Product Liability means bearing responsibility for damage compensation if a defective product is manufactured and distributed and inflicts damage on a consumer(s), regardless of whether the manufacturer acted intentionally or negligently. Product Safety means responding to an issue that is a potential cause of dispute with a consumer(s) and customer(s) due to their exposure to risk from a product defect, even though the consumer(s) incurs no damages or property losses. We have acquired the certifications related to product performance and safety required by each country, and are maintaining and managing them accordingly.

PL & PS accident processing & reporting guideline

The flowchart shows the process from 'Receive report on an issue (Corporation)' to 'Report to top management (group leader)', then to 'CEO' via 'Report' and 'Order'.

Certifications related to product performance and safety

Country	Regulation	Certification mark
Europe	CE certification	CE
USA	UL certification	UL LISTED
Korea	KC certification	KC
Japan	PSE certification	PS E
India	BIS certification	BIS
Mexico	NOM certification	NOM

Human Rights Respect and Protection

Human Rights Policy

HUMAX Networks has enacted and declared the human rights charter in order to actively implement human rights management while simultaneously preventing violations of human rights from business operations and mitigating the related risks. We make it a general principle to comply with international standards and guidelines related to human rights and labor, such as the Universal Declaration of Human Rights, the UN’s Guiding Principles on Business and Human Rights, the International Labor Organization’s Core Convention, and the OECD’s Due Diligence for Responsible Business Conduct, etc. In addition, we prohibit forced labor in accordance with human rights regulations, and check whether new recruits have their ID cards and whether the company has existing employees’ ID cards when inspecting forced labor through the human rights impact assessments and due diligence operated by the company.

Human Rights Management Charter

The basic direction of HUMAX Networks’ human rights management is based on a framework of protection, respect, and relief, which is related to the United Nations’ Guiding Principles (UNGP) on Business and Human Rights. In this regard, ‘protection’ refers to the protection of the human rights of all people having an effect on the process of corporate management activities; ‘respect’ means respect for human rights regarding all countries, companies, groups, and individuals that transact and collaborate with our company; and ‘relief’ refers to the provision of relief for the victims when violations of human rights occur due to corporate management activities.

HUMAX Networks’ Human Rights Management Charter

- First,** we shall conduct business management that puts people first.
- First,** when we recruit an employee, we shall not discriminate against him or her on the grounds of race, religion, disability, gender, appearance, academic background, place of birth, or political views, and we shall provide a work environment characterized by mutual respect and consideration.
- First,** we shall respect international standards and norms on human rights, such as the Universal Declaration of Human Rights.
- First,** we shall comply with legal labor hours, and prohibit any form of forced labor and child labor, and respect the human rights of all stakeholders..
- First,** we shall provide a safe and sanitary environment for our employees
- First,** we shall put the customer’s life, health, and property protection first, and take the best measures to protect personal information collected during business management activities.
- First,** we shall exercise caution so as not to violate the human rights of local residents, and protect their right to health and safety and freedom of residence.
- First,** we shall operate a channel where grievances and violations of human rights occurring during our business management activities can be reported, and take prompt and appropriate relief measures.

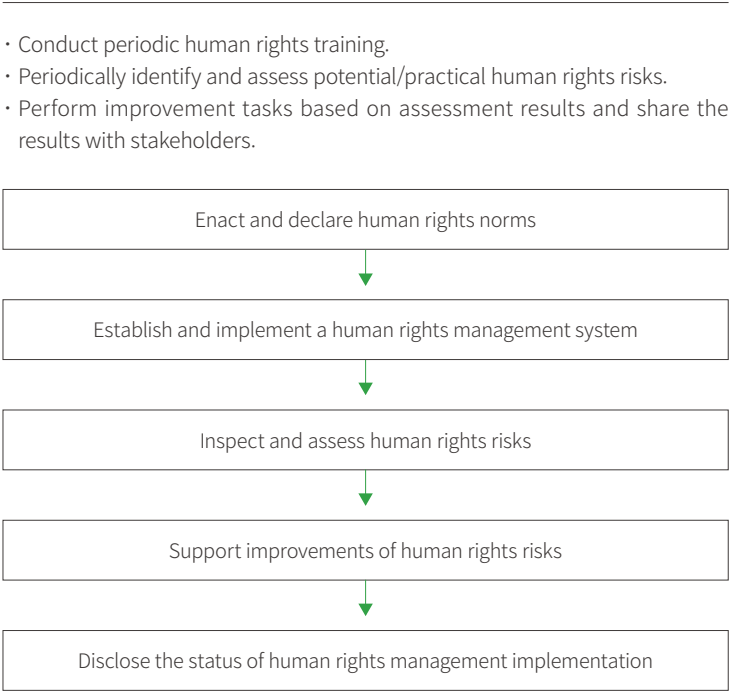
Human Rights Issue Management Process

HUMAX Networks conducts human rights impact assessments, prepares activities for improving identified human rights issues, and endeavors to relieve factors related to human rights violations. Especially, we are striving to prevent and relieve human rights violations by operating a reporting channel dedicated to human rights issues that can be accessed by all stakeholders.



 [Human rights violation reporting channel](#)

Human rights risk management system



Human Rights Respect and Protection

Raising Human Rights Awareness and Achieving ZERO Violations

Regular Human Rights Training for Employees

HUMAX Networks regularly provides human rights training for its employees in order to raise their awareness of and foster their sensitivity regarding human rights, and to prevent potential human rights violations. In 2022, our human rights training mainly focused on legally mandatory topics such as preventing sexual harassment and workplace bullying in the workplace, as well as increasing awareness of people with disabilities in the workplace. Then, starting in 2023, we included content on human trafficking and child and forced labor, which are global issues related to human rights. By conducting these training sessions, we are committed to raising our employees’ awareness of human rights. In 2023, all 175 employees (completion rate: 100%) of our company completed legally mandatory training, covering topics such as the prevention of sexual harassment and workplace bullying in the workplace, as well as raising awareness of people with disabilities in the workplace. All 175 employees (completion rate: 100%) completed our company’s own training on identifying and protecting the victims of human trafficking, as well as prohibiting child and forced labor.

2023 Human Rights Training Status and Outcomes

• Details of HUMAX Networks’ human rights training in 2023

Classification		Mandatory training			In-house training	
Training name	Prevention of sexual harassment in the workplace.	Prevention of workplace bullying.	Improvement of awareness of people with disabilities in the workplace.	Identification, protection, and support for victims of human trafficking.	Prohibition of child labor.	Prohibition of forced labor.
Key details	Efforts to create an organizational culture free from sexual harassment.	Understanding of the importance of a horizontal organizational culture.	Recognizing differences in disabilities, and promoting an attitude of respect for people with disabilities.	1. Act on the prevention of human trafficking and the protection of victims, and the definition of human trafficking. 2. Protecting and supporting victims of human trafficking.	We must put an end to child and forced labor.	A labor worker does not provide forced labor in any case whatsoever.
Performance	175 persons completed the training (completion rate: 100%)			175 persons completed the training (completion rate: 100%)		

Human Rights Training for Security Personnel

In 2023, HUMAX Networks conducted three sessions of human rights training for the security personnel of a partner company at our business sites. These sessions served as a turning point for sharing HUMAX Networks’ awareness and culture of human rights. The training covered various topics, including preventing sexual harassment and workplace bullying, raising awareness of people with disabilities in the workplace, ethics training, etc.



Promoting Everyday Human Rights Awareness Among Employees

In 2023, HUMAX Networks posted posters about preventing workplace bullying in areas where employees can easily view them. In so doing, the company is striving to raise employees’ awareness of human rights in everyday life. We will continue to engage in various communication efforts designed to help improve employees’ awareness of human rights.



Announcement in first half of 2023



Announcement in second half of 2023

ZERO Incidents of Child Labor, Forced Labor, and Discrimination

HUMAX Networks adheres to the laws and institutional systems of the countries in which we conduct business operations. We strictly prohibit all forms of forced labor, child labor, and wage exploitation in accordance with the regulations set forth by the International Labor Organization. Additionally, we do not discriminate based on gender, age, nationality, religion, etc. in managing our HR, including recruitment, assignment, evaluation, and compensation. We also strictly prohibit workplace bullying and sexual harassment, and are making various efforts to prevent them. We will respect the human rights of labor workers in all regions where we operate, and strive to create an optimal work environment in which all employees are treated fairly.



Discrimination incidents discovered in 2023

ZERO

business sites at risk of child and forced labor in 2023

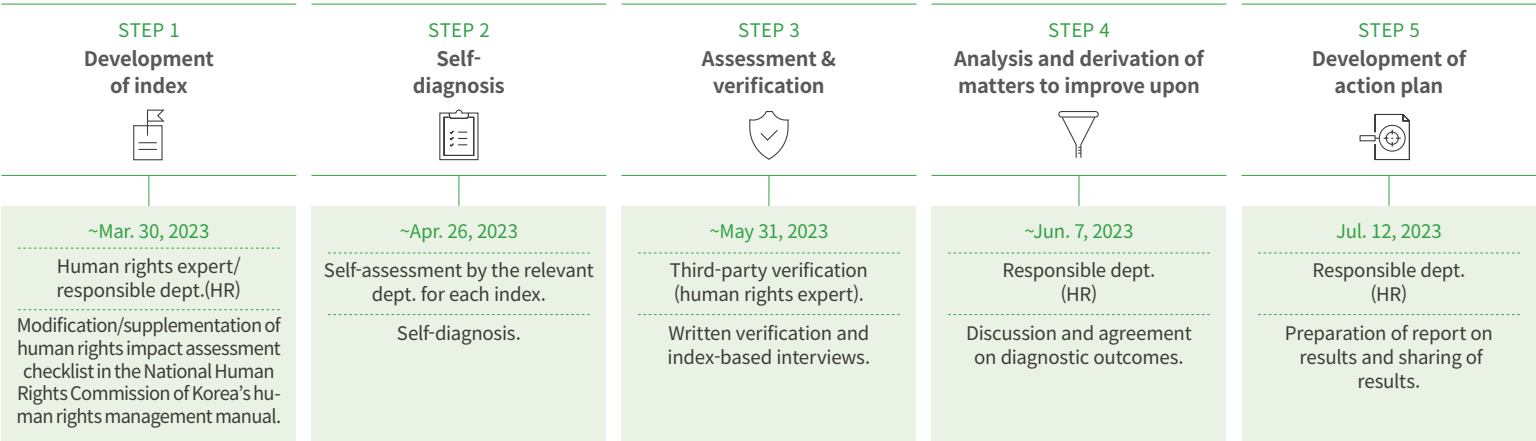
ZERO

Human Rights Respect and Protection

Human Rights Impact Assessment

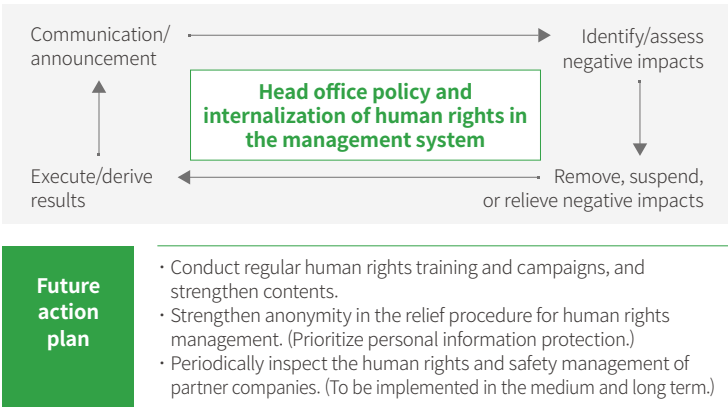
In 2023, HUMAX Networks conducted a human rights impact assessment in order to identify actual and potential human rights risks that may have an impact on human rights due to our corporate activities in order to prevent any negative impacts on human rights. The human rights impact assessment was carried out by organizing it into a total of 8 areas, 27 items, and 124 indexes. This was achieved by modifying and supplementing the human rights impact assessment checklist provided in the National Human Rights Commission of Korea’s human rights management manual. In addition, we examined actual and potential human rights risks that may arise in HUMAX Networks’ corporate management. This included assessments for identifying potential child labor, forced labor and/or human trafficking - major global issues - as well as employee health and safety risks, and information security risks. These assessments were reflected in the related checklist.

Human rights impact assessment process



Results of the Human Rights Impact Assessment

The results of the human rights Impact assessment conducted in 2023 confirmed that no issues posed serious concern. However, the scores were low with regard to the establishment of a human rights management system, which included the regularization of human rights training, the perceived level of the company’s human rights policy, and the procedure for relieving victims of human rights violations and enhancing anonymity. In the area of responsible management of the supply chain, we obtained a low score in the inspection of our partner companies’ safety management practices. Hence, our company plans to periodically conduct training on human rights and engage in internal campaigns and improve their contents. We will also enhance anonymity to protect personal information during relief procedures for human rights management, and will regularly inspect the human rights and safety management of our partner companies.



Human rights impact assessment checklist

Area	Number of index	Area	Number of index
1. Establishment of a human rights management system	19	5. Guarantee of industrial safety	21
1-1 Declaration of policy for respecting human rights	4	5-1 Safety of business site	6
1-2 Necessary measures to institutionalize human rights management	5	5-2 Protection of pregnant women and persons with disabilities, etc.	4
1-3 Execution of human rights impact assessment	3	5-3 Provision of essential equipment and training	4
1-4 Performance of human rights management	3	5-4 Support for workers affected by industrial accidents	3
1-5 Preparation of relief procedures	4	5-5 Establishment of an emergency plan	4
2. Non-discrimination in employment	12	6. Responsible management of the supply chain	10
2-1 Non-discrimination in employment	5	6-1 Prevention of human rights violations by partner companies, etc.	4
2-2 Non-discrimination against vulnerable groups in employment	7	6-2 Execution of monitoring	2
3. Guarantee of freedom of association and collective bargaining	16	6-3 Prevention of human rights violations by security personnel	4
3-1 Freedom of association and collective bargaining	4	7. Protection of personal information & privacy/Guarantee of information human rights	11
3-2 Prohibition of unfair treatment for labor union activities	5	7-1 Protection of personal information & privacy	7
3-3 Guarantee of collective bargaining and faithful implementation	5	7-2 Guarantee of information human rights	4
3-4 Alternative measures when labor union is absent	2	8. Protection of employees’ human rights	16
4. Prohibition of forced and child labor	19	8-1 Prohibition of abuses of power	6
4-1 Prohibition of forced labor	8	8-2 Prevention of sexual harassment & sexual abuse and relief measures	5
4-2 Prohibition of employing minors	5	8-3 Work-life balance	5
4-2 Measures to take if employment of minors is identified	6		

Supply Chain Management & Collaboration

Sustainable Supply Chain Management

HUMAX Networks intends to take a leap forward as a sustainable company that secures global competitiveness through mutual growth with its suppliers. To this end, we are urging our suppliers and business partners to adopt sustainable business practices. To achieve this, we have implemented a sustainable procurement policy that considers the environment, labor practices, and human rights from the perspective of all our businesses. We have also established the ESG Code of Conduct for Partner Companies in accordance with this policy, and conduct ESG assessments and training for major partner companies.

Partner Company’s ESG Code of Conduct

HUMAX Networks has established the ESG Code of Conduct for Partner Companies to induce them to actively participate in complying with our stakeholders’ requirements and to enhance their interest in environmental and social issues. We have developed ten principles to define the principles of environmental, ethical, and social responsibilities. This includes the UN Guiding Principles on Business and Human Rights, and internationally recognized standards including the Universal Declaration of Human Rights, with which suppliers must comply. As such, HUMAX Networks’ suppliers are required to sign a pledge of compliance with the ESG Code of Conduct.

Partner company’s ESG Code of Conduct

- 1. Business must be carried out based on legitimate and incorrupt ethics.
- 2. Fair wages must be paid.
- 3. Statutory working hours must be complied with and forced labor must be prohibited.
- 4. There must be no discrimination.
- 5. Child labor must be prohibited.
- 6. Freedom of association must be guaranteed.
- 7. The health and safety of labor workers must be protected.
- 8. Labor workers must have access to fair procedures and relief measures.
- 9. Severe or inhumane treatment or bullying is prohibited.
- 10. Environmental impact must be continuously prevented and improved to be managed.

ESG (Sustainable Procurement) Training

We have conducted periodic ESG training for the employees of our departments related to purchasing and sales in order to raise awareness about ESG risks that may arise in the supply chain. In addition, we have supported training to promote understanding of HUMAX Networks’ supply chain ESG policy and to promote diversity and inclusiveness among our suppliers. Conducted for employees in charge of supplier contracting and purchasing, and employees related to ESG, the training covered such topics as ESG management, the significance of supply chain ESG, ESG supply chain policy, ESG assessment results and improvements by company, and examples that have promoted diversity and inclusiveness.

HUMAX Networks Two-Track ESG Training in 2023

ESG training for HUMAX Networks’ employees

- **Target:** Purchasing & sales dept. employees
- **Training time:** 35 hours (cumulative)
 - Average training time per employee: 4 hours
- **Training details:** 1. ESG trend of domestic & overseas supply chains
 - 2. Domestic & overseas ESG initiatives
 - 3. Importance of supply chain ESG management
 - 4. Example of ESG assessment and risk management of other company’s supply chain



ESG training for major suppliers’ employees

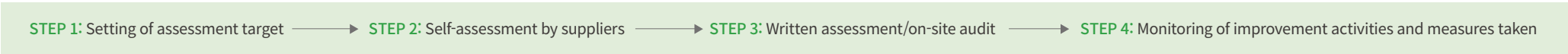
- **Target:** Employees related to contracting, purchasing, and ESG of major suppliers, employees desiring training
- **Training time:** 2 hours
- **Training details:** 1. What is ESG management?
 - 2. Importance of supply chain ESG
 - 3. HUMAX Networks’ ESG policy
 - 4. HUMAX Networks’ ESG assessment result in 2023 and major improvements to be made by company
 - 5. Examples of suppliers that have promoted diversity and inclusiveness

Supply Chain Management & Collaboration

Supplier’s ESG Assessment

As various systems such as due diligence of the EU supply chain are newly developed and promoted in full swing by major countries and international agencies, the importance of ESG management for the companies we trade with has grown significantly. HUMAX Networks has added a new clause to the basic purchase agreement for ESG (CSR) risk inspection (due diligence) of the supply chain, and carried out ESG assessments of major suppliers. We first identified ESG risks related to the industry of the supply chain before conducting the ESG assessment, and then developed ESG assessment indexes based on the results. The ESG assessment indexes consist of 9 environmental (E) indexes (policy, training, activity & monitoring), 13 social (S) indexes (personal information protection, human rights & labor, health & safety, fair trade, social contribution), and 12 governance (G) indexes (ethics policy & training, monitoring, management system & reporting), thus totaling 34 indexes.

Supply Chain ESG assessment (4 steps)



Identification of ESG risks and development of assessment indexes

We have derived ESG risk issues in the supply chain in order to identify the ESG risks of suppliers that may arise during purchasing, and developed ESG risk assessment indexes based on the related risk issues, which are used to assess the ESG performance of our suppliers.

Classification	Issue	Risk		
		High	Medium	Low
E	Environmental policy		●	
	Environmental management system		●	
	Energy consumption		●	
	Greenhouse gas emissions		●	
	Amount of water used		●	
	Amount of wastes/recycling		●	
	Air pollutant emissions			●
	Biodiversity			●
	Violations of environmental laws		●	
S	Social policy	●		
	Protection of personal information		●	
	Human rights/labor		●	
	Strengthening of employees’ competencies			●
	Health & safety		●	
	Fair trade		●	
	Social contributions			●
	Violation of social laws		●	
	ESG policy	●		
G	Ethics policy		●	
	Ethics and anti-corruption monitoring		●	
	Management of ESG risks	●		
	ESG reporting		●	
	Independence/transparency of board of directors			●
	Damage to shareholder values			●
				●

E

9 indexes

- Policy
- Training
- Activity & monitoring

S

13 indexes

- Personal information protection
- Human rights & labor
- Health & safety
- Fair trade
- Social contributions

G

12 indexes

- Ethics policy
- Ethics training
- Anti-corruption monitoring
- ESG management system
- ESG reporting

ESG assessment of major suppliers in 2023

In 2023, we monitored the ESG risks of our suppliers using the supply chain ESG risk assessment indexes on major partners. We completed the written ESG assessment of suppliers and then proceeded with an on-site inspection, during which we did not discover any special risks related to ESG. For minor matters requiring improvement, we recommended corrective measures to be taken. We plan to expand our ESG assessments of major suppliers by 2030.



Operation of a reporting channel for supply chain workers

We operate an reporting channel that allows our supply chain workers to report when they are involved in negative events such as ethics, human rights, and health & safety. When any issue is reported, due diligence is carried out.

 [Reporting channel for supply chain workers](#)

Supply Chain Management & Collaboration

Conflict Minerals Management Policy

HUMAX Networks acknowledges the environmental and social impacts, and global issues surrounding, conflict minerals. To raise consumer’s awareness and transparency regarding tin, tantalum, tungsten, and gold sourced from conflict regions and high-risk areas and to procure sustainable minerals, we have established and are operating a conflict mineral management policy. Moreover, we support and adhere to the principles of initiatives related not only conflict to minerals but also to responsible minerals.

HUMAX Networks Conflict Mineral Policy

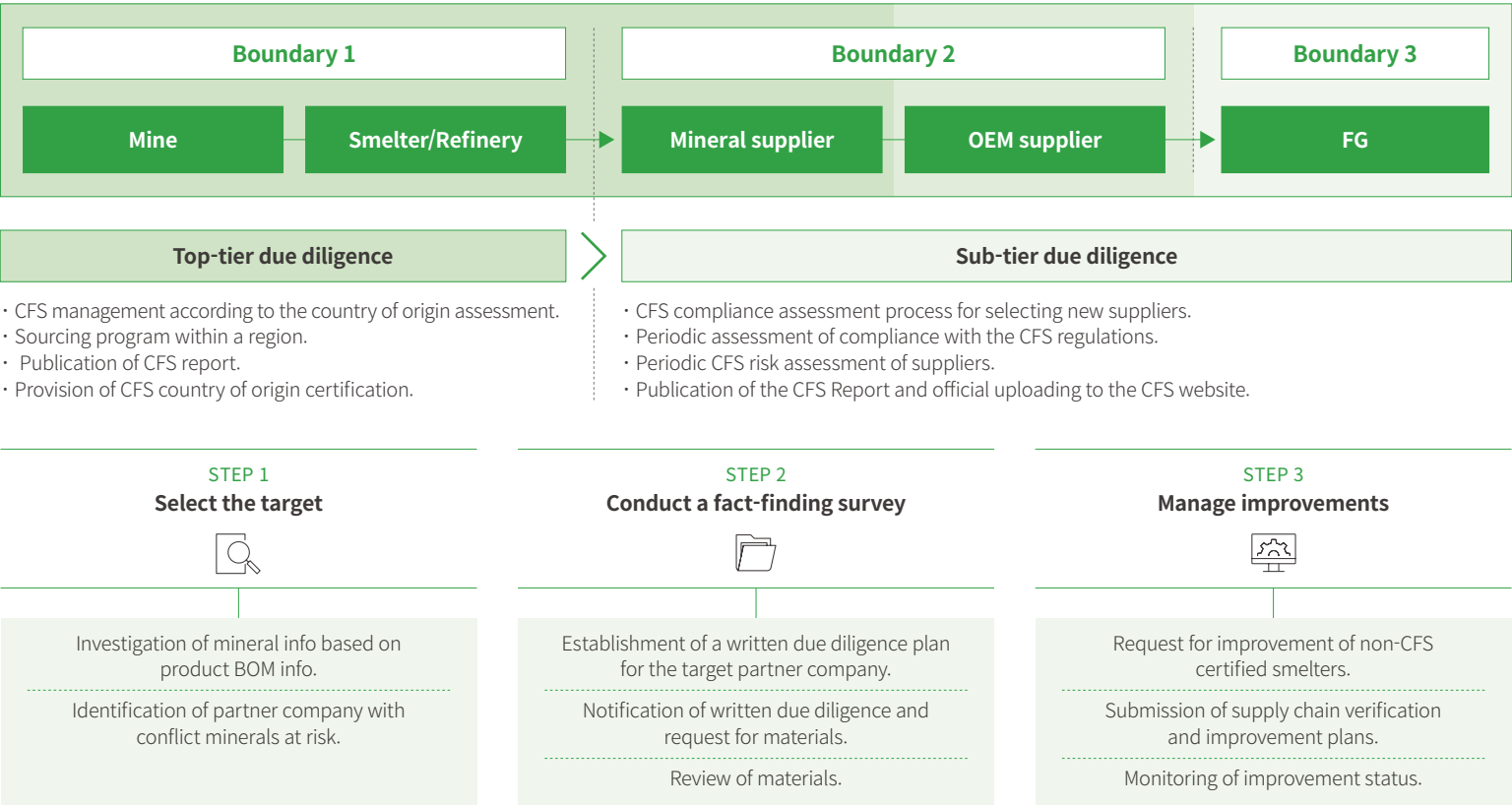
- HUMAX Networks prohibits having tantalum, tin, tungsten, and gold used in our products and services from directly or indirectly becoming a source of financial or other benefits to militant groups that commit grave human rights abuses in the Democratic Republic of Congo or neighboring countries. To this end, we adhere to the principle of ‘responsible mineral procurement’ when procuring goods, and fulfill our obligation for sufficient management regarding the entire process of procurement, and transparently disclose such efforts to our internal and external stakeholders.
- HUMAX Networks complies with the standards outlined in the Responsible Minerals Initiative (RMI)/Global e-Sustainability Initiative (GeSI), an international initiative focused on responsible mineral sourcing.
- HUMAX Networks’ partner companies must clearly understand that the principle of responsible mineral procurement is an essential prerequisite in all our business relationships. HUMAX Networks’ partner companies must demonstrate their responsible mineral procurement concerning the tantalum, tin, tungsten, and gold used across all our products and services, and cooperate faithfully when HUMAX Networks requests evidence(or proof).

Conflict mineral	Major industries	Major uses
Tin	Electronics, automobiles, and construction	Electronic circuit and pipe connection plating, electronics, automobiles, industrial machinery, and construction.
Tantalum	Electronics, healthcare, and aviation	Computers, cellphones, electric components of video game consoles, medical instruments, industrial equipment and machinery, and the aerospace industry.
Tungsten	Electronics, lighting, and manufacturing	Metallic wire, electrodes for lighting, lighting needles, and industrial machinery including such as electronics/ electric/heating/welding equipment, etc.
Gold	Jewelry, electronics and aviation industries	Jewelry items, electronic components, telecommunications and aerospace industry equipment

Conflict Mineral Management & Investigation Process

HUMAX Networks checks whether the parts it sources contain conflict minerals, and includes them in the target of investigation even if a small amount is contained. We check the country of origin and smelters of conflict minerals included in our products (parts) and investigate the CFS¹⁾ certification²⁾ status of the specified smelters. Our investigation process is based on CMRT³⁾, which is a standard for conflict mineral investigation.

1) CFS (Conflict-Free Smelters): Smelters approved by the CFSI.
2) CFS certification (CFSP: Conflict Free Smelter Program, smelter certification program supervised by the CFSI).
3) CMRT: Conflict Minerals Reporting Template.



Supply Chain Management & Collaboration

Social and eco-friendly contributions

Direction of Social Contributions

Build a company loved by all through consideration and inclusion!



HUMAX Network ~ **Sa Gwi Ja**



- Support and purchase products from companies that promote Social (**Sa** hwae) values
- Join eco-friendly activities for saving our Precious (**Gwi** junghan) earth
- Create a Voluntary (**Ja** yuljeok) donation culture

We pledge to practice the following social contribution activities as a network innovation company.

- First**, we shall actively sponsor the socially alienated class of citizens using our technologies and resources, and promote purchases focusing on diversity and inclusiveness (purchasing products of social enterprises).
- First**, we shall recognize the importance of the environment, and actively participate in eco-friendly campaigns.
- First**, we shall lead the way in spreading a voluntary donation culture so that we can realize the happiness of sharing through donations.
- First**, we shall engage in continuous social contribution activities with unceasing attention and action.

Support for Company Promoting Social Values

HUMAX Networks’ in-house cafe, unlike other cafes, is a special space where young adults with developmental disabilities, such as mental handicaps and autism, can work together with our baristas. We are operating an in-house cafe with a social enterprise called ‘Bear Better’ with the aim of empowering and supporting these young adults with developmental disabilities, and helping them to integrate into society. We support Bear Better every year, and the amount of purchases totaled KRW 8.1 billion in 2023.



Support of social enterprise for people with disabilities

BEAR.BETTER.

Purchase → **81** million KRW

Plogging Campaign

In 2023, HUMAX Networks engaged in a plogging event in which all employees participated in order to practice environmental protection in everyday life. It was a meaningful event as the participants were able to preserve an important cultural heritage in a clean condition by healing, tracking, and plogging at Namhansanseong Fortress. We will support our employees in making sure that small acts in everyday life, such as picking up trash, become a continuous social contribution activity and contribute to creating a sustainable future.



Free Provision of “Zero Waste” Tumblers

In 2023, we distributed tumblers to all employees and participants in IBC 2023 and NETWORK X 2023 to remind them of environmental issues due to the excessive use of disposable cups and to encourage them to join in activities aimed at reducing their use. Reusable tumblers are known to reduce waste by significantly cutting down the use of single-use plastics and other disposable products. By promoting the use of reusable products, we intended to encourage sustainable consumption that can minimize disposable wastes.



Health & Safety

Health & Safety Management Framework

HUMAX Networks has appointed the CEO as the chief supervisor of health & safety management. We have also reviewed the functions and processes needed in the health and safety management system, and have established our health and safety objectives, while taking into account the legal requirements related to health and safety, and organizational risks and opportunities.

In addition, we are committed to creating a safe and pleasant work environment at all our business sites by providing regular training to raise employees’ awareness of safety issues.


Health & Safety Goals and Strategies

Goal	Operating strategy
Achieving Zero Occupational Injuries and Accidents	<ul style="list-style-type: none">• Comply with the statutory working hours to maintain a 0% accident rate (zero deaths, injuries, and occupational illnesses), and engage in activities to remove risk elements in the work environment.
Continuous preparation and response to the COVID pandemic	<ul style="list-style-type: none">• In the event of an outbreak of an infectious disease, comply with the company’s hygiene protocols, and implement selective telecommuting according to the phased action plan.• If there is a confirmed case among employees and their families or cases where they may have crossed paths with confirmed cases or close contacts, monitor them continuously and take appropriate response measures.• Distribute manuals on infectious disease prevention and provide guidance on the basic guidelines and safety precautions to all employees.
Ensuring safety and enhancing safety awareness	<ul style="list-style-type: none">• Set up and implement an annual safety and health plan.• Conduct health and safety training.• Identify hazardous risk factors and improve them through risk assessment, etc.• Furnish fire extinguishers, and attach warning labels on hazardous and dangerous substances.

Health & Safety Management System Certification

HUMAX Networks first acquired the ISO 45001 certification, an international standard that defines the requirements for systematically managing an organization’s health and safety, in 2021.

Since then, we have completed the first follow-up audit in 2022, the secondary follow-up audit in 2023, and the renewal audit in 2024. We are committed to securing the safety management system by continuously renewing and maintaining the relevant certifications.



Scope of Certification

Design and consigned production of equipment for customers’ premises, such as residential gateways.

Design and outsourced production of set-top boxes.

Health & Safety Management Policy

HUMAX Networks has established the following health and safety management policy to consistently deliver products and services that meet the expectations and requirements of its stakeholders.

HUMAX Networks achieves customer satisfaction by adopting and operating the health and safety management system, and secures a superior management environment through continuous improvements. To this end,

- 1.** We prioritize health and safety in all areas of activity at our business sites, and do our best to establish the health and safety management system.
- 2.** We comply with legal requirements and other requirements to which health and safety laws are applied.
- 3.** Workers and their representatives discuss, and participate in, efforts to remove and reduce risk factors related to health and safety, and do their best to create a safe and healthy work environment by preventing work-related injuries and health hazards.
- 4.** We disclose health and safety information transparently, and establish a sustainable health and safety management system by faithfully communicating with our stakeholders.

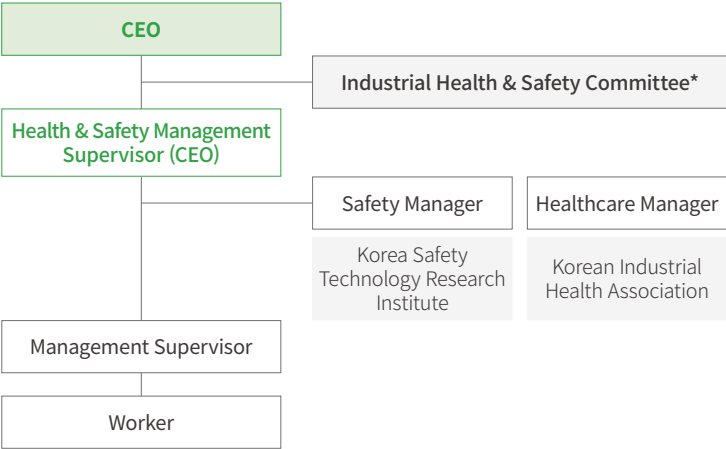
All executives and employees are required to read and fully understand the health and safety policy, and must establish and maintain a sustainable safety management system with a strong sense of responsibility and the active fulfillment of their obligations.

HUMAX Networks Co., Ltd. CEO Lee Seung-jae

Health & Safety

Health & Safety Governance

There is growing social demand for holding companies responsible for health and safety in order to prevent and manage various risks, under various laws including the Serious Accident Punishment Act. To respond to the tightened health and safety laws and rising social demand, HUMAX Networks has appointed the CEO as the health and safety management supervisor. The company has also formed the Industrial Health and Safety Committee, which meets every quarter, to mitigate health and safety risks continuously and to improve the related policies, activities, and performance.



*Industrial Health & Safety Committee

Composition	4 members from the company + 4 members from the workers
Implementation cycle	Once per quarter (4 times per year)
Major items of agenda	Details of health and safety activities, such as health & safety training, work environment measurement, investigation of risks to the musculoskeletal system, special health checkups, monthly health consulting, etc.

Reporting of Health & Safety Accident and Risks

HUMAX Networks provides a reporting channel via the company website that is operated 24/7 and allows employees and external stakeholders to raise concerns and submit complaints regarding health and safety accidents and risks. Confidentiality regarding the reporter's identity and the details of each report are strictly maintained, and a reporter protection program is in place to protect reporters from any disadvantages.

Health & safety accident and risk reporting channel

Report processing procedure



Health & Safety Training

Training is conducted periodically to internalize a culture that emphasizes health and safety. Every year, the target, contents, and methods of training are reviewed, and the training is classified into periodic training; training upon recruitment; training when changing work details; and special health and safety training. When necessary, we measure the training performance via surveys or tests, the results of which are reflected in the training plan for the following year. Furthermore, the health and safety management supervisor, safety manager, and healthcare manager have all completed job training according to the relevant domestic laws. However, if training is not attended due to unavoidable reasons, we deliver separate materials to fully inform the trainee of the training content.



Target by health & safety training course

Training course	Operating strategy	
Training upon recruitment	Daily employed workers	
	Workers (excluding daily employed workers)	
Training when changing work details	Daily employed workers	
	Workers (excluding daily employed workers)	
Periodic training	Office workers	
	Workers other than office workers	Workers directly engaging in sales duties Workers other than workers directly engaging in sales duties
	Holders of a position other than management supervisor	
Special health and safety training	When applicable according to the Enforcement Rules of the Occupational Safety and Health Act	

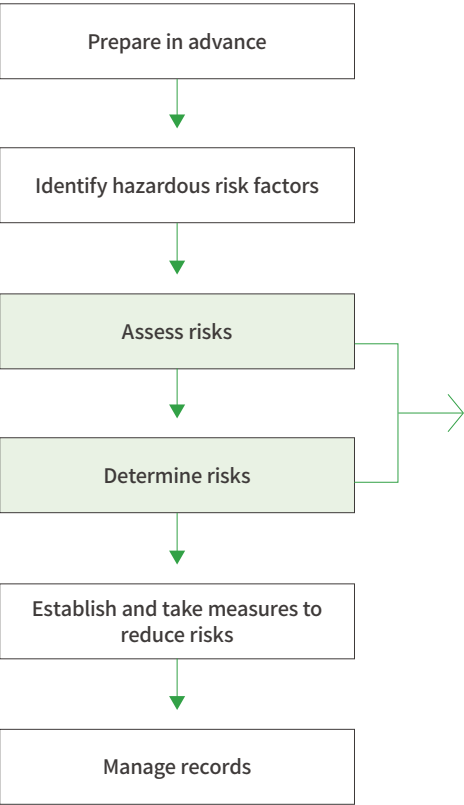
Health & Safety

Health & Safety Activity and Performance

Risk Assessment

We conduct risk assessments of all work spaces including office areas. We identify the actual condition of hazardous risk factors, assess them, and manage and improve risk elements. Through regular and frequent risk assessments every year, we identify hazardous risk elements and establish preventive measures. If a review is needed, we can conduct an assessment immediately. During the risk assessment, the person in charge at each department periodically identifies the risk factors by process, and checks the risk elements to estimate the possibility and materiality of each risk element. Then, we assess the size of the risk and determine whether it can be allowed. Based on this assessment, we take improvement measures.

Risk Assessment Process



Possibility of Major Risk Element Occurrence and Materiality

We categorize the possibility and materiality of risk elements into 5 levels, and calculate the size of the risk using separate formulas for the possibility and materiality of risks. Then, we set response measures according to the size of the risk and carry out improvement tasks. We take measures so that improvements of low-level risks can be reflected at an appropriate time, and respond to medium and high-level risks through phased and prompt improvements.

Possibility of Major Risk Elements

Classification	Possibility		Details
Highest	Very high	5	Possibility of damage is very high.
High	High	4	Possibility of damage is high.
Medium	Average	3	There is a possibility of damage if not careful.
Low	Low	2	Possibility of damage is low.
Lowest	Very high	1	Possibility of damage is very low.

Materiality of Major Risk Elements

Classification	Materiality		Details
Highest	Very high	5	Death or disability.
High	High	4	Injury or illness involving work leave. (Return to work possible after full recovery)
Medium	Average	3	Injury or illness requiring treatment beyond first aid, but not involving work leave.
Low	Low	2	Minor injury or illness, capable of immediate return to work after receiving first aid.
Lowest	Very high	1	Case that could cause a minor accident (non-treated). (There is no setback in work.)

Periodic Equipment Safety Inspection

HUMAX Networks conducts periodic safety inspections of laboratory equipment. We set the frequency of use, inspection method, and inspection cycle for each piece of equipment, and prevent or minimize risk elements related to health and safety that may occur while using the equipment.

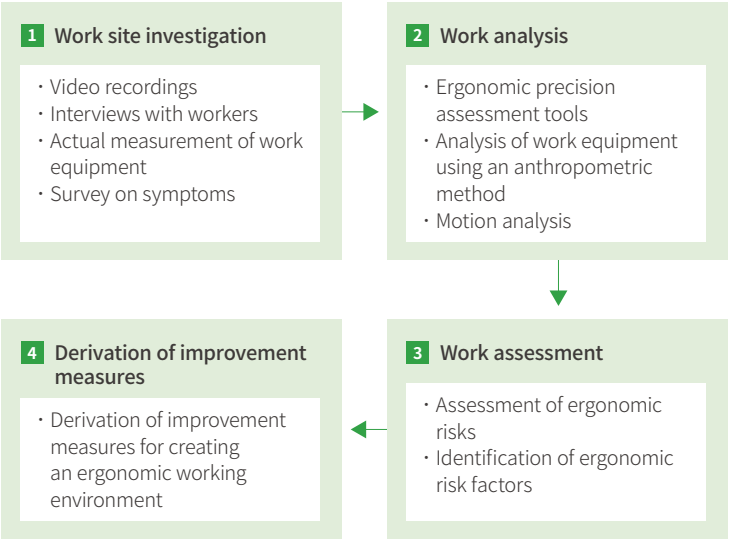
Location	NO.	Name of equipment	Frequency of use	Equipment safety inspection(Y/N)	Safety inspection method	Frequency of inspection
RF laboratory	1	Soldering Iron	Mainly used	●	Self	Quarterly
	2	LP(LitePoint) Equipment	Mainly used	●	Third-party	Annual
	3	Spectrum Analyzer	Mainly used	●	Third-party	Annual
	4	Network Analyzer	Mainly used	●	Third-party	Annual
	5	ESD Tester	Used intermittently	●	Self	When necessary
Wireless laboratory	1	Soldering Iron	Used intermittently	●	Self	Quarterly
	2	Hot Air Blower	Used intermittently	●	Self	When necessary
Thermal test room	1	Drill Press	Used intermittently	●	Self	When necessary
	2	Electric Grinder	Mainly used	●	Self	When necessary
	3	Thermocouple welder	Used intermittently	●	Self	When necessary
Shared HW laboratory	1	Soldering Iron (Hakko)	Mainly used	●	Self	When necessary
	2	Soldering Iron (Thermaltronics)	Used intermittently	●	Self	When necessary
	3	DC Electronic Load	Used intermittently	●	Third-party	Annual
	4	Oscilloscope	Intermittently used	●	Third-party	Annual
	5	Power Supply	Used intermittently	●	Third-party	Annual
	6	Digital Multimeter	Used intermittently	●	Third-party	Annual
	7	Current Probe	Used intermittently	●	Third-party	Annual
	8	AC Power Meter	Used intermittently	●	Third-party	Annual

Health & Safety

Assessment of Musculoskeletal System Risks


To prevent musculoskeletal illnesses due to long-term work, we conduct periodic investigations of risks to the musculoskeletal system according to the health and safety rules. We investigate by identifying workers whose jobs carry a high likelihood of falling, straining the musculoskeletal system, such as work involving unnatural postures, repetitive tasks, and heavy lifting. The on-site investigation includes video recordings, interviews with workers, and actual measurements of work equipment. From the results of an investigation conducted in 2023, we have confirmed that there is no work that strains the musculoskeletal system. We will conduct further investigations as and when the work environment changes due to changes in the equipment used by our employees.

Analysis and assessment procedure for survey of risk factors in straining the musculoskeletal system



Health & Safety Facility Investment and Listening to Opinions


HUMAX Networks values the feedback it receives from its employees through the facility improvement request application (Sandy), and invests in facilities that promote health and safety. In 2023, we invested in installing soundproof walls to prevent exposure to noise, attached stickers on the floors to prevent collisions with doors, and repaired office floors to ensure health and safety.



Prevention of exposure to noise

Installation of soundproof walls

- **Current status:** Noise above a certain decibel level is generated in the product R&D room near the office space when they check the connection and output of speakers.
- **Measures taken:** Soundproof walls were installed to block noise from the outside (i.e. installation of soundproof walls on all six sides of the Dolby Room on the 7th floor).



Listening to the voices of employees

Facility improvement request app (Sandy)

- **Current status:** Any employee can request inconveniences to be addressed and raise the need for improvements related to facilities through the facility management app called 'Sandy.'
- **Measures taken:** The person in charge of facility management replies to a request to address an issue within 10 minutes on average, and then reports it to the top management and matters requiring improvements. Then, appropriate measures are taken. (Stickers were attached to the floors to prevent collisions with doors, and office floors were repaired, etc.)

Health and Disease Management

Health checkup and consulting

HUMAX Networks support comprehensive health checks for all its employees. Employees over 40 undergo an annual health check-up, while those below 40 have one every two years. We perform health checks for new recruits. We determine whether a candidate laboratory user is fit to perform the relevant duties through a health checkup before assigning duties. We also conduct special health checkups once a year. Furthermore, we even offer health checkups for temporary employees (contract workers) who have served for more than one year.

HUMAX Networks selects targets from high risk groups and conducts monthly health consultations. Our occupational healthcare service provider checks each employee's health with a simple checkup, including blood pressure and body fat measurements, and provides consulting aimed at improving their health.

Health checkup participation rate in 2023



Disease control and prevention of repetitive strain injuries

To support and protect our employees from infectious diseases, we have expanded the telecommuting system, provided vaccination leave, and offered influenza vaccinations. In addition, we provide thermometers and hand sanitizers for each office in order to create an environment where symptoms can be identified and hygiene can be managed independently. Given the nature of our work, which involves repetitive work using computers, there are health-related risks to the neck, shoulders, wrists and fingers, and back. Hence, by investing in the following programs in 2023, we made efforts to ease employees' stress and tension caused by repetitive work.

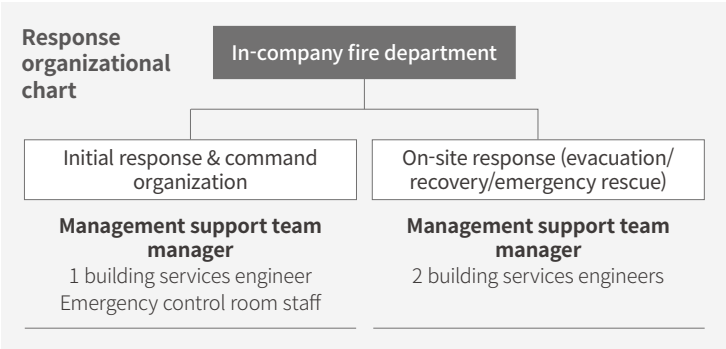
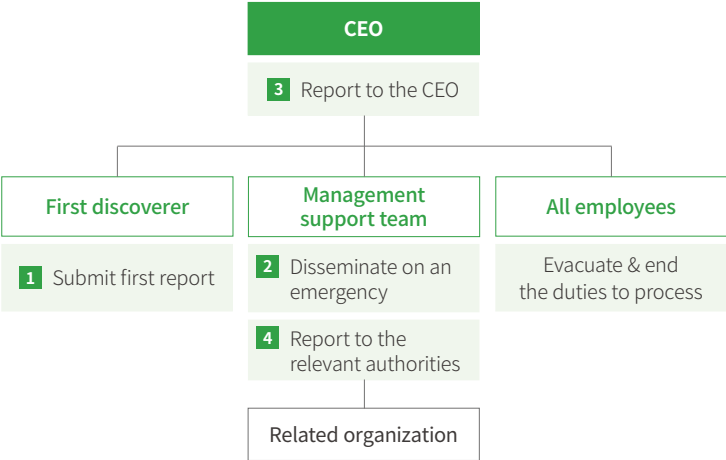
- Campaign to encourage employees to stretch their neck, shoulders, back, and legs before beginning work on-site. (Called "Wise Work Life" _Stronger/Healthier)
- Provision of health information via the in-house portal bulletin board and mail.
- Replacement of chairs with a back and spinal protection function.



Health & Safety

Process for Responding to and Emergency

We have established and operate an emergency response plan to protect the life and body of our employees, safeguard company assets, and prevent the spread of damages. The emergency response plan is prepared to deal immediately with an emergency or disaster situation. We have outlined methods of recognizing diverse types of emergencies, including computer outages, power outages, fires, natural disasters, and terror incidents, and measures for responding to them.



Stage	Description
Emergency Stage 1	• Initial response (recognition, report, notification of disaster, etc.).
Emergency Stage 2	• Evacuate and assemble in the assembly area. • Identify the disaster situation. • Summon an emergency response committee meeting. • Declare a disaster and decide whether to activate the BCP team.
Emergency Stage 3	• If the planned plan cannot be implemented, change the plan or establish an alternative.
Emergency Stage 4	• Activate the business continuity plan (BCP). • Move to an alternative business site. • Execute the disaster recovery plan and business resumption plan.
Normal stage	• Instruct return to business site. • Restore normal operations • Disband the emergency organization.

Emergency Response Training

HUMAX Networks periodically conducts training, including a simulated emergency, in order to identify risks and matters to improve upon and to be able to respond quickly and safely in the event of an accident or other emergency.

Emergency response training was jointly conducted in 2023 for company employees residing in HUMAX Village under the supervision of the fire department, the results of which are as follows.

Joint fire evacuation drill for HUMAX Village employees in 2023

- **Purpose:** To enhance the competencies of the company fire department regarding a specific fire protection target, and to reduce casualties and property damages with rapid evacuation in the event of a fire.
- **Date/Time:** Nov. 24, 2023 (10:30~11:30)
- **Participants:** 305 persons (including company fire dept.)
 - HUMAX Village resident employees and in-company fire department included.
- **Location:** Roof of HUMAX Village (toward Tancheon)
- **Training details:** Fire drill, notification drill, evacuation drill

GOVERNANCE

Fair and Transparent Management



MEASURES

- 1 Board Composition and Operation
- 2 Ethical & Compliance Management
- 3 Information Security
- 4 Risk Management



KEY PERFORMANCE

Non-executive directors	Board of directors attendance rate	Maintaining the Information Security Management System
50%	100%	ISO 27001 certification
Integrity and ethics training completion rate	Corruption risk assessment	Social/economic law violations
88.9%	84.2 points	ZERO



OUR APPROACH

Calls among internal and external stakeholders for companies to establish a transparent and sound organizational culture is growing. Additionally, the importance of addressing issues related to information security and protection is gradually increasing due to the growth of digital, IT, and AI technologies. To respond preemptively to such growing demands and threats to information security, HUMAX Networks has established a transparent and sound board of directors, and ethical and compliance management, and operates an information protection management system. Furthermore, we endeavor to reduce potential uncertainties by identifying and managing major financial and non-financial risks. HUMAX Networks will bear in mind that the establishment of fair and transparent governance is the heart of TBL (Triple Bottom Line), which signifies the balanced growth of the economy, environment, and society, and will do its best to grow continuously as a corporation.

Board Composition and Operation

Composition of the Board of Directors

The board of directors is composed of two executive directors and two other non-managing directors according to the articles of association to ensure transparent and independent operation. The composition of the BOD meets the requirement of having a majority of the total number of directors according to the related laws and regulations, such as the Commercial Act. The directors possess industry expertise and professional knowledge of corporate management.

The board of directors deliberates and supervises important matters regarding company management according to the relevant laws, the articles of association, and the board regulations. The company has made concerted efforts to establish a solid foundation for business management through board-centered governance. Moreover, we guarantee the independence of the members of the board of directors so that the board can supervise the company’s business operations inn an objective manner.

Classifi- cation	Name	Gender	Career history	Expertise	Term
Executive director	Lee Seung-jae	Male	· Present) CEO, HUMAX Networks · Former) Sales Director, HUMAX Asia-Pacific	Business manage- ment	3 years
	Kang Gi-won	Male	· Present) General Manager of Business Operations, HUMAX Networks	Industrial expertise (Technolo- gy)	3 years
Other non-man- aging director	Kim Tae-hoon	Male	· Former) CEO, HUMAX Mobility · Former) CEO, Humax	Sales & marketing	3 years
	Dew Ahn-wang	Male	· Former) CEO, Bizcom Electronics Inc.	Finance & company operation	3 years

Remuneration and Audit System

Board of Directors Remuneration System

The remuneration of the board of directors is executed according to the standards set by the board of directors by taking into account the relevant position and duties within the amount approved by the general meeting of shareholders. In the case of executive directors, their remuneration is provided based on their performance via a quantitative evaluation of overall company performance, and a qualitative evaluation of ESG activities, etc.

Audit System

One auditor, appointed by the resolution of the general meeting of shareholders, audits our company’s accounting, and business operations. The audit findings are immediately reported to the head of the relevant department and top management, corrective and improvement measures are taken, and appropriate follow-up management is carried out for the measures taken.

Operation of the Board of Directors

HUMAX Networks hosts periodic board meetings every quarter, and it may also hold temporary board meetings as and when required. The approval of proposed items of agenda requires the attendance of more than half of the total number of directors and the agreement of the majority in attendance. However, for matters specified by the relevant laws, such as Article 389 of the Commercial Act (Transactions between Directors, etc. and Company), the approval of items of agenda requires the agreement of more than two-thirds of the directors. In the board of directors’ meetings, reporting and resolutions are reached on major items of the management agenda. In 2023, six board meetings were held, with an average attendance rate of 100%.

Classification	2021	2022	2023
No. of BoD meetings held	5	5	6
Items of agenda for board resolution	9	8	9
BoD attendance rate	100%	100%	100%

No.	Date	Content of agenda	Approval status	Attendance/Quota
1 st	Feb. 7, 2023	Report on subsidiary investment	Approved	4/4
2 nd	Feb. 17, 2023	Approval of financial statement and report on audit assessment	Approved	3/3
3 rd	Aug. 31, 2023	Report on financial agenda	Approved	4/4
4 th	Sept. 26, 2023	Report on financial agenda	Approved	4/4
5 th	Oct. 20, 2023	Report on financial agenda	Approved	4/4
6 th	Dec. 18, 2023	Report on subsidiary investment	Approved	4/4

Ethical & Compliance Management

Ethical Management Policy and Promotion System

HUMAX Networks complies with the relevant laws and ethical standards in all its corporate activities. This allows us to fulfill our social responsibilities while establishing a fair, transparent, and sound corporate culture. We have established the ethics code of conduct to ensure that all employees, both locally and internationally, respect the laws and regulations of each country and region in which we do business. We are also fostering an ethical management culture so that our members fulfill their roles and responsibilities with an ethical mindset, with ‘Anti-Bribery, Anti-Corruption’ as the fundamental principle. This principle applies not only to our employees but also to transactions with our suppliers and partner companies. We also prohibit all forms of unfair trade.

Core Principles for Ethical Management Practices

Ethics training for executives and employees	• Conduct annual ethics training for all employees.
Ethical practice survey/assessment	• Conduct the “Survey on ethical practices” on all employees every year to assess changes in their awareness of ethical practices.
Reporting channel	• Submit reports on legal violations and corrupt practices by the company or its employees through the whistleblowing channel and take the appropriate action. • Protect the identity of whistleblowers and prevent retaliation.

Ethics Code of Conduct

HUMAX Networks makes sure that its employees act fairly in any situation involving an ethical conflict that may arise while performing their duties by using the ethics code of conduct as the standard. We review the ethics code of conduct every year. In 2023, we added a new clause that prohibits money laundering in line with the global standards (Nov. 1, 2023).

Ethics Code of Conduct

1. Overview	5. Respect for human rights and corporate social responsibility
2. General overview	6. Business ethics
3. Terminologies	7. Internal control and violation reporting
4. Responsibilities and obligations of stakeholders	8. Appendix

Gift and Entertainment Policy

In some countries, returning or refusing a gift can offend the giver due to customs and cultural factors. HUMAX Networks established a gift and entertainment policy in 2023 to help employees make the right decision when providing or receiving gifts or entertainment. This policy applies to all employees including the HUMAX Networks Corporation. Under this policy, any employee who receives a gift must obtain the approval of the head of their department on how to handle it. If an employee is unsure what to do with a gift or entertainment, final approval must be received from the department in charge of ethical management (HR dept.).



Judgment criteria

- It shall conform to the related laws and regulations of the organization of which the recipient belongs.
- If it is for a proper business purpose, it shall be appropriate in form and appearance.
 - If there is an agenda (before and after signing a contract), caution must be taken in providing gifts or entertainment so that it is not inappropriate in form or appearance, and the provision of cash is prohibited.
- Its cost and frequency shall be reasonable.

Ethical Management Training

In 2023, we conducted training on “Understanding of Ethical Management” to ensure that employees raise their awareness of ethics, form a consensus on ethical management and practice it in their actual life and work. The training covered the Improper Solicitation and Graft Act, and examples of illegal solicitation. Ethical training was conducted for all employees, with 177 participants, in the form of an online training course over a period of about 2 weeks in September.



Integrity and ethics training completion rate in 2023

88.9%

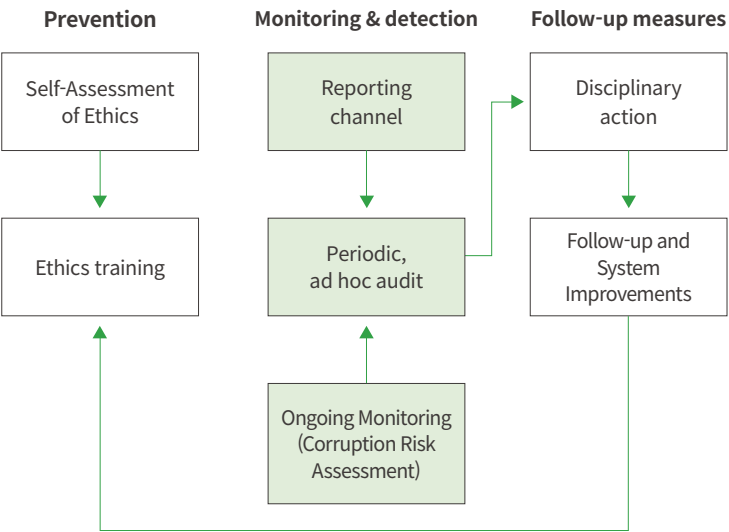
- Date of training : Sept. 11-22, 2023
- Training details: Improper Solicitation and Graft Act, examples of improper solicitation.

Ethical & Compliance Management

Ethical Management Monitoring and Assessment

Ethical Management Monitoring System

We operate an ethical management system consisting of three stages, i.e. prevention, monitoring and detection, and implement follow-up measures. We perform ethical practice activities such as self-diagnosis assessments and training programs, etc. to raise the level of ethical practice of our members, and prevent unfair practices. Furthermore, we monitor unfair practices at all times via regular inspections and a reporting channel. We also take follow-up measures and conduct regular inspection and monitoring in order to improve our system for preventing ethical violations.



Audit of Corruption Control Procedures

independent external audit agency conducts an external accounting audit. In 2023, understanding and assessment of internal controls, an early verification audit on important account balances, inquiries on important account balances and disclosure details, analytical procedures, and sample inspections (document verification, recalculation, etc.) were carried out. The results of the audit are disclosed through the Financial Supervisory Service’s Data Analysis, Retrieval and Transfer (DART) system every year.

Corruption Risk Assessment (Internal Integrity Assessment)

HUMAX Networks periodically conducts a corruption risk assessment by referring to the Anti-Corruption & Civil Rights Commission’s integrity assessment model and contents. The corruption risk assessment consists of five areas, including two indexes, the integrity culture index and the work integrity index, as well as organizational culture, corruption prevention, etc. In the 2023 assessment, we obtained a total score of 84.2 points, showing a favorable level. However, we obtained a low score in the <Effectiveness of protecting whistleblowers of corruption> item for preventing corruption. Consequently, we established the following action plans.

- Action Plan 1.** Expand training and promotion of delivery of information on the whistleblower system.
- Action Plan 2.** Increase opportunities for communication on grievances by establishing a reporting channel (online).

Third-Party Anti-Corruption Monitoring

HUMAX Networks conducts corruption monitoring of not only our company but also our suppliers. The main target of third-party anti-corruption due diligence is our major suppliers. As regards the method, we conduct a written assessment, including indexes related to corruption and integrity ethics, in connection with our supply chain ESG assessment. In 2023, we conducted anti-corruption due diligence on our major suppliers.

Details of assessment

Policy	Training	Monitoring
<ul style="list-style-type: none">• Whether an ethics policy (norms, code of conduct, etc.) has been established.• Whether an ethics policy has been disclosed.	<ul style="list-style-type: none">• Whether periodic anti-corruption training is conducted.• Whether it is conducted on all employees.	<ul style="list-style-type: none">• Whether periodic anti-corruption monitoring is conducted.• Establishment of a reporting channel and a whistleblower protection system.• Controversy.

Ethical & Compliance Management

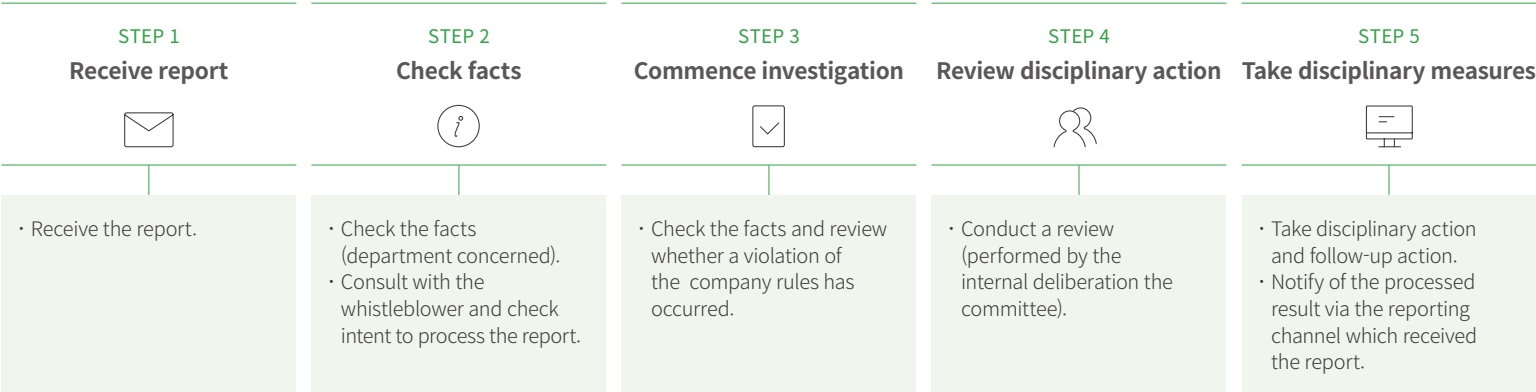
Whistleblowing Channel Operation

We operate a reporting channel for unethical acts that may involve our employees and stakeholders. For the issues received via the reporting channel, the processing and results are reported to the board of directors. We make sure that similar cases do not occur in any future business management activities and employees’ work.

Types of unethical behavior reported

Embezzlement, acceptance of bribery	Unfair trade practices	Fraud related to accounting	Discriminatory (unfair) acts	Complaints from customers/partner companies	Health & safety issues and complaints	Conflict minerals
Solicitation and unreasonable demands	Abuses of authority (abuses of power)	Sexual harassment/ bullying in the workplace	Leaks of confidential information	Environmental violations	Miscellaneous (violations of the ethics regulations)	Child/ forced labor

Report processing procedure



Whistleblower Protection and Anti-Retaliation Measures

assured and consult and report violations. We have also put a whistleblower protection program in place to ensure whistleblowers do not receive unfavorable treatment due to reporting. Moreover, we apply a policy that strictly prohibits retaliation to prevent unfavorable treatment such as dismissal, demotion, unpaid suspension, etc. even if a member reports or raises a question about unethical behavior or violations of laws, rule of ethics, or other company policies.

Reporting channel and responsible department

- **Website:** <https://www.humax-networks.com/report>
- **Responsible department:** Management support team (82+ 31-606-8320)
- **Hotline (Clean HUMAX Networks):** 112@humax-networks.com



Information Security

Information Security Management System

HUMAX Networks has put in place - through the governance system - an information security management system comprising an information security policy, a chief information security officer (CISO), an information security committee, and acquisition of the ISO 27001 certification. Through this, we acknowledge the importance of personal information protection, and do our utmost to prevent leakages of our customers’ personal information. As a result of these efforts, we have not had a single personal information leakage or violation for the past three years.

Information Security Policy

HUMAX Networks has established an information security policy to preserve and manage personal information assets safely and efficiently. The scope of this policy applies not only to all employees who work at our company, but also all to third parties that have access to HUMAX Networks’ assets due to contractual relations, and customers to whom we provide our services.

HUMAX Networks’ Information Security Policy

All employees of HUMAX Networks have participated in establishing an information security management system in order to ensure the stable operation of internal information systems and those of customer organizations, protect internal information and customers’ information, and maintain business continuity, and aims to become a company that manages this system efficiently.

Declaration of information security for company customers

- 1. The company shall provide its services to customers at all times, and shall minimize suspensions thereof.
- 2. The company shall manage and use information provided by its customers safely and securely.

The following principles must be followed.

- 1. Important information assets shall not be used in ways irrelevant to business duties and shall not be disclosed.
- 2. All access and changes shall undergo an approval process.
- 3. Security requirements shall be complied with according to the related laws and contracts.
- 4. All employees shall meet the security requirements to prevent leakages of information.

The CEO shall actively support the necessary resources as follows.

- 1. Secure and support a sufficient budget for information security.
- 2. Form an organization for information security and support sufficient human resources.
- 3. Support sufficient training on information security.
- 4. Support for the establishment and implementation of policy guidelines needed for information security.

With regard to complying with higher-level policies and guidelines, all employees shall make faithfulness a principle, and strive to maintain and develop the information security management system continuously. Additionally, the level of information security management should be maintained at 80% or higher at all times. Company-wide information security training shall be conducted more than once a year to maintain the validity of this declaration. The information security management system shall be periodically reviewed semiannually, and if matters requiring improvement are identified, corrective measures shall be taken.

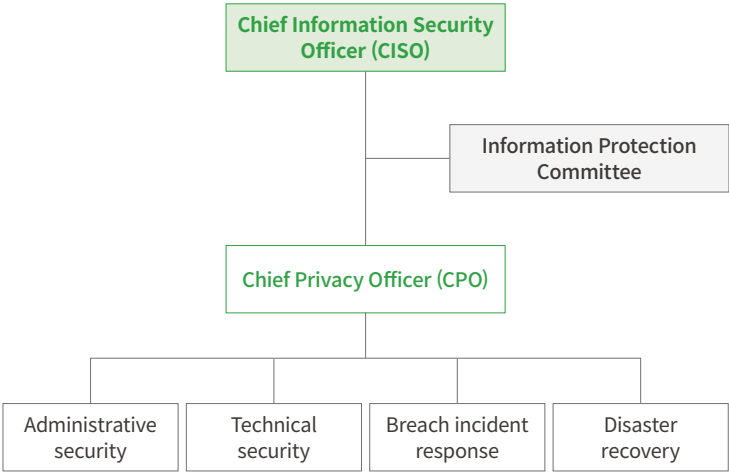
ISO 27001 Certification

HUMAX Networks has been objectively recognized for its management system and information security activities with the ISO 27001 certification, an international standard on information security management systems. This certification involves an inspection of the operational status of the management system through renewal audits before its expiration, identifies areas to improve upon beforehand and, based on this, initiates a process of feedback and corrective measures, etc.



Information Security Governance

The Chief Information Security Officer (CISO), who has expertise in information security, makes the final decisions on information security matters, and manages overall information security activities. Meanwhile, the Chief Privacy Officer (CPO) is responsible for implementing measures to protect personal information, and managing information security. We host an information security committee meeting with our information security organization semiannually, and regularly hold meetings depending on the company’s information security situation in order to make decisions on major items of agenda concerning information security. Moreover, in the event of an urgent situation related to information security, we mobilize a security incident response organization and an emergency response organization to address the situation promptly and effectively.



Information Security

Information Security Activity and Risk Assessment

HUMAX Networks periodically conducts internal security audits according to user security management guidelines and information system operation security guidelines in order to check whether information security activities are being complied with. In addition, we have set KPIs based on the ISMS (Information Security Management System) in relation to information security activities to measure the effectiveness of information security activities.

Information Security Training

HUMAX Networks conducts regular information security training for all its employees and those of its partner companies. In 2023, all 188 employees participated in the related training. We not only conduct basic training but select specific targets for training, and we also conduct training if specialized training is needed for a specific area. Moreover, we conduct training related to personal information protection for personal information officers more than once a year, and set the information security training attendance rate as a KPI to manage training performance.

Classification	Details	Cycle
Information security training for new employees	Training on raising awareness of information security, including the management system, cases of violations, etc.	As needed
Information security training for all employees	Latest security trends and issues, such as personal information protection, security compliance, prevention of damages from phishing/smishing, etc.	Annual
Enhancement of professional competencies of security managers	Participation in specialized training and acquisition of licenses related to information security.	Annual & regularly

Information Security Risk Assessment and Security Audit

In order to maintain the ISO 27001 certification, HUMAX Networks periodically undergoes an information security risk assessment by an independent third party (ISO 27001 certification auditor). We receive an assessment of the risk level by inspection items according to the type of organizational control, human control, physical control, and technical control. After the assessment, we establish protection measures for each risk level. Furthermore, we regularly conduct inspections of security in everyday life, assess the actual state of our information protection management, and address any vulnerability thus identified so as to enhance our information security.

Protection of Third-Party Data

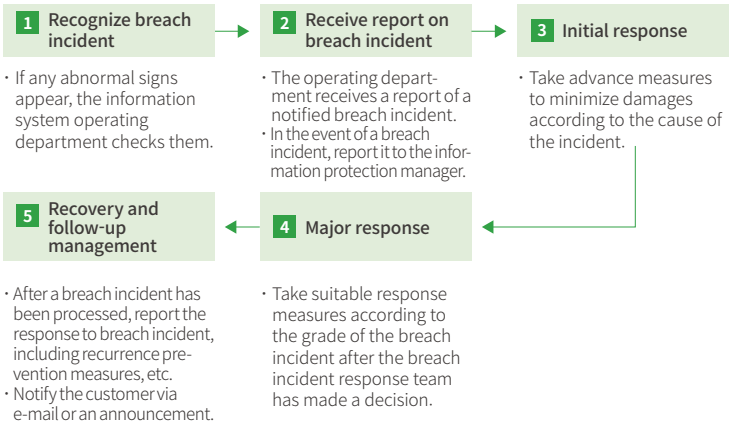
HUMAX Networks strictly manages personal information according to the guidelines on personal information protection. We receive and keep a security pledge from employees to prevent leaks, losses, and damages of personal information. In addition, we are taking various measures to protect third-party data from unauthorized access or disclosure.

- Collect security pledge from employees and subcontractors.
- Obtain consent to the collection and use of personal information.
- Control access to physical locations where personal information is stored, such as server rooms, data storage rooms, etc.
- Separate safety management to prevent unauthorized access to personal information by anyone other than authorized personnel.
- Completely destroy personal information that has served its purpose so that it cannot be retrieved or restored.
- Set an encryption key for important electronic documents.
- Set access rights for documents containing personal information.
- Prohibit the storage of personal information, such as ROK ID numbers, credit card numbers, bank account numbers, etc. in a separate PC.
- Delete personal information when replacing a PC or cellphone.
- Immediately report to the organization in charge of information security in the event of a personal information breach.
- Operate an information protection channel for reporting personal information leaks.

 **Reporting channel**

Response to Information Security Breaches

HUMAX Networks strictly manages security breaches according to the guidelines. In the event of a security incident involving an information asset, the Chief Information Protection Officer organizes a breach incident response team to address the breach. Moreover, we solve problems promptly in cooperation with professional external organizations.



Information security risk assessment result in 2023

Area	Average score (points)
Organizational control	71.3
Human control	93.8
Physical control	92.3
Technical control	55.9

Result of internal security audit in 2023

- **Purpose:** Regular inspection of security in everyday life.
- **Period:** June 27-28, 2023
- **Details:** Inspection of whether employees comply with PC and security activities, and whether they comply with information security activities when operating the computer operations room's systems.
- **Result:** Two deficiencies were identified and improvement measures were taken.

Risk Management

Risk Management System and Roadmap

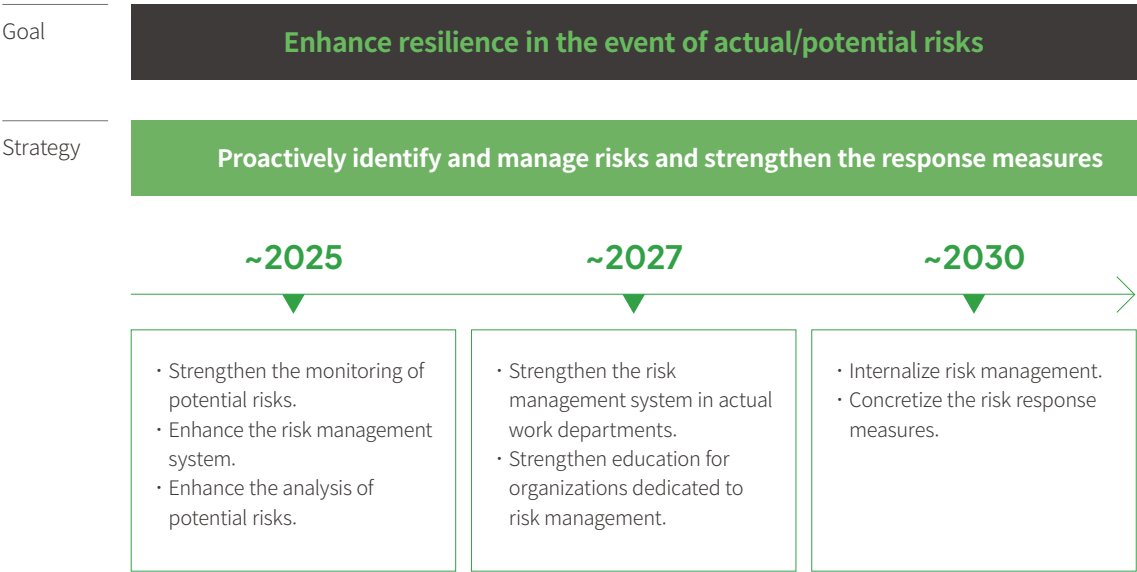
HUMAX Networks manages the overall risk of the company effectively by identifying potential risks during business activities and corporate operations and preparing strategies to respond to such risks. We identify various risks that may arise in several areas, and aim to maximize the efficiency of risk management by building a response system tailored to the types of relevant risks. If company losses are confirmed or a risk with a very high possibility of generating losses is identified, we judge the urgency of the situation by discussing it with the overseeing department, and hold a temporary board meeting to discuss the related issues. Furthermore, we periodically review ESG risks when making investments; and the board of directors makes major decisions and performs management and supervisory roles.

Company-Wide Risk Management Process

The major managing department monitors risks continuously according to their types. If a risk is discovered, we immediately identify the type and assess the level of risk. Based on the result of this assessment, we analyze the cause in order to secure the necessary resources and establish response measures. When necessary, we strengthen the countermeasures a step further in cooperation with external experts, and transparently report the results of the analysis and response measures to the board of directors and senior management. If the risk situation ends, we remove the cause of the potential risk, and strive to enhance the response system by developing follow-up plans in preparation for similar cases.



Risk Management Road Map



Risk Management

Risk Identification and Management

HUMAX Networks selects risks that may threaten the company’s ability to achieve its goals, comprehensively considering its management goals and business environment, and manages the related risks by risk level. We classify the types of risks into financial risks and non-financial risks (business continuity, operation), and establish a systematic response system for each type of risk.

Classification		Risk details	Management activity
Financial risk	Market	Foreign exchange risk.	• Management of foreign currency risks on functional currency.
	Credit	Customer or transacting party unable to fulfill obligations of contractual terms.	• Setting and management of credit limit on the accounts receivable counterparty in compliance with the internal credit management regulations. • Management of recovery measures such as credit investigation and collateral on investments and loans.
	Liquidity	Unexpected worsening of liquidity.	• Maintaining the appropriate level of deposit cash reserve by periodically predicting the future cash flow. • Signing of agreements with financial institutions in relation to emergency funding.
Non-financial risk (Business continuity)	Supply chain	Raw material supply/demand issues due to the tightening of ESG regulations related to the global supply chain and the internal deficiencies of partner companies.	• Establishment of a stable supply chain via the partner company assessment system, “HNSE” (HUMAX Networks Supplier Evaluation). • Strengthening of partner companies’ ESG capacity by distributing the ESG Code of Conduct and educational materials. • Realization of the sustainable procurement goal by establishing and implementing the in-house “Sustainable Procurement Policy.”
	Disaster & Safety	Natural disasters such as earthquake, fire, etc. and safety accidents within worksites.	• Periodic training and education in preparation for an emergency. • Establishment of an emergency response organization in preparation for disasters and safety accidents.
	Environmental	Imposition of legal sanctions and fines regarding environmental regulations.	• Operation of an environmental risk management organization. • Diagnosis and prevention of potential risks by managing and reviewing environmental standards by country. • Management of approval of regulated substances by establishing the product environmental regulation system. • Renewal of the ISO 14001 certification and independent verification activities.
Non-financial risk (Operation)	Climate change	Risk of tighter regulations related to emissions.	• Operation of an organization dedicated to climate change risk management, monitoring of the related laws, and establishment and implementation of reduction targets. • Monitoring of greenhouse gas emissions from business sites.
	Quality control	Risks due to product quality issues; risks due to changes in the 4Ms.	• Implementation of prior quality activities through the quality management system and process. • Assessment of impacts of changes in the 4Ms and management of incoming quality. • Management of the nonconforming product processing process.
	Human rights	Human rights violations.	• Conduct of human rights impact assessment and improvement. • Conduct of the related training and reporting system.
	Information security	External cyber-terror, internal data leakages, and information losses.	• Operation of an organization dedicated to security, establishment of security regulations and operating standards. • Periodic training on in-house security guidelines and company-wide security training. • Renewal of the ISO 27001 certification and independent verification activities.
	Law & ethics	Signing of unfavorable contracts, lawsuits, unfair trade practices, and corruption.	• Compliance with the contract deliberation regulations and prevention of legal risks by utilizing standard contract forms. • Job training aimed at enhancing employees’ understanding of foreign exchange, patents, contract management, etc. through job training. • Training on anti-corruption and ethics, such as the Improper Solicitation and Graft Act, Subcontracting Act, Fair Trade Act, etc.

04

APPENDIX

Transparent disclosure of ESG quantitative performance and assurance the reliability of ESG quantitative data

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Financial Performance

(Based on consolidated financial statement)

Classification	Key performance indicator(KPI)	Unit	Year		
			2021	2022	2023
Condensed Balance Sheet	Current assets	KRW	76,660,610,939	290,855,182,829	271,211,459,960
	Non-current assets	KRW	53,287,017,496	62,190,819,835	65,891,854,698
	Total assets	KRW	129,947,628,435	353,046,002,664	337,103,314,658
	Current liabilities	KRW	78,468,439,586	308,321,533,148	266,013,714,762
	Non-current liabilities	KRW	1,551,705,990	1,742,007,414	2,480,646,075
	Total liabilities	KRW	80,020,145,576	310,063,540,562	268,494,360,837
	Capital stock	KRW	6,642,000,000	7,100,300,798	7,224,120,452
	Other paid-in capital	KRW	58,783,795,200	62,839,901,874	63,935,744,872
	Other capital components	KRW	(17,300,422)	(24,969,523)	(33,413,950)
	Retained earnings	KRW	(15,460,917,388)	(26,849,549,661)	(2,410,853,523)
	Minority interest	KRW	(20,094,531)	(83,221,386)	(106,644,030)
	Total capital	KRW	49,927,482,859	42,982,462,102	68,608,953,821
Condensed Income Statement	Sales	KRW	83,448,788,932	292,172,409,928	588,882,284,124
	Cost of sales (COS)	KRW	70,634,890,297	264,873,009,570	521,531,389,202
	Gross profit	KRW	12,813,898,635	27,299,400,358	67,350,894,922
	Operating profit	KRW	(10,095,557,817)	(10,786,824,829)	28,752,246,770
	Net income before tax expense	KRW	(9,916,417,130)	(12,357,062,913)	26,347,887,035
	Net profit	KRW	(10,006,047,535)	(11,305,149,808)	26,072,424,273
	Other comprehensive income	KRW	(42,921,041)	713,017,102	(886,600,975)
	Total comprehensive income	KRW	(10,048,968,576)	(10,592,132,706)	25,185,823,298

ESG Data

Environmental

Classification	Item name	Unit	2021	2022	2023
Greenhouse gas emissions	Direct greenhouse gas emissions (Scope 1)	tCO ₂ eq	0	0	0
	Indirect greenhouse gas emissions (Scope 2)	tCO ₂ eq	260.1	382.1	414.4
	Total greenhouse gas emissions (Scope1+Scope2)	tCO ₂ eq	260.1	382.1	414.4
	Greenhouse gas intensity	tCO ₂ eq/No. of employees	1.60	2.15	2.26
Energy consumption	Electricity consumption	TJ	1.94	2.86	3.06
	Amount of fuel used	TJ	0	0	0
	Amount of steam used	TJ	0	0	0
	Total amount of energy used (Electricity+Fuel+Steam)	TJ	1.94	2.86	3.06
Use and recycling of water	Amount of water used	ton	2,035	2,658	3,045
Waste	Total amount of waste disposal	ton	14.50	24.75	15.66
	General waste (Total amount)	ton	14.50	24.75	15.66
	Food waste	L	253	492	129
	General waste	L	14,243	24,263	15,528
	Designated waste (Total amount)	ton	-	-	-
	Designated waste (Recycling)	ton	-	-	-
	Designated waste (Incineration)	ton	-	-	-
	Designated waste (reclamation)	ton	-	-	-
Air pollution	Air pollutant emissions	Kg	n/a	n/a	n/a
Biodiversity	Business sites located near biodiversity hotspots	Place	n/a	n/a	n/a
Environmental training performance ¹⁾	Total training time	hours	-	-	188
	No. of trainees	persons	-	-	175
	No. of hours of training per employee	hours	-	-	0.93
Violations of environmental regulations	No. of environmental law violations (monetary sanctions)	cases	0	0	0
	Fines	KRW	0	0	0
Other_Customer health & safety	No. of customer health & safety risk occurrences due to hazardous substances.	cases	0	0	0

1) 2023 environmental training details: Greenhouse gas (energy), hazardous substance handling, upcycling (waste management)

ESG Data

Social

Classification	Item name	Unit	2021	2022	2023
Work hours	Total work hours	hours	221,006	306,922	322,707
	Total no. of work hours per person	hours	1,881	1,838	1,839
Average wage per employee	Total	KRW 1,000	Non-disclosure	Non-disclosure	Non-disclosure
	Male	KRW 1,000	Non-disclosure	Non-disclosure	Non-disclosure
	Female	KRW 1,000	Non-disclosure	Non-disclosure	Non-disclosure
	Female average wage rate vs. male (adjusted)	%	Non-disclosure	Non-disclosure	Non-disclosure
	Percentage of female base pay vs. male base pay (unadjusted)	%	100	100	100
Living wage	Percentage of internal employees subject to analysis based on living wage	%	-	-	97.8
	Percentage of internal employees receiving wage less than the living wage	%	-	-	2.2
	Percentage of employees receiving less than the living wage among all employees, including directly employed workers and indirectly employed workers	%	-	-	2.2
	Average wage gap of internal employees receiving wage less than the living wage vs. the living wage standard	%	-	-	5
Status of welfare expenditure	Total amount of welfare expenditure	KRW 1 million	1,474	1,312	2,176
	Average welfare expenditure per employee	KRW 10,000	862	702	1,127
Status of recruitment and turnover	No. of new hires	persons	72	39	13
	No. of turnovers (voluntary+recommended turnovers)	persons	24	23	12
	Turnover rate	%	14.04	12.3	6.22
	Average Years of Service	years	1.27	2	2.5
	No. of dismissed workers	persons	0	0	0
Status of flexible work hours usage	No. of employees using flexible work hours	persons	161	178	183
Status of use of maternity and parental leave	No. of persons using parental leave	persons	2	3	1
	No. of persons returning after parental leave	persons	1	2	1
	Persons who worked for over 12 months after their return from parental leave	%	49	38	35

ESG Data

Classification	Item name	Unit	2021	2022	2023
Status of employee diversity ¹⁾	Total no. of members	persons	171	187	193
	By form of employment (executives)	persons	3	3	3
	By form of employment (permanent)	persons	168	183	185
	By form of employment (temporary)	persons	0	1	5
	Gender (Male)	persons	150	163	167
	Gender (Female)	persons	21	24	26
	All female rate	%	12.28	12.83	13.47
	People with disabilities	persons	0	1	1
	Veterans	persons	0	0	0
	Foreign nationals	persons	5	5	5
	Percentage of workers from vulnerable groups	%	2.92	3.21	3.11
Status of employee diversity_Role Group	Executives_Male	persons	3	3	3
	Executives_Female	persons	0	0	0
	Percentage of female executives	%	0	0	0
	Managerial positions_Male	persons	25	27	25
	Managerial positions_Female	persons	1	1	1
	Percentage of female managerial positions	%	4	3.7	4
Social conversation	No. of labor-management meetings held	No. of meetings	3	4	4
Talent fostering_Training status ²⁾	Total no. of trainees	persons	181	197	199
	Total training time	hours	4,555	5,352	5,804
	No. of hours of training per employee	hours	25.2	27.2	29.2
	Total training expenditure	KRW 1 million	5.1	7.1	17.6
	Training expenditure per person	KRW 1,000	28.3	36.1	88.5
Talent fostering_Status of periodic review of performance and career development ³⁾	No. of persons undergoing a periodic performance assessment	persons	171	187	193
	Periodic performance assessment execution rate	%	100	100	100

1) Status of employee diversity: Includes overseas subsidiaries.
2) Persons subject to training: Persons who have participated in more than one legal, industrial safety, external, position holder language, environmental, integrity & ethics, and human rights training session among executives, permanent positions, contract workers (including resignations, excluding locally hired employees).
3) No. of persons who have undergone a periodic performance assessment: Based on employees serving at the end of year.

ESG Data

Classification	Item name	Unit	2021	2022	2023
Health & Safety_Training	Total health & safety training time	hours	3,096	4,146	4,296
	No. of health & safety trainees	persons	181	197	193
	Training time per person	hours/person	17.1	21.0	22.3
Health & Safety_Industrial Accidents	No. of industrial accidents	cases	0	0	0
	No. of injuries	cases	0	0	0
	No. of deaths	cases	0	0	0
	Industrial accident rate	%	0	0	0
	Lost Time Injury Frequency Rate (LTIFR)	Lost workdays	0	0	0
Health & Safety_Health checkups	Permanent employee health checkpoint rate	%	95	97	98
	Temporary employee health checkpoint rate	%	-	-	100
Human Rights Management_Grievance settlement	No. of grievances related to human rights	cases	0	0	0
	No. of grievances related to human rights settled	cases	0	0	0
Human Rights Management_Human rights training	No. of persons having completed human rights training (mandatory training)	persons	-	-	175
	Human rights training completion rate	%	-	-	100
	Training time per employee (mandatory training)	hours	-	-	1
	No. of trainees of in-house human rights training (human trafficking, forced & child labor, etc.)	persons	0	0	175
	In-house human rights training participation rate (human trafficking, forced & child labor, etc.)	%	-	-	100
Human Rights Management_Discrimination incidents	No. of discrimination incidents discovered	cases	0	0	0
Human Rights Management_Labor rights violations	Business sites at risk of child and forced labor	Place	0	0	0
ESG Training	Total time of ESG/sustainable management training	hours	-	-	35
	No. of participants in ESG/sustainable management training	persons	-	-	8

ESG Data

Classification	Item name	Unit	2021	2022	2023
Customer Satisfaction	No. of customer complaints received	cases	0	0	0
	No. of customer complaints processed	cases	0	0	0
	Processing rate	%	0	0	0
Status of non-compliance with law & voluntary regulations on marketing and communication	No. of legal violations	cases	0	0	0
	Punishment or amount of fines	KRW	0	0	0
	No. of cases discovered in-house	cases	0	0	0
Mutual Growth_Transactions with partner companies	Total no. of partner companies	Companies	163	163	163
	No. of major partner companies	Companies	7	7	7
Mutual Growth_Sustainable procurement	Companies having signed partner companies' ESG or CSR Code of Conduct	Companies	-	-	2
	Percentage of suppliers having signed a pledge to comply with the ESG Code of Conduct among all partner companies	%	-	-	1.2
	No. of cases reflecting ESG elements upon contract signing	Companies	-	-	2
	Percentage of contracts reflecting ESG elements vs. major partner companies	%	-	-	28.6
	Supplier's ESG or CSR assessment (written assessment)	Companies	-	-	2
	No. of partner companies having received ESG on-site due diligence	Companies	-	-	1
	No. of corrective measures for ESG or CSR of partner companies	Companies	-	-	1
	ESG training support for partner companies (including sustainable procurement training)	Companies	-	-	2
Social Contribution	Goods purchased from socially responsible companies (businesses owned by women, business enterprises owed by people who disabilities, etc.)	KRW 1 million	47.5	88.7	81.2

ESG Data

Governance

Classification	Item name	Unit	2021	2022	2023
Creation and distribution of economic values for stakeholders	Customer_Sales	KRW 1 million	834,497	292,172	588,882
	Government_Taxes	KRW 1 million	-	-	414
	Employee_Wage, welfare, etc.	KRW 1 million	8,394	8,319	13,333
ESG assessment grade	External ESG verification assessment score (MOTIE & KPC)	points	-	-	85.5
Status of in-house anti-corruption training ¹⁾	Persons subject to integrity & ethics training	persons	187	200	199
	Persons having completed integrity & ethics training	persons	-	-	177
	Rate of completion of integrity & ethics training	%	-	-	88.94
Status of receipt of and measures taken on internal reporting	Receipt of anti-corruption reporting (No. of reports received)	cases	0	0	0
	Confirmed incidents of corruption and number of actions taken	cases	0	0	0
Legal violations of unfair trade practices, including competition-damaging conduct and oligopoly	Number of non-monetary sanctions	cases	0	0	0
	Total amount of fines	KRW 1 million	0	0	0
	No. of lawsuits filed	cases	0	0	0
Status of non-compliance with other laws on social, economic areas	No. of legal and regulatory violations	cases	0	0	0
	Punishment or amount of fines	KRW 10,000	0	0	0
Governance_Composition of board of directors	Total no. of persons in board of directors (non-executive directors+executive directors)	persons	4	4	4
	No. of executive directors	persons	2	2	2
	No. of non-executive directors	persons	2	2	2
	Percentage of non-executive directors	%	50	50	50
Governance_Auditor & other committees	No. of auditors	persons	1	1	1

1) Persons subject to in-house anti-corruption training: Employees, permanent, part-time workers of the relevant year (including resignations, excluding locally hired employees).

ESG Data

Classification	Item name	Unit	2021	2022	2023
Governance_Board of director's operational performance	No. of board meetings held (Sum total of periodic board meetings + temporary board meetings)	No. of meetings	5	5	6
	No. of regular board meetings held	No. of meetings	1	1	1
	No. of temporary board meetings held	No. of meetings	4	4	5
	Agenda for resolution	cases	9	9	9
	Agenda for reporting	cases	0	0	2
	Amended agenda for resolution	cases	0	0	0
Governance_Operation of board of directors	Percentage of female directors	%	0	0	0
	Average attendance rate of BOD	%	100	100	100
Information security & protection ¹⁾	No. of complaints related to violations of customers' personal information protection	cases	0	0	0
	Total no. of customer data leakages, thefts or losses	cases	0	0	0
	No. of customers affected by personal data breaches	persons	0	0	0
	Amount of fines/penalties due to information security violations or cyber- security incidents	KRW 1 million	0	0	0
	Persons subject to training on the prevention of information security and personal data breaches	persons	187	200	199
	Persons subject to training on awareness and prevention of information security and personal data breaches	persons	164	192	188



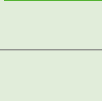

1) Persons subject to training on awareness of information security and personal data breaches: Employees, permanent, part-time workers of the relevant year (including resignations, excluding locally hired employees).

UN Sustainable Development Goals

The UN SDGs are the 17 common goals to be achieved by mankind by 2030, which were adopted at the UN General Assembly in 2015. They provide a global blueprint for achieving human prosperity and protection of the Earth’s environment. HUMAX Networks is deeply aware of the importance of, and supports, such UN SDGs, and practices sustainable management through sustainable activities designed to meet each goal.





Classification	Goal	Report page nos.
	UN SDGs 3 Ensure healthy lives and promote well-being for all at all ages	34, 35, 51p
	UN SDGs 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	31, 32p
	UN SDGs 5 Achieve gender equality and empower all women and girls	33, 35, 37p
	UN SDGs 6 Ensure availability and sustainable management of water and sanitation for all	28p
	UN SDGs 7 Ensure access to affordable, reliable, sustainable and modern energy for all	23, 25, 26p

Classification	Goal	Report page nos.
	UN SDGs 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	31, 33p
	UN SDGs 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	13, 39p
	UN SDGs 10 Reduce inequality within and among countries	33, 47p
	UN SDGs 12 Ensure sustainable consumption and production patterns	27, 44, 45, 46p

Classification	Goal	Report page nos.
	UN SDGs 13 Take urgent action to combat climate change and its impacts	23, 25, 26p
	UN SDGs 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	28, 47p
	UN SDGs 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	54, 55, 56, 57p
	UN SDGs 17 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	47, 74p

10 Principles of the UN Global Compact

HUMAX Networks actively supports and strives to comply with the ten principles of the UN Global Compact (hereinafter referred to as the “UNGC”) on human rights, employees, the environment, and anti-corruption. Regarding these ten UNGC principles, we have established policies and norms for each one of them in order to internalize ESG management, and we have established and manage the operating system required to practice them, thereby continuously monitoring individual activities. Through this, HUMAX Networks is making efforts to ensure that its ESG management complies with international norms and levels.

Classification	10 Major Principles	Report page nos.
Human rights 	1. Businesses should support and respect the protection of internationally proclaimed human rights; and	41 ~ 43p
	2. make sure that they are not complicit in human rights abuses.	
Labour 	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	31 ~ 37, 41 ~ 43p
	4. the elimination of all forms of forced and compulsory labour;	
	5. the effective abolition of child labour; and	
	6. the elimination of discrimination in respect of employment and occupation.	
Environment 	7. Businesses should support a precautionary approach to environmental challenges;.	22 ~ 29p
	8. undertake initiatives to promote greater environmental responsibility; and	
	9. encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption 	10. Businesses should work against corruption in all its forms, including extortion and bribery.	55 ~ 57p

ESG Related Certifications

Classification	Initial registration date/ effective date	Description
TL9000-H,S:R6.3/R5.7KS Q ISO 9001:2015 ISO 9001:2015	Aug. 21, 2020 ~ Aug. 20, 2026	ISO 9001 is an international standard for consistently providing products and services suitable for customer and legal requirements, enhancing customer satisfaction, and addressing risks and opportunities related to an organization’s objective.
KS Q ISO 45001:2018 ISO 45001:2018	Jul. 27, 2021 ~ Jul. 27, 2027	IOS 45001 is an international standard for occupational health and safety (OHS) management systems that provides practical measures for ensuring workers’ safety.
KS I ISO 14001:2015 ISO 14001:2015	Aug. 21, 2020 ~ Aug. 20, 2026	ISO 14001 is an international standard established by the ISO for a series of management activities aimed at continuously improving environmental performance across all the processes of organizational and corporate activities.
ISO/IEC 27001:2022	Jul. 27, 2021 ~ Jul. 26, 2027	ISO/IEC 27001 is a standard certification on the information security management system established by the ISO (International Organization for Standardization) and the IEC (International Electrotechnical Commission).



ISO 14001



ISO 45001



ISO 9001



ISO/IEC 27001

Major Awards & Group Membership Status

Awards



Awarded the 200 Million Dollar Export Tower
Korea Trade Association (Dec. 2023)



Awarded a “Presidential Commendation” on Trade Day
Korea International Trade Association (Dec. 2023)



Awarded K-ESG A+ by the Ministry of Trade, Industry and Energy
Ministry of Trade, Industry and Energy (Jan. 2024)

Group Membership Status

Association/group name	Description
Wi-Fi Alliance	A group that promotes wireless LAN technology and certifies products that comply with the standards.
prpl Foundation	A non-profit technology cooperation group that aims to improve the interoperability and security of domestic network devices through open source software and standards.
Broadband Forum	A global industrial association that develops technical standards and promotes their adoption in order to improve the interoperability and performance of the broadband network.
CableLabs	A non-profit R&D organization that promotes research and innovation of the US cable communication industry.
RDK Central	An open source community that provides support to ensure that telecommunication businesses can efficiently manage various media devices and services through a common software platform.
25G-PON MAS Group	A global business council organized to promote the standardization and interoperability of 25G-PON technology.
HDMI Licensing, LLC	An organization that manages the HDMI technical standards and license program.
Korea International Trade Association	A non-profit group established to promote trade and international economic cooperation with Korea.
Seongnam Industry Promotion Agency	An organization established to promote industrial growth and vitalization of the local economy of Seongnam city.
Seongnam Chamber of Commerce & Industry	A group that speaks for the rights and interests of companies and commercial enterprises within the Seongnam city region, and pursues local economic growth.
Korea Trade-Investment Promotion Agency	An organization that promotes trade and engages in affairs related to investment support and cooperation on industrial technology between domestic and overseas companies, support for the attraction of professional personnel from overseas, and inter-governmental export contracts, etc.
Small and Medium Enterprise Export Support Center	An organization that supports the acquisition of overseas standard certifications needed for small and medium enterprises' entry into overseas markets.
KTR Export Certification Center	An organization that supports the acquisition of overseas certifications needed for entering overseas markets.
Korea Planning & Evaluation Institute of Industrial Technology	An organization that assesses and manages technology development, commercialization, and policy support to promote the innovation of industrial technologies.
Korea Technology and Information Promotion Agency for SMEs	An agency that carries out projects aimed at creating the foundation for technology innovation among small and medium enterprises.
Institute of Information & Communications Technology Planning & Evaluation	An organization in charge of R&D planning, policy setting, and project assessment, etc. in the area of ICT (Information & Communications Technology).
Central Economic HR Training Institute	An organization that provides training related to corporate HR and labor.
ESG Supply Chain Support Center	An organization that supports the establishment and management of a sustainable supply chain from the aspect of ESG.
Gyeonggi Business & Science Accelerator	An organization that carries out various support projects aimed at boosting economic growth and promoting science technology in Gyeonggi province.
Korea Personal Improvement Association	A group whose purpose is to enhance and develop expertise in the area of HR management.

GRI Content Index

HUMAX Networks Co., Ltd. reports its ESG performance and data for 2023 by referring to the standard method of the GRI (Global Reporting Initiative).

Classification	Description
GRI 1 : Foundation 2021	HUMAX Networks referred to the GRI standards from January 1, 2023 to December 31, 2023.
	Used the GRI Applicable GRI sector Standards
	GRI 1 : Foundation 2021 Not Applicable

Classification	GRI Standards 2021	Page nos.
GRI 2 : Governance	2-1 Organizational details	7
	2-2 Entities included in the organization's sustainability reporting	2
	2-3 Reporting period, frequency and contact point	2
	2-4 Restatements of information	First publication
	2-5 External assurance	77~78
	2-6 Activities, value chain and other business relationships	7~13
	2-7 Employees	7,66
	2-8 Workers who are not employees	66
	2-9 Governance structure and composition	54
	2-10 Nomination and selection of the highest governance body	54
	2-12 Role of the highest governance body in overseeing the management of impacts	16
	2-13 Delegation of responsibility for managing impacts	16
	2-14 Role of the highest governance body in sustainability reporting	16
	2-15 Conflicts of interest	54, 69
	2-16 Communication of critical concerns	54, 70
	2-19 Remuneration policies	54
GRI 2 : Strategy, Policies and Practices	2-22 Statement on sustainable development strategy	5
	2-23 Policy commitments	5, 41, 71, 72
	2-24 Embedding policy commitments	5, 15, 16, 17, 23, 47, 48, 55, 60
	2-25 Processes to remediate negative impacts	36, 57
	2-26 Mechanisms for seeking advice and raising concerns	36, 56
	2-27 Compliance with laws and regulations	29, 39, 42, 64, 67, 68, 69, 70

Classification	GRI Standards 2021	Page nos.
GRI 2 : Strategy, Policies and Practices	2-28 Membership associations	74
	2-29 Approach to stakeholder engagement	18
	2-30 Collective bargaining agreements	36, 66
GRI 3 : Disclosures on Material Topics	3-1 Process to determine material topics	19
	3-2 List of material topics	20
	3-2 Management of material topics	20

Classification	GRI Standards 2021	Page nos.
GRI 201 : Economic Performance	201-1 Direct economic value generated and distributed	7, 63, 69
	201-3 Defined benefit plan obligations and other retirement plans	33
GRI 203 : Indirect Economic Impacts	203-1 Infrastructure investments and services supported	47
	203-2 Significant indirect economic impacts	63
GRI 205 : Anti-corruption	205-1 Operations assessed for risks related to corruption	56
	205-2 Communication and training about anti-corruption policies and procedures	55, 57, 69
	205-3 Confirmed incidents of corruption and actions taken	69
GRI 206 : Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	69

Classification	GRI Standards 2021	Page nos.
GRI 302 : Energy	302-1 Energy consumption within the organization	6, 64
	302-4 Reduction of energy consumption	26
GRI 303 : Water and effluents	303-1 Interactions with water as a shared resource	28
	303-2 Management of water discharge-related impacts	n/a
	303-3 Water withdrawal	n/a
	303-4 Water discharge	n/a
	303-5 Water consumption	6, 22, 64
GRI 304 : Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	n/a
	304-2 Significant impacts of activities, products and services on biodiversity	n/a
	304-3 Habitats protected or restored	n/a

GRI Content Index

Classification	GRI Standards 2021		Page nos.
GRI 304 : Biodiversity	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	n/a
GRI 305 : Emissions	305-1	Direct (Scope 1) GHG emissions	64
	305-2	Energy indirect (Scope 2) GHG emissions	26, 64
	305-4	GHG emissions intensity	26, 64
	305-5	Reduction of GHG emissions	26
	305-6	Emissions of ozone-depleting substances (ODS)	n/a
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	n/a
GRI 306 : Waste	306-1	Waste generation and significant waste-related impacts	27
	306-2	Management of significant waste-related impacts	27
	306-3	Waste generated	22, 64
	306-4	Waste diverted from disposal	27
GRI 308 : Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	45, 68

Classification	GRI Standards 2021		Page nos.
GRI 401 : Employment	401-1	New employee hires and employee turnover	31, 65
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	34, 35, 65
	401-3	Parental leave	65
GRI 403 : Occupational Health and Safety	403-1	Occupational health and safety management system	6, 30, 48, 49, 73
	403-2	Hazard identification, risk assessment, and incident investigation	28, 49, 50, 51
	403-3	Occupational health services	51, 67
	403-4	Worker participation, consultation, and communication on occupational health and safety	51
	403-5	Worker training on occupational health and safety	49,67
	403-6	Promotion of worker health	51, 67
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	50, 51
	403-8	Workers covered by an occupational health and safety management system	67

Classification	GRI Standards 2021		Page nos.
GRI 403 : Occupational Health and Safety	403-9	Work-related injuries	6, 30, 67
	403-10	Work-related ill health	There were no deaths due to work related illness or occurrence of serious disease
GRI 404 : Training and Education	404-1	Average hours of training per year per employee	6, 30, 66
	404-2	Programs for upgrading employee skills and transition assistance programs	32, 33, 66
	404-3	Percentage of employees receiving regular performance and career development reviews	33, 66
GRI 405 : Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	66
	405-2	Ratio of basic salary and remuneration of women to men	33
GRI 406 : Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	42
GRI 407 : Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No relevant business site
GRI 408 : Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	No relevant business site
GRI 409 : Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No relevant business site
GRI 410 : Security Practices	410-1	Security personnel trained in human rights policies or procedures	42
GRI 411 : Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	No incidents of violations
GRI 413 : Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	47, 49, 52
	413-2	Operations with significant actual and potential negative impacts on local communities	No relevant business site
GRI 414 : Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	45, 68
GRI 415 : Public Policy	415-1	Political contributions	Political contributions prohibited
GRI 416 : Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	28, 39, 40
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were no violations
GRI 417 : Marketing and Labeling	417-1	Requirements for product and service information and labeling	28, 40
	417-2	Incidents of non-compliance concerning product and service information and labeling	There were no violations
	417-3	Incidents of non-compliance concerning marketing communications	There were no violations
GRI 418 : Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	70

Third-Party Assurance Statement

Dear readers of HUMAX Networks’ Sustainability Report,

Introduction and Objectives of Work

ESG Innovation Network (hereinafter referred to as the “Assurer”) has been requested to perform third-party external assurance on the Sustainability Report (hereinafter “Report”) of 2024 HUMAX Networks Co., Ltd. The purpose of assurance by the assurer is to confirm the accuracy, reliability, and objectivity of the disclosed information, and to assure that the report addresses issues that are important to the organization and its stakeholders. HUMAX Networks is responsible for all information and claims included in the report. The assurer has not intervened in any way in the process of preparing the report, and holds responsibility for the assurance statement provided herein.

Assurance Standard

The assurance on the Report has been performed according to the AA1000AS v3 published by the international assurance standard Account Ability. We have assessed the application of four principles (inclusivity, materiality, responsiveness, and impact) and applied 「Type 2」 assurance, which assesses the robustness of the information collection procedure and system as well as the reliability and quality of the disclosed information. This assurance has been performed at a 「Moderate」 level, based on the limited collection of evidence. Furthermore, we have used the GRI Standards (2021), an international standard related to this report, and ISO 26000, a social responsibility guideline, during the assurance process.

Scope of Assurance

The assurer, as an independent assurance agency, has strictly adhered to the procedures and guidelines of the assurance standard. The scope of assurance is limited to the information and data included in the reporting period from January 1, 2023 to December 31, 2023, and includes the verification of the following items.

- The robustness of the process and management system for the collection, analysis, and review of information.
- The reliability and quality of the disclosed information. Application of the four principles of the assurance standard: inclusivity, materiality, responsiveness, and impact.
- Reference to the GRI Standards (2021), the reporting standard.

Methodology

The assurer has performed the assurance by establishing a systematic assurance plan and documenting the materials to be reviewed, activities, deliverables, schedule, etc. The assurer has also performed the assurance using the following methods, and derived the conclusion related to the assurance opinions.

- Review of sustainability issues that may have an impact on the organization and that may be of interest to stakeholders.

- Review of the important issue-determining process for selecting reporting issues.
- Review of the sustainability data preparation and derivation process.
- Review of the internal documents and basic data used to support the key assertions of the report.
- Review of the on-site interviews of the persons in charge of performance data by area and the related management system.
- Inspection of the suitability of the contents specified in the report and errors in expressions.

Our Findings

We have not discovered any items judged to not express all important issues fairly based on the performed procedures and the assurance information acquired. The assurer’s detailed assurance opinions are as follows.

- First, the assurer has performed the assurance of the reliability and quality of the disclosed information related to sustainability by checking the data collection and processing process, and the supporting documents and records using the sampling method. The assurer deems that the reporting organization has established an appropriate system for collecting, accumulating, analyzing, and reviewing data and information. In addition, the assurer deems that the information and data specified in the report are reliable and have no major errors or bias. The errors discovered during the assurance process or unclear expressions were corrected prior to publication of the final report.

Third-Party Assurance Statement

- Second, the assurer deems that the Report has applied the principle of inclusivity of the assurance standard appropriately. Inclusivity refers to identifying the key stakeholders of the organization and having them participate in the process of determining and responding to the major issues. HUMAX Networks identifies its key stakeholders, including employees, customers, shareholders and investors, partner companies, and local communities, etc. and appropriately operates programs in which the stakeholders engage.
- Third, the assurer deems that the Report has applied the principle of materiality of the assurance standard appropriately. Materiality refers to identifying the most important sustainability issues and setting priorities by considering their impact on the organization and society. HUMAX Networks has performed a double materiality assessment that considers both organizational impacts (financial materiality) and environmental and social impacts (impact materiality) on the organization, and derived important issues such as strengthened ethical/anti-corruption management activities, efforts to respond to climate change, management of health and safety at business sites, respect for diversity, and prohibition of discrimination, etc.
- Fourth, the assurer deems that the Report has applied the principle of responsiveness of the assurance standard appropriately. Responsiveness refers to the appropriate response by the organization to major sustainability

issues. HUMAX Networks has reflected the derived important issues in the organization’s strategies and activities appropriately, and responded to the requests of its stakeholders appropriately.

- Fifth, the assurer deems that the Report has applied the principle of impact of the assurance standard appropriately. Impact refers to the effects of organizational activities and performances on the organization itself and on society. HUMAX Networks systematically identifies and assesses such impacts, and transparently discloses the impact determined by issue in the Report.
- Sixth, the assurer deems that the Report complies with the requirements of the reporting principles of the GRI Standards (2021), mandatory disclosure items, and the preparation of the GRI Content Index, etc., and that it has been prepared by referring to the GRI Standards (2021).

Key Areas for Ongoing Development

We present the following recommendations within the extent that they do not affect the result of the assurer’s assurance. The assurer recommends that the company should push ahead with activities for contributing to the local communities more systematically and strategically, and further strengthen the operation of the ESG committee that checks and discusses the organization’s sustainability plans and performance.

Statement of Independence, Impartiality and Competence

The assurer has performed the assurance independently. The assurer does not have any business relations with the organization on which it is reporting, other than its provision of third-party assurance services, and there is no conflict of interest. The assurer maintains a comprehensive quality management system for its assurance activities, including documented policies and procedures. Moreover, the assurer has accumulated long-term experience in sustainability, CSR, and ESG management, and its team is composed of members with an excellent understanding of the assurance standard methodology.

September 2024
ESG Assurance Chairman **Lee Hyun**





HUMAX Networks Sustainability Report 2024