



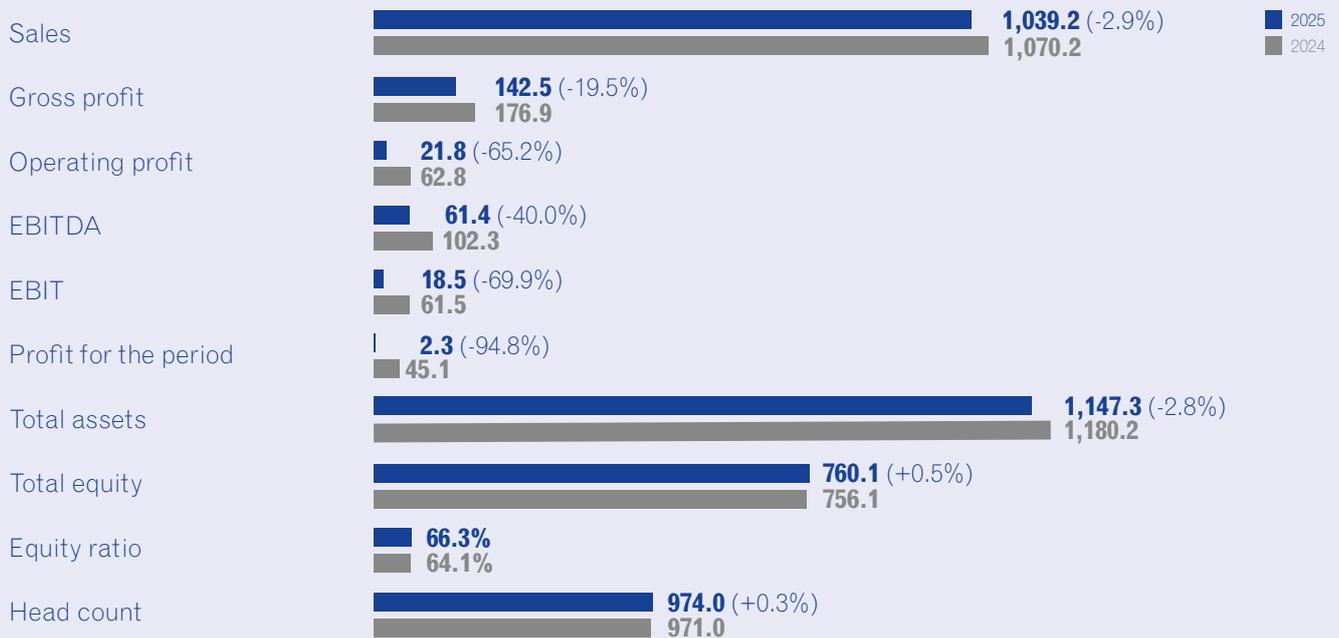
**WE CARE**  
about your needs

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# 2025 overview

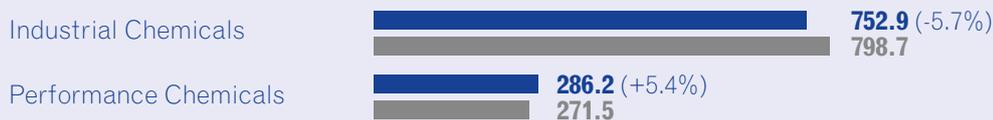
# KEY FINANCIAL DATA 2025

(in billion KRW)



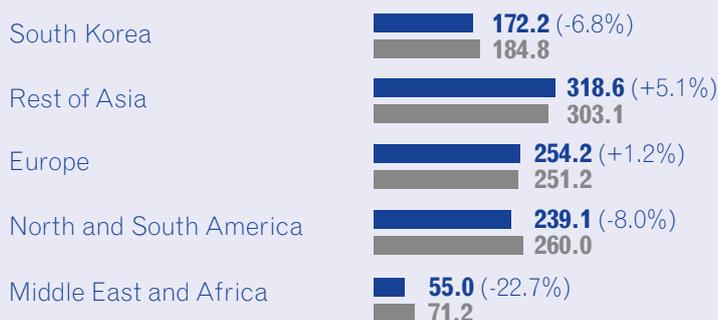
# SALES BY REPORTING SEGMENT

(in billion KRW)



# SALES BY REGION

(in billion KRW)



# SONGWON INDUSTRIAL GROUP OVER

---

**35**

Nationalities

---

**121**

Total female  
employees worldwide

---

**66**

Equity m

---

**2.3**

Billion KRW  
Profit for the year

---

**138**

Employees working  
20+ years

---

**9**

KRW Bas  
per

---

**974**

Total head count

---

**142.5**

Billion KRW  
Gross profit

---

**0.3**

No./h  
Total case  
rate (T

# REVIEW

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6.3

ratio (%)

---

52

New talents added  
to the global team

---

21.8

Billion KRW  
Operating profit

---

07

Basic earnings  
per share

---

764.1

Direct energy  
consumption  
(TJ)

---

1,147.3

Billion KRW  
Total assets

---

37

Number of  
work-related  
accident  
(CAR)

---

760.1

Billion KRW  
Total equity

---

8

Manufacturing  
plants



---

# Letter to Shareholders

Dear Shareholders,

The global chemical industry faced significant headwinds throughout 2025 that challenged companies across the sector, including SONGWON. Like many of our peers, we felt the impact of these external pressures, yet our ability to respond with agility, maintain reliable service for customers and continue advancing our sustainability initiatives demonstrated the robustness and resilience of our organization.

Throughout the year, significant shifts in macro-economic and geopolitical dynamics, compounded by competitive pressures and fluctuating market conditions, continued to test our operational efficiency. While certain economic indicators showed signs of stabilization, demand remained uneven across regions, with some markets, including China, recovering more gradually than others. Ongoing geopolitical tensions, global trade pressures and supply chain issues continued to influence logistics and costs. In this environment, disciplined execution, operational flexibility and close collaboration with our customers enabled SONGWON to navigate volatility while maintaining reliability and performance.

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**In 2025, SONGWON achieved  
1,039,162 million KRW in sales.**

---

Amid the unpredictable business landscape, SONGWON performed in line with expectations and continued to make meaningful progress throughout the year. Our businesses demonstrated strength and agility, backed by valuable synergies throughout the organization. SONGWON's committed global team acted with discipline, making prudent, effective decisions and delivering efficient, timely execution. In 2025, SONGWON achieved sales of 1,039,162 million KRW (FY2024: 1,070,200 million KRW), while profitability reflected ongoing market headwinds.

The market environment remained challenging throughout 2025. Weak demand, persistent oversupply and intense competition affected our businesses, while high energy costs in Europe and U.S. trade measures impacting Asian markets added further pressure. Our businesses performed as expected in the first half of 2025 and responded proactively to weaker conditions in the latter half of the year by strengthening ties

with existing customers, acquiring new business and implementing appropriate strategic actions. During the year, we successfully maintained our reputation as a trusted partner, reliably delivering on our commitments to customers and providing high-quality solutions and exceptional service.

---

**The cornerstones of our  
organization are steadfast  
and strong.**

---

SONGWON has been a leader in the industry for 60 years and we are well accustomed to challenges. Over time, we have developed the resilience and expertise needed to remain competitive, navigate difficult periods successfully and deliver positive outcomes for SONGWON and our stakeholders.

In 2025, we remained dedicated to advancing our technology leadership and expanding our pipeline with new product developments. This year, we registered 7 new products and 23 products are currently in the scale-up phase. Additionally, we broadened our multi-source strategy, optimized raw material sourcing and improved end-to-end transparency to strengthen our ability to reliably supply and deliver value to our stakeholders while efficiently managing the global supply chain.

---

**SONGWON registered  
7 products and 23 are currently  
in the scale-up phase.**

---

Since SONGWON's foundation, we have prioritized close collaboration with our customers, particularly in times of uncertainty and this has been a key driver of our success. Through strong, collaborative relationships, we gain valuable insight into evolving customer needs and can respond swiftly and effectively. During 2025, our businesses intensified their communication efforts and further strengthened partnerships across the value chain.

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## 7 new distributors were added to SONGWON's global network.

---

Recognizing the advantage of collaboration, we also continued to strengthen our partnerships with distributors and logistics service providers. In line with our 'global reach, local execution' principle, we added 7 new partners to SONGWON's global distributor network. The insights they provide regarding business trends, regulatory changes and regional demand forecasts have become increasingly invaluable to us.

Again this year, we highlighted SONGWON's commitment to the industry and to sustainability by participating in key trade shows and conferences, including K 2025, Chinaplas and the European Coatings Show. These valuable platforms enabled us to stay in tune with market developments, gain deeper insights into customer needs, showcase our innovative solutions and strengthen our reputation as a reliable and preferred supplier.

SONGWON recognizes the value of cooperation across the industry. Through our ongoing involvement in key associations such as the Additive Technical Committee (ATC) and the Global Organotin Stewardship Council (GOSC), we help to advance shared industry objectives, regulatory and sustainability goals and the development of science-based, responsible chemical management. Working alongside industry partners and contributing meaningfully to regulatory dialogue and scientific exchange highlights our long-standing commitment to responsible industry standards and reinforces our position as a trusted partner and preferred supplier.

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## SONGWON continued its involvement in key industry associations.

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In today's markets, changes are happening at an accelerated pace and with this, customers demand increased flexibility, more advanced solutions and a full range of services. At SONGWON, we are proud of the reputation we have built for consistently delivering high-quality products, service and support. Therefore,

ensuring ongoing improvement, streamlining our processes and maintaining the quality of products and services that our customers have come to expect from SONGWON is crucial to our success.

At SONGWON, we take pride in the reputation we have established over the years for delivering consistently high quality. In 2025, the Quality Management System (QMS) was further strengthened with a standardized quality data system across all manufacturing sites. The centralized platform enhances transparency and accessibility for both internal teams and customers, enabling faster issue resolution, supporting continuous improvement and reinforcing product quality worldwide. The system remains agile and streamlined, ensuring operational efficiency while maintaining compliance with international standards such as ISO.

Preserving our competitive edge through operational excellence, SONGWON maintains a framework centered on customer-centricity, efficiency and growth, supported by good governance and transparency. We are committed to compliance and, in response to the rapidly evolving regulatory landscape, we diligently monitor developments and implement proactive measures to ensure we meet our obligations. For us, building a strong and accountable organization goes hand in hand with meeting stakeholder needs.

In relation to sustainability, SONGWON can report another successful year of progress towards our sustainability goals. We are honored and very proud to be EcoVadis Gold rated for the 6<sup>th</sup> time and placed among the top 5% of sustainable companies assessed by EcoVadis worldwide.

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## SONGWON received its 6<sup>th</sup> EcoVadis Gold medal.

---

As one of our main focus areas, sustainability guides how we create value responsibly while addressing environmental, social, ethical and economic considerations. We recognize that our responsibilities extend to a wide range of stakeholders and we strive to achieve a balanced approach that meets these commitments. In doing so, we support the advancement of responsible practices across our business and the broader chemical industry.

Aligned with the 17 UN Sustainable Development Goals, SONGWON's sustainability strategy reflects our commitment to addressing industry challenges and focusing on areas where we can make a significant difference. This year, we introduced 15 new KPIs, bringing the total to 104 and these have been externally assured by the British Standards Institution (BSI) in accordance with ISAE 3000.

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## SONGWON introduced 15 new KPIs, bringing the total to 104 in 2025.

---

Sustainability remains central to our approach and in 2025, we further strengthened our governance and reporting structures to support our ESG ambitions. To effectively manage our key objectives, a regular ESG reporting system was introduced within our sustainability governance framework, enhancing transparency and accountability. In addition, SONGWON launched a Community Engagement Policy in 2025 that formally integrates our community engagement activities into SONGWON's social sustainability goals.

Furthermore, we remain on course to meet the Korean government's goal of an 11.4% reduction in CO<sub>2</sub> emissions in the chemical industry by 2030 and are equally committed to achieving our own ambition of net zero by 2050, supported by our dedicated Sustainability Team and guided by a clear Net-Zero Roadmap. In 2025, we continued Life Cycle Assessments (LCAs) on products representing the top 80% of our sales volume and implemented a more comprehensive carbon footprint assessment. This approach allows us to analyze emissions by source and gain deeper insight into the climate impact of our products.

Despite ongoing market challenges, our strong global team has ensured that we have made valuable progress, remained competitive and stayed well-positioned to meet rising market demands. With our industry experience, diverse portfolio and commitment to customers, we continue to deliver on our strategic objectives.

Moving forward, we will closely monitor developments, improve efficiencies and advance our sustainability efforts. Investments in people, processes and future capacity expansions in key growth regions, as well

as operational improvements such as the recent relocation of our U.S. facility, are expected to enhance efficiency, flexibility and cost management. As we have done for six decades, SONGWON will continue to drive its strategy, use its leading industry position and remain confident in its ability to create sustainable value and long-term growth for all stakeholders.

On behalf of the Board of Directors, the Executive Committee and SONGWON's global team, we thank you, our shareholders for your trust, sustained confidence and continued support. ■



**Jongho Park**  
Group CEO

# BOARD OF DIRECTORS

## SONGWON Industrial Group



Dongbek Park

1944 - Korean  
Chairman of the Board



Jongho Park

1973 - Korean  
Executive Board Member



Hans-Peter Wüest

1961 - Swiss  
Executive Board Member



Choung-Sik Kim

1957 - Korean  
Executive Board Member

# EXECUTIVE COMMITTEE

## SONGWON Industrial Group



From left to right:  
Byungsoo Boo, Leader Operations; Johannes Honegger, Chief Financial Officer; Jongho Park, Chief Executive Officer;  
Hans Werhonic, Leader Group Commercial.

# SHARE PRICE DEVELOPMENT

## A challenging year

On December 31<sup>st</sup>, 2025, SONGWON Industrial Group closed the year with a share price of 9,050 KRW and a market capitalization of approximately 217.2 billion KRW. This corresponds to a 19.3% decrease in market capitalization compared with year-end 2024, when the company's shares traded at 11,190 KRW and its market value stood at 268.6 billion KRW. The weaker share price performance reflected a challenging operating environment for specialty chemical producers, marked by global oversupply and weak demand from key end markets, including construction, automotive and electronics.

This development contrasted with the broader Korean equity market. During FY2025, the Korea Composite Stock Price Index (KOSPI) recorded a strong recovery, rising by 75.66%. The increase was driven by the global AI investment cycle, a surge in demand for Korean semiconductors and government-led corporate governance reforms aimed at addressing the long-standing "Korea discount\*."

During the first 7 months of 2025 (January–July), SONGWON's share price remained within a range of 10,000 KRW to 13,000 KRW. Although 1<sup>st</sup>-quarter earnings were weaker than expected due to rising input costs and one-off expenses, there was initial optimism around a potential volume-driven recovery. The company reported a 7.8% year-over-year increase in quarterly sales, suggesting underlying demand resilience despite pressured margins.

Although sales in the 1<sup>st</sup> quarter had suggested some resilience in demand, sentiment deteriorated materially after the release of 2<sup>nd</sup>-quarter results, with the share price falling below the key psychological and technical support level of 10,000 KRW. Disappointment on both revenue and profitability heightened investor concerns that the industry downturn was far from bottoming. Given that the 2<sup>nd</sup> and 3<sup>rd</sup> quarters are typically seasonally strong periods for the business, SONGWON's weak performance during this window underscored the severity of current market conditions.

Throughout fiscal year 2025, the global chemical industry continued to face significant structural headwinds, most notably persistent oversupply and subdued demand across major end-use sectors. This environment led to heightened price competition and ongoing margin pressure across commodity and specialty chemical segments. In response, companies across the chemical sector pursued defensive strategies, including capacity rationalization and consolidation, to navigate the prolonged downcycle.

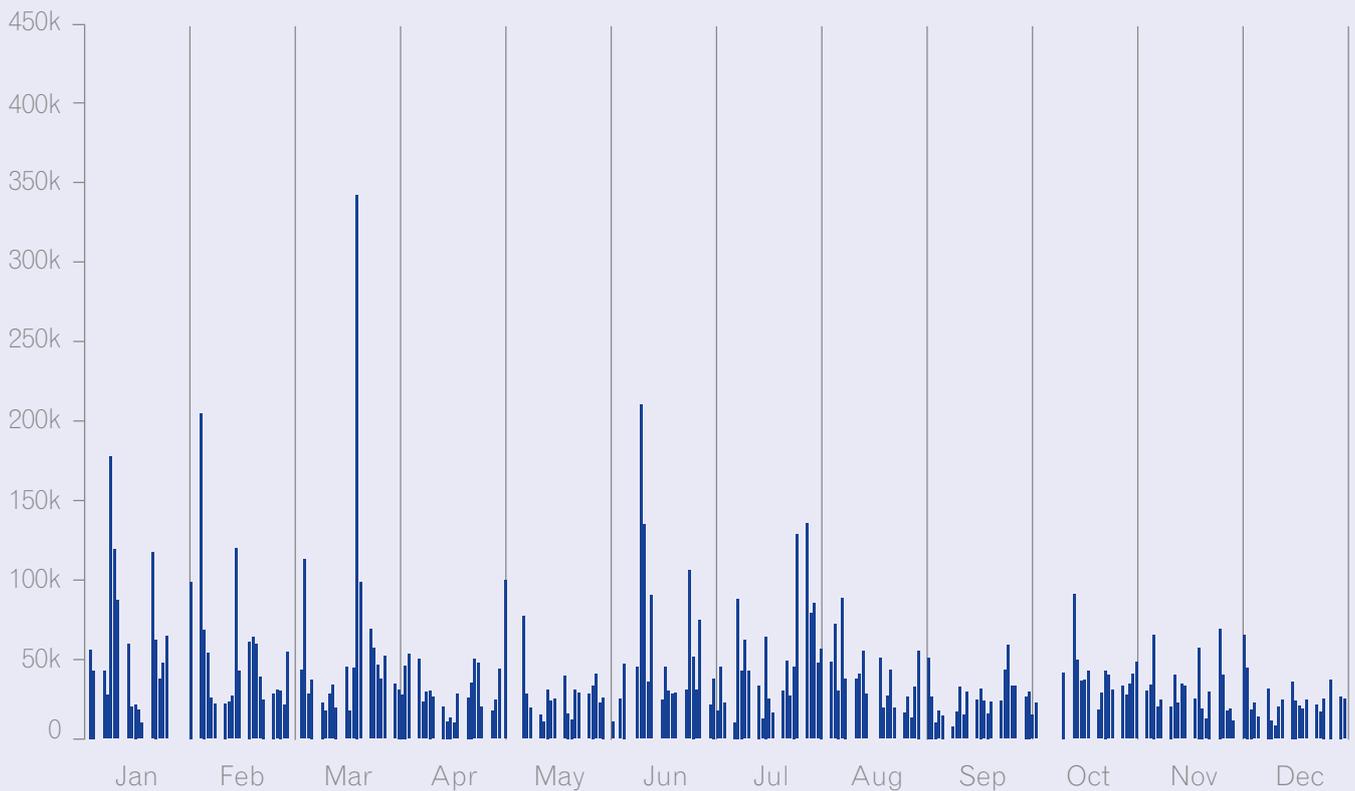
These industry and market dynamics have led to expectations that demand for SONGWON's products is likely to remain somewhat subdued over the longer term. As a result, despite its strong market positioning, investor interest in the company has softened. Looking ahead, the company will pursue targeted improvements and investments to enhance future results, primarily through efficiency gains, while maintaining focus on long-term goals and clearly defined priorities. ■

\* a term used by the market to describe the historical valuation gap between Korean companies and global peers.

## SONGWON share price 2025



## SONGWON share volume 2025



Ticker:	KOSE: A004430	Share price (31.12.2025):	9,050 KRW
Stock exchange:	Korea	52-week high:	13,310 KRW
Listed since:	1977	52-week low:	8,880 KRW
Shares outstanding:	24 million	Free float:	64.36%
Market capitalization: (million KRW)	217,200	Dividend per share (2025):	300 KRW

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2025

Highlights

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## R&D

7 new products were registered  
84 new products have been developed  
23 products are in scale-up  
68.4 % scale-up success ratio achieved  
61 patents are currently held by SONGWON

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## COLLABORATION

Expanded SONGWON's global network with 7 new distributors  
Extended partnership with 2 distributors

---

## CORPORATE

Established Environmental, Health & Safety, Labor and Human Rights and Sustainable Procurement policies  
ERP system Dynamics 365 fully implemented at all SONGWON's global locations

---

## PRODUCTION

Increased efficiency with more plant automation  
Added new equipment to support recycling  
Installed new technology to reduce CO<sub>2</sub> emissions

---

## SUSTAINABILITY

Achieved EcoVadis Gold rating  
104 KPIs assured by the British Standards Institution (BSI) based on ISAE 3000  
Successfully renewed its ISO 14001 certification  
Achieved RSPO Supply Chain Certification (SCC), Mass Balance (MB) grade, for SONGNOX® 1076  
Introduced a new Life Cycle Assessment (LCA) methodology, adopting the Intergovernmental Panel on Climate Change (IPCC) 2021 GWP100 standard to calculate Product Carbon Footprint (PCF).

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# About SONGWON

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# COMPANY PROFILE

Founded in 1965 and headquartered in Ulsan, South Korea, SONGWON is a global leader in the development, manufacture and supply of specialty chemicals and one of the world's largest producers of polymer stabilizers. With its group companies operating all over the world, SONGWON offers customers a global advantage and easily accessible local operations that provide valuable local insight. SONGWON's diverse team of dedicated and experienced professionals works with customers and other industry experts to develop and deliver customized, application-specific chemical products for a wide variety of sectors and industries.

SONGWON continues to successfully strengthen its global presence, particularly in emerging markets through its proprietary technologies and sound economics. With its wholly-owned subsidiaries and 1 joint venture, the organization is well-positioned to continue its strategic priorities to ensure long-term sustainable and profitable growth.

Information on SONGWON's 60-year history can be found on the company website:

[www.songwon.com/company/history](http://www.songwon.com/company/history)

We  
sta  
for

and

---

## Entrepreneurship

Each of us truly lives SONGWON's entrepreneurial spirit, focusing on facts and figures. We stick to what we promise and transform innovative ideas to create additional benefit for our stakeholders.

---

## Collaboration

We see ourselves as an extended team that is always within reach for our stakeholders to support, providing expertise and creating value added solutions.

---

## Excellence

We understand the needs of the markets, seeking areas of improvement and applying our experience to generate sustainable value to our stakeholders.

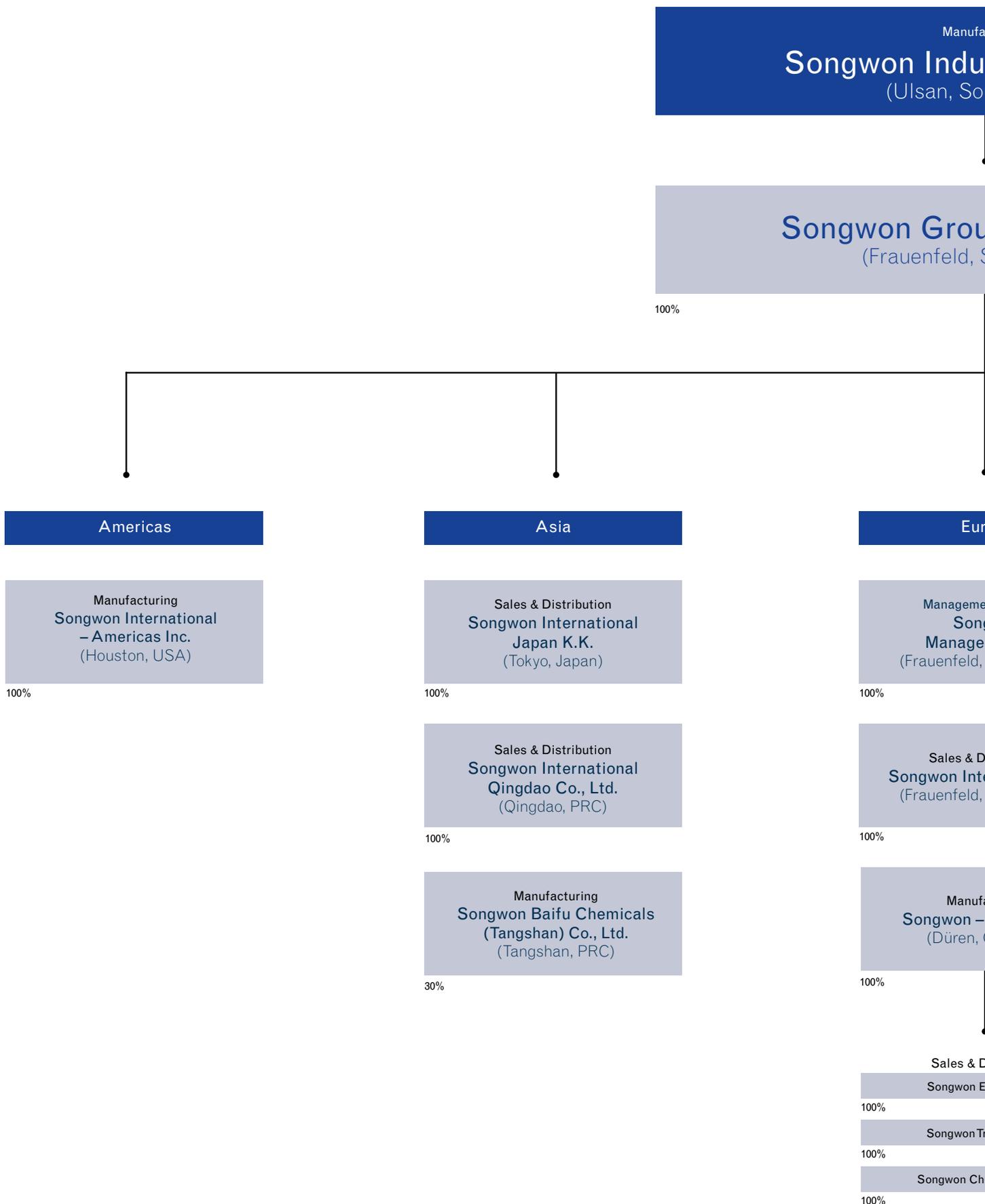
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## Value in people

We are a committed team driven and dedicated to advancing our customers' interests. Our people, products and processes bear the hallmark of SONGWON's reliability, trust and confidence in the future.

# GROUP STRUCTURE

as of December 31<sup>st</sup>, 2025



Manufacturing  
**Songwon Industrial Co., Ltd.**  
 (South Korea)

Brand/ Regional office

**Songwon Industrial Co., Ltd.**  
 Taiwan Branch

**Songwon Industrial Co., Ltd.**  
 Singapore Branch

**Songwon Management AG**  
 (Switzerland)

Europe

Customer Services  
**Songwon Management AG**  
 (Switzerland)

Distribution  
**Songwon International AG**  
 (Switzerland)

Manufacturing  
**Songwon ATG GmbH**  
 (Germany)

Distribution  
**Songwon Europe GmbH**

Trading GmbH

Chemicals GmbH

Middle East

Sales & Distribution  
**Songwon International Middle East FZE**  
 (Dubai, UAE)  
 100%

Manufacturing  
**Songwon Polysys Additives – Sole Proprietorship LLC**  
 (Abu Dhabi, UAE)  
 100%

India

Manufacturing  
**Songwon Specialty Chemicals – India Pvt. Ltd.**  
 (Panoli, India)  
 99.99%  
 <0.01% Songwon Management AG

# GLOBAL LOCATIONS

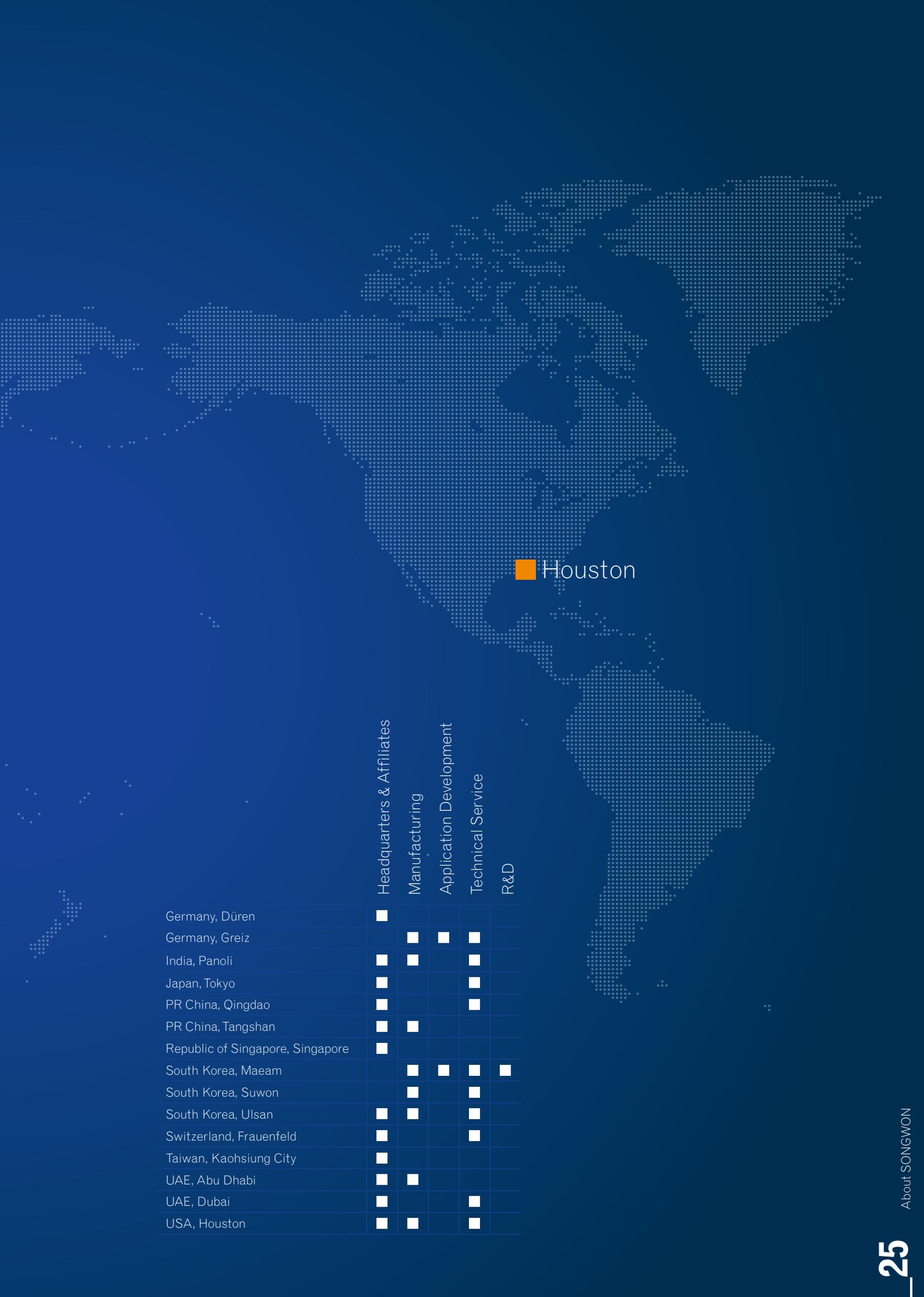


Headquarters in Ulsan, Korea.

14 Group companies, 1 joint venture and 2 representative offices, located in 10 different countries on 3 continents.

8 manufacturing facilities (incl. joint venture), 3 of which are located in Korea and the others in Germany, USA, India, UAE and China

A worldwide network of sales offices, distributors, customer service and logistic hubs and warehouses.



Houston

	Headquarters & Affiliates	Manufacturing	Application Development	Technical Service	R&D
Germany, Düren	■				
Germany, Greiz		■	■	■	
India, Panoli	■	■		■	
Japan, Tokyo	■			■	
PR China, Qingdao	■			■	
PR China, Tangshan	■	■			
Republic of Singapore, Singapore	■				
South Korea, Maeam		■	■	■	■
South Korea, Suwon		■		■	
South Korea, Ulsan	■	■		■	
Switzerland, Frauenfeld	■			■	
Taiwan, Kaohsiung City	■				
UAE, Abu Dhabi	■	■			
UAE, Dubai	■			■	
USA, Houston	■	■		■	

# PRODUCT GROUPS

## Customized, high-performance solutions

As a specialty chemicals leader, SONGWON offers a broad portfolio of high-performance, market-oriented products to the industry. SONGWON's products are the result of 60 years of industry experience, the latest technologies and customer collaboration combined with SONGWON's long tradition of innovation. Each is designed to add value and fulfill even the most demanding application criteria while providing our diverse customer base with a competitive advantage.

Knowing that the requirements and conditions of each of our markets are ever-changing, we regularly engage with our customers throughout the world in order to develop solutions that not only match their needs but exceed their expectations. One of the key elements in the management's global strategy is making sure that SONGWON is technologically up-to-date and well-equipped to provide customers with the most suitable solutions for their unique application areas.

### SONGWON's products have been organized into 6 main groups:

- Polymer Stabilizers
- Fuel and Lubricant Additives
- Coatings
- TPU/SPU
- Tin Intermediates/PVC
- Specialty Chemicals

## Polymer stabilizers – protect during manufacture & use

SONGWON offers a comprehensive range of processing, heat and light stabilizers, in a variety of blends and physical forms, facilitate handling and application use and protect polymers from heat and light degradation. These include antioxidants, hindered amine light stabilizers, UV absorbers and One Pack Systems. During processing, they ensure that plastic end products retain their mechanical and physical properties while in use and also prolong their lifespan.

## Fuel and Lubricant Additives – prolong product life cycles & improve performance

SONGWON has an extensive portfolio of aminic, phenolic, phosphite and thioester antioxidants especially for lubricants used in automotive and industrial applications as well as for fuels (incl. biofuels). Antioxidants retard oil oxidation by reacting with and stabilizing free radicals or decomposing hydroperoxides which extends the oil's life and enhances both its efficiency and performance.

## Coatings – ensure long protection & durability

From liquid forms to powder to synergistic mixtures for the most demanding uses and applications, SONGWON's Performance Additives protect against thermal and light degradation. SONGWON also offers antioxidants (primary, secondary and thioesters), hindered amine light stabilizers, UV absorbers and synergistic blends of our products to ensure maximized performance across various sectors such as automotive, industrial etc.

## TPU/SPU – offer customization & good physical properties

SONGWON provides customized polyurethane products to various industries such as coating resins for cable and synthetic leather for clothing/shoes, adhesives and ink binders for flexible packaging, protection films for mobile phones. TPU in particular offers good physical abrasion resistance and can be used to blend other resins (e.g., PVC etc.) to improve their properties.

---

## Tin Intermediates/PVC – provide flexibility & quality

SONGWON's high-quality Tin Intermediates and Catalysts are especially developed for use in esterification processes and glass coatings. Our PVC stabilizer range now includes the new Calcium Organic stabilizer family and each one can be adapted to specific customer requirements. In addition to several products for PVC applications (e.g., pipes, cables, films, flooring, automotive interior parts etc.), SONGWON also has a broad range of plasticizers.

---

## Specialty Chemicals – deliver innovation & improve performance

By identifying opportunities for creating new electronics, functional monomers and flame retardants in cooperation with customers, SONGWON can meet the constant innovation that these markets demand.

SONGWON's electronic chemical products are designed mainly for KrF, ArF and EUV\* photoresists used in the production of semiconductors.

Functional Monomers add extra benefits to polymers which significantly improve physico-chemical properties and performance.

\*krypton fluoride, argon fluoride and extreme ultraviolet

**SONGWON offers one of the industry's broadest portfolios  
for a wide range of applications.**

	Adhesives & Sealants		Electrical & Electronics
	Agriculture		Fuel & Lubricants
	Automotive		Packaging
	Building & Construction		Textiles & Fibers
	Coatings		Wire & Cables
	Durable & Consumer Goods		...

# OUR BRANDS

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## SONGCAT™

Organo-Tin Intermediates

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## SONGSORB®

Light Stabilizers

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## SONGXEND®

Stabilizer Solutions

---

## SONGNOX®

Stabilizers & OPS Blends

---

## SONGSTAR™

Polyester Diols

---

## SONGSTOMER™

TPU Grades

---

## SONGCURE®

Photoinitiators

---

## SONGSTAB™

PVC Stabilizers

© Registered trademarks of Songwon Industrial Co., Ltd. ™ Trademarks of Songwon Industrial Co., Ltd.

All of SONGWON's trademarks and product line brand names used in conjunction with SONGWON's business operations are registered (®) with the U.S. Patent and Trademark Office and registered or subject to pending trademark applications (™) with the registries of many foreign countries and/or are protected by common law.

Accordingly, SONGWON intends to keep its filings current and seek protection for new trademarks or product names on a country-by-country basis consistent with its business needs. All other trademarks, service marks, logos and trade names referenced in any of SONGWON's material are the property of their respective owners.

# VALUE CREATION

## Our inputs

### People



974 employees  
35 nationalities  
100% commitment

### Manufacturing



8 world-class facilities  
Fully back integrated  
Leading-edge technologies

### Innovation



Technology Innovation Center  
Dedicated application labs  
84 products under development  
60 years of industry experience

### Financial



Total assets  
1,147.3 billion KRW

## Our business

- 360° high-performance solutions
- 2 main reporting segments
- Comprehensive customer support
- 10 Technical Service Centers
- Sustainable supply chain
- Fully compliant & regulatory support
- Reliable on-time supply
- Strong global distributor network
- Culture of innovation & responsibility
- Customers in 60+ countries

## Our 2025 outputs

### People



52 new talents joined the global team  
Company-wide synergy strengthened  
Corporate Values and Leadership Principles maintained worldwide

### Manufacturing



LCAs (Life Cycle Assessments)  
Regular safety trainings & health inspections

### Innovation



7 new products registered  
84 new products developed

### Financial



Total revenues  
1,039 billion KRW

# SONGWON FOCUSES ON:



## Meeting our customers' current & future needs

We listen closely to customers and develop innovative, sustainable solutions for high-end applications and deliver products that improve processing efficiencies, deliver solid ROI and support industry growth.



## Expanding & developing our diverse portfolio

We offer one of the industry's broadest, most comprehensive ranges of top-quality products in the industry and continually develop high-performance, cost-effective and sustainable solutions that unlock opportunities for new applications and markets.



## Providing best-in-class, personalized customer support

We care about our customers' needs and provide exceptional support—from customer service and logistics to technical and regulatory expertise, while reliably delivering innovative solutions that meet their application requirements and sustainability goals.



## Creating value & remaining competitive

We maintain a competitive edge by creating sustainable value and delivering economic advantages through proprietary technology, economies of scale and backward integration, while also helping our customers overcome challenges and remain competitive in their markets.



## Offering global coverage with local expertise

We recognize that staying close to our customers is key to our success. With our high-performance manufacturing facilities worldwide and strong local operations, we minimize risks to our business while positioning ourselves to seize emerging opportunities.



## Building a strong, diverse team of professionals

We know that it is our strong, talented global team that drives SONGWON's success and we are committed to ensuring that our people feel valued and have a safe, supportive working environment. Adding new talent each year strengthens our organization and enables us to further enhance our excellent EH&S performance.







# Business report

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# MARKET, RISKS & OPPORTUNITIES

## The global landscape

Navigating the global business landscape, SONGWON focuses on delivering sustainable growth and shareholder value. The dynamic nature of our business and the international environment in which we operate expose us to a range of risks and uncertainties. Many of these factors are difficult to predict, including weak demand, intense competition in our markets and persistent turbulence in key industries such as automotive and construction.

Diverse political and socio-economic conditions across regions add further complexity. In 2025, the global chemical industry faced a new surge of trade turbulence as U.S. tariff measures and related trade-policy changes introduced additional challenges for chemical manufacturers, including rising costs and trade flow disruption. Increasingly stringent regulations, particularly in the specialty chemicals sector, have also brought new requirements for manufacturing, testing and marketing products.

Therefore, in such a highly complex and evolving business context, identifying potential risks early is crucial to mitigate negative impacts and safeguard our business. Risks relating to economic instability, particularly geopolitical uncertainties, have the potential to limit growth and negatively influence demand. Although many of these factors are beyond our immediate control, SONGWON actively continues to strengthen its risk management framework, build organizational adaptability and stay responsive to shifting market dynamics to secure long-term resilience and maintain its industry leadership.

As 2025 comes to a close, global economic conditions have aligned with earlier projections, remaining uneven amid ongoing geopolitical tensions and tighter financial conditions. Inflation continued to ease across many advanced and emerging economies, although energy price swings and feedstock volatility continued to exert pressure on industrial sectors. According to the IMF, global headline inflation declined to 4.2% in 2025 and is projected to decrease further to 3.5% in 2026, reflecting ongoing disinflation across major economies. Economic expansion is expected to moderate over the period, with elevated policy uncertainty, fiscal constraints and rising trade tensions continuing to pose risks to activity and global trade flows.

The OECD projects that global GDP growth will remain in the low-to-mid 3% range in both 2025 and 2026, as rising trade barriers and policy uncertainty weigh on

investment and consumer spending. This slower pace of expansion reflects tightening financial conditions and trade pressures, including tariff impacts on supply chains and costs.

A substantial share of global growth in 2025 was driven by Asia, with emerging economies such as India and Southeast Asian countries outperforming both the EU and the U.S. While China's expansion remained moderate, the region sustained comparatively stronger growth overall, driven by domestic demand and sustained export activity, which affected global pricing dynamics. In contrast, growth in the EU and the U.S. remained subdued. According to the OECD, challenges such as capacity imbalances in certain manufacturing sectors contributed to competitive pressure and slower industrial recovery.

As 2025 ends, the global economy is marked by stabilizing inflation, while energy price swings, feedstock volatility, uneven regional growth and structural challenges persist. Ongoing protectionism, geopolitical tensions, climate-related impacts, technological disruption including generative AI and industrial overcapacity continue to create uncertainty. In the year ahead, disciplined risk management, strategic adaptability and proactive monitoring of emerging risks will remain essential.

## 2025 Chemical industry challenges

In 2025, the chemical industry continued to face many of the structural and operational challenges experienced in the previous year. High energy and feedstock price volatility continued, creating challenges for cost planning and risk management. At the same time, inflationary pressures eased gradually, which provided some relief for the industry. Throughout the year, demand patterns varied across regions. Asia outpaced the EU and the U.S., driven by strong expansion in India and Southeast Asia, with China growing at a moderate pace. Continuing oversupply in several sectors intensified competitive pressures and impacted margins and global trade tensions added further uncertainty to supply chains and pricing.

Although logistics costs and transport disruptions were a critical issue in 2024, these eased in 2025, but occasional congestion in the Panama Canal and Red Sea disruptions continued to affect shipping patterns during the year, along with climate-related risks. In response, chemical companies needed to reassess and adjust their logistics strategies and adopt more

flexible solutions to maintain operational stability and mitigate risks.

Again this year, tightening regulatory frameworks and rising sustainability expectations placed additional demands on production, testing and compliance. The ongoing implementation of evolving frameworks such as EU-REACH, K-REACH and legislation related to, e.g., microplastics or food contact, posed additional compliance challenges and compelled chemical companies to adapt to new classification, labeling, packaging and testing requirements.

Throughout the year, chemistry industry players also faced increasing pressure to meet sustainability goals, with higher expectations from governments, investors and consumers. Demonstrating progress toward net-zero emissions and advancing circular economy practices continued to be an industry priority. Improving waste-to-value processes and enhancing product recyclability initiatives have also become essential, not only for compliance but as part of broader sustainability commitments. However, these shifts also created significant challenges in terms of cost, technology and operational adjustments. Furthermore, evolving ESG requirements for greater transparency, ethical supply chain practices and environmental responsibility have further increased the complexity of meeting rising expectations.

### 2025 Chemical industry challenges

This year, the chemical industry was subjected to:

- geopolitical risks and economic instability.
- supply chain and logistics issues.
- energy and feedstock price volatility.
- Intense competition and weak demand.
- oversupply and price pressure.
- increased ESG and sustainability demands.
- recycling pressures and net zero by 2050 targets.
- tighter and more complex regulatory frameworks.
- global trade tensions and increased uncertainty.
- technological advances and digitalization, incl. AI.

Against the backdrop of numerous challenges, it has become essential for chemical companies to remain agile and adapt their strategies to manage ongoing volatility and seize growth opportunities. Looking ahead to 2026, the industry will continue to be marked by geopolitical uncertainty, heightened competition, uneven regional growth and stringent regulations. Maintaining long-term resilience and secure success will require balancing disciplined cost management, operational efficiency and sustainability objectives, while focusing on innovation, strategic investment and proactive risk management.

## Industry trends in 2025

### Macroeconomic:

Weak demand, oversupply and increasing trade barriers presented significant challenges for the chemical industry. While some sectors saw demand unchanged, excess supply continued to pressure prices and margins. Protectionist policies and geopolitical instability added complexities to global trade, requiring companies to remain agile and respond quickly to shifting market conditions.

### Environmental:

In the chemical industry, environmental pressures continued to intensify, with net-zero goals for 2050 driving greater urgency around sustainability targets and ESG commitments. Companies increasingly monitored green sales and adapted to evolving regulatory decisions to align with stricter environmental standards. The push for transparency, traceability and sustainable practices remained central. There was a growing emphasis on circular economy principles as a key competitive differentiator for chemical companies, alongside transparent stakeholder communication.

### Technology:

The chemical industry continued emphasizing the critical role of technology in meeting evolving sustainability and ESG requirements. In 2025, companies focused on aligning technology strategies with sustainability objectives, market demand and corporate targets, while leveraging digital tools to enhance efficiency and foster innovation. Key technologies, including real-time data analytics, automation and advanced manufacturing processes, were pivotal in improving operational performance and product quality. The intersection of sustainability and technology remained a priority, with progress in areas such as mechanical recycling and eco-friendly solutions further advancing the sector's transformation.

## How SONGWON is responding to these trends.

### Macroeconomic:

SONGWON continues to strengthen its approach to balancing risk and opportunity by diversifying offerings across geographies and applications. The company remains committed to its multi-source strategy, sourcing materials responsibly from reliable, ethically compliant suppliers to ensure business continuity and minimize supply chain vulnerabilities. Regular communication with external stakeholders helps anticipate market shifts, demand fluctuations and regulatory changes. In addition to reinforcing risk management practices, SONGWON continues to focus on key ESG initiatives and advancing sustainability, as reflected in its Gold EcoVadis rating. Organizational agility remains essential to navigate macroeconomic challenges, such as fluctuating energy prices, while supporting efficient decision-making and proactive responses to market dynamics.

### Environmental:

At SONGWON, sustainability is a central part of its strategy, with a clear, pragmatic roadmap guiding its long-term commitments. The organization takes a measured approach to aligning sustainability goals with business realities to ensure practical and achievable progress. Continuous monitoring of regulatory developments allows SONGWON to proactively adapt and develop compliant product alternatives where needed. The company also reinforces its commitment to the circular economy, particularly in advancing mechanical recycling solutions. Close collaboration with stakeholders is a key priority, fostering a transparent exchange of information. Additionally, SONGWON continues to optimize manufacturing processes, with structured targets for waste management and environmental impact monitoring to drive meaningful progress.

### Technology:

To align its portfolio with evolving market applications and regulatory frameworks, SONGWON integrates technology and innovation across its operations. The company proactively evaluates regulatory risks, ensuring that products and production processes remain compliant ahead of changing requirements. At the same time, SONGWON is advancing the development of new and sustainable solutions that build on existing product offerings, reinforcing its commitment to long-term innovation, compliance and sustainability.

In response to ongoing global economic and geopolitical uncertainty, SONGWON responded to the challenges in 2025 with a clear, pragmatic strategy focused on

operational efficiency, market diversification and sustainable growth. The foundations established in recent years have been essential in strengthening the company's ability to navigate market challenges and regulatory complexities. The cumulative impact of these efforts reflects SONGWON's commitment to continuous improvement, streamlining processes, proactive risk management and adapting to evolving industry dynamics.

With a flat and responsive organizational structure, SONGWON can swiftly adapt to market shifts, ensuring decision-making is efficient and communication is always clear. The organization prioritizes fostering open and transparent dialogue with stakeholders (internal and external), not only to share key developments but also to actively gather valuable feedback. By fostering collaboration and incorporating feedback, SONGWON continues to strengthen its ability to navigate challenges and drive long-term growth.

Always focused on improving efficiency, the organization applies a structured approach to market feedback and trend analysis. Close collaboration with 3<sup>rd</sup> parties fosters a deep understanding of the industry landscape and enables the identification of emerging opportunities aligned with the company's strategic objectives. In 2025, trade tensions and increasing regulatory requirements continue to define the global chemical market, requiring careful planning and agility. In response, the organization has further improved and streamlined its processes, reinforced its multi-source strategy and enhanced end-to-end transparency to maintain reliable supply and fulfill customer orders efficiently. The company-wide ERP system supports these efforts by enabling better decision-making, securing material availability and mitigating potential disruptions effectively.

Looking ahead, SONGWON will continue sharpening its approach to market analysis and decision-making to navigate the soft market conditions, ongoing uncertainty and the challenges posed by trade and regulatory developments. Furthermore, to identify risks, seize emerging opportunities and maintain continuity of supply, SONGWON will strengthen stakeholder relationships, actively monitor industry trends and optimize operations to manage costs while upholding high service and quality standards. By leveraging its strategic focus, industry expertise and clear priorities, the organization is well-positioned to turn challenges into opportunities and continue to meet the expectations of its customers and shareholders. ■

Sources:  
[www.cefic.org](http://www.cefic.org); [www.deloitte.com](http://www.deloitte.com); [www.imf.org](http://www.imf.org); [www.oecd.org](http://www.oecd.org); [www.reuters.com](http://www.reuters.com);  
[www.weforum.org](http://www.weforum.org); [www.theeconomist.com](http://www.theeconomist.com)



# SALES & DIVISION UPDATES

## Sales strategy

### Customer-focused & effective

For 60 years, SONGWON has built its leading position in the industry by combining a broad portfolio with a strong customer-centric approach. Building lasting relationships founded on transparency, trust and respect is at the core of SONGWON's success. Our customers rely on us to reliably supply high-quality products and we strengthen that trust by delivering lasting value and consistent performance. Our commitment goes beyond simply meeting expectations — we care about our customers' evolving needs and the sustainable future we create together. Most importantly, we never lose sight of the fact that our customers have a choice and this drives us to focus our efforts on where they see the greatest value.

One of SONGWON's key values, transparency, is promoted at every level of our organization. Communicating openly and directly with our partners — whether customers, distributors, or other stakeholders — builds confidence and trust in the organization and supports long-lasting collaboration that drives shared success.

For our Sales teams, success means more than just selling products or promoting services. A thorough understanding of customers' needs is key and the ability to match the right products to their unique requirements or applications ensures we deliver additional value. In 2025, markets were even more highly competitive, with multiple suppliers pursuing the same customers. In response, we continued to optimize our sales channels, improve the services we offer, strengthen SONGWON's sales network and partner with strategically placed distributors.

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In 2025, SONGWON added 7 new distributors to the global sales network.

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To remain responsive, adaptable and agile in increasingly dynamic markets, our Sales experts rely on close collaboration with internal and external stakeholders. With this strong cooperation across the organization, we are able to use SONGWON's extensive industry expertise and personalized approach to gain valuable insight into the challenges our customers face. It also enables us to align SONGWON's products and services with the demands of the market.

Strategically positioned around the world, SONGWON's global sales organization speaks the language of our diverse customers and delivers strong local and international sales support. Our locally based sales experts work closely with customers and leverage their market knowledge to quickly identify emerging trends. By sharing key information across the organization, they enable us to meet market expectations and proactively address customer priorities. In 2025, we further enhanced effectiveness and capitalized on opportunities by reviewing distributor performance, addressing identified gaps and strengthening the sales network.

### In 2025, Sales continued to:

- strengthen existing customer relationships through personalized service.
- share valuable lead information internally to support new business development.
- optimize internal communication to better align activities and initiatives.
- improve forecast planning to remain responsive to market fluctuations.
- build trust, loyalty and long-term partnerships, both internally and externally.
- address increasing regulatory complexity across key markets.
- manage global trade challenges to minimize customer impact.

SONGWON's sales organization is guided by global and local best practices and we continuously benchmark our approach against key industry players to ensure our strategy remains aligned with market developments and evolving customer expectations. By proactively addressing customer concerns and helping them maintain competitive cost performance, we build on our strengths, challenge the status quo and aim not just to meet, but to exceed their expectations.

## Divisions update

Similar to the previous year, 2025 was marked by a complex and dynamic market environment, shaped by ongoing geopolitical tensions, internal pressures in the EU, including high energy costs and increasing

regulatory requirements. The Divisions performed in line with expectations during the first half of the year, but in the last 6 months, escalating market pressures led to noticeably softer demand.

Intense price competition and unpredictable customer order patterns also continued to challenge the industry and were compounded by the prevailing uncertainty surrounding the new U.S. trade measures. SONGWON responded with a proactive, solution-based approach, adapting its strategies, closely monitoring market developments and taking decisive action to address emerging obstacles. Throughout the year, maintaining focus, resilience and flexibility proved essential to navigating the rapidly shifting market and managing demand volatility effectively.

### In 2025, SONGWON's Divisions faced:

- oversupply across key markets.
- fiercer competition & pricing pressures.
- geopolitical and economic instability.
- unpredictable customer order patterns & weak demand.
- heightened market uncertainty, e.g., related to new U.S. trade measures.
- fluctuating raw material costs and supply availability.
- increasing regulatory compliance complexity & costs.

In 2025, to address emerging challenges, the Divisions intensified engagement with both external and internal stakeholders through structured touchpoints and voice-of-customer feedback loops, while maintaining disciplined and focused execution. Internal operations were streamlined by standardizing workflows and clarifying accountability, enhancing transparency and supporting faster, more consistent decision-making. These measures improved the speed and quality of delivery, strengthened organizational alignment and increased readiness to respond to regulatory requirements and the prevailing market uncertainties. Most importantly, focusing on SONGWON's core values drove our strong collaboration, operational excellence and a customer-first mindset throughout

the year and enabled us to strengthen our position as a trusted and valued supplier in the industry.

### In 2025, our Divisions:

- improved customer service to strengthen relationships & deliver lasting value.
- focused on market segments to deliver more personalized & effective solutions.
- identified emerging customer needs to stay ahead of market trends.
- improved responsiveness to unexpected market developments.
- enhanced ability to adapt & seize new opportunities.
- reviewed & streamlined processes to improve efficiency.
- optimized internal collaboration to benefit business development.
- prioritized sustainable, profitable growth in key & emerging markets.
- strengthened SONGWON's position as a trusted, reliable supplier.

### Polymer Stabilizers (PS)

Polymer Stabilizers faced a demanding market at the start of 2025 but successfully navigated headwinds to deliver a stable performance. The strong demand at the beginning of the year supported revenues and enabled the business to expand market share with new business wins. During the first 6 months of the year, muted global demand, geopolitical uncertainty and U.S. tariff concerns weighed on volumes, but turnover remained close to 2024 levels and overall performance met expectations.

As the year progressed, lower volumes reflected weaker U.S. demand, increased product availability and heightened pricing pressure from Asia, though turnover and margins remained stable, supported by higher prices, favorable exchange rates and lower manufacturing costs. Toward the end of the year, revenues declined due to increased product availability and ongoing pricing pressure, while demand recovered before year-end, partially mitigated by positive currency movements, improved pricing and stable raw material costs.

Our main antioxidant business continued to perform strongly, with high utilization across all products. Niche antioxidants also recorded strong growth, driven by specific SONGWON products where limited market availability supported demand. This year, SONGWON's OPS business suffered temporarily due to the U.S. plant relocation, but the upcoming capacity increase will meet growing market demand from the 2<sup>nd</sup> half of 2026 onwards. Substituting SABOSTAB® products in the portfolio with our new HALS brand, SONGSORB®, we have expanded our offering of high-quality, competitive products.

Looking ahead, PS will continue to follow its strategy and focus on growth across all product groups and regions. By maintaining strategic consistency and leveraging our operational strengths, PS seeks to further strengthen SONGWON's market position, support customer needs and drive sustainable long-term growth.

#### **Fuel and Lubricant Additives (FLA)**

SONGWON's FLA business started the year strongly, driven by robust customer demand and improved logistics, which supported higher revenues in the first half of 2025. Throughout the year, the FLA team continuously evaluated market conditions and monitored macroeconomic developments. In response to U.S. tariffs, China's economic slowdown and ongoing geopolitical tensions, the tactical part of FLA's strategic plan was modified to achieve optimal results. In the latter half of the year, volumes and revenues were affected by lower raw material costs applied to the pricing, intensified competition in global spot markets and destocking activities, reflecting the dynamic challenges of the industry.

To strengthen SONGWON's global presence, FLA appointed new distributors in Japan and India as well as one in the Middle East to expand business penetration in this growing and important market. Team members actively participated in conferences throughout the year to evaluate new technologies, broaden their knowledge and engage with current and prospective customers. By deepening customer relationships, advancing innovative products and adapting proactively to market developments, FLA reinforced its competitive position and laid the foundation for continued growth going forward.

#### **Coatings**

After a seasonally weak end to 2024, BU Coatings started the year strongly. Recording higher volumes and revenues in the 1<sup>st</sup> half of 2025, the business secured

further market share gains and outperformed market growth in Europe and Asia, despite persistent global overcapacity and intense price competition, particularly from suppliers in Asia. Coatings' performance was also positively impacted by customers building safety stock amid uncertainty surrounding U.S. tariff policies.

In the 2<sup>nd</sup> half of the year, sales declined following the strong start to 2025. Weak demand from the automotive and construction sectors, combined with ongoing pricing pressure and excess global supply, weighed on performance. Unclear U.S. tariff policies redirected Chinese production away from the U.S. towards Europe and Asia, further escalating pricing pressure in these regions. Combined with persistent global overcapacity and weak end-customer demand, this intensified competition affected volumes and margins. BU Coatings responded by applying selected pricing measures and maintaining strong customer service. At the same time, the business strengthened its technical capabilities by appointing a global business development manager to support sales teams worldwide.

Going forward, BU Coatings will increase customer intimacy by expanding its technical expertise and driving joint strategic projects for new products and applications, helping customers enhance competitiveness while reinforcing SONGWON's market position.

#### **Tin Intermediates/PVC**

Facing an environment shaped by heightened competition and changing regional demand, BU Tin Intermediates and PVC responded with strategic actions to strengthen SONGWON's position in the market.

After a slow start to 2025, Tin Intermediates' performance gradually improved as the year progressed. Higher tin ingot prices, favorable exchange rates and new business led to stronger revenues, improved margins and market share gains. Despite ongoing competitive pressure and softer demand in some regions during the 2<sup>nd</sup> half of the year, revenues remained stable, with applications such as photovoltaic-related materials showing steady growth and the increased development of new catalyst blends, supporting competitiveness in key markets.

PVC remained under pressure due to weak demand in Korea, aggressive pricing from Chinese competitors and volatile customer purchasing behavior. Nevertheless, volumes in Japan and SEA remained steady

and demand in Korea showed a gradual recovery in the final quarter of 2025. With strategic pricing measures, proactive customer support throughout the year and increased visibility at industry events, PVC defended SONGWON's market position and secured new business.

### **TPU/SPU**

BU TPU/SPU faced a challenging 2025, with subdued domestic demand across industries, including construction, electronics, footwear and food, driven by economic slowdown and intense competition. Nevertheless, TPU sales slightly exceeded 2024 levels, largely supported by stronger overseas performance. Export growth helped offset weaker domestic demand, with competitive pricing strategies and close collaboration with customers helping to secure volumes. In line with expectations, SPU experienced declines in both domestic and export markets due to decreased demand, further compounded by strong price pressures.

Leveraging SONGWON's manufacturing expertise and long-standing industry experience, the business will continue to capitalize on emerging product development opportunities tailored to customers' unique requirements. Despite current industry challenges, by maintaining a focus on niche and tailored products, fostering strong customer relationships, providing consistent quality and ensuring agile delivery times, BU TPU/SPU remains well-positioned to strengthen SONGWON's presence, particularly in overseas markets.

### **Specialty Chemicals (SC)**

In 2025, BU Specialty Chemicals benefited from a recovering market in the semiconductor and display industries, as demand for new product development steadily increased. This upward trend provided BU SC with an opportunity to strengthen SONGWON's position as a leading supplier of high-value specialty chemicals while laying the groundwork for sustainable and long-term growth. Newly developed products continued to advance toward commercial availability, supporting gradual and continuous sales expansion across key markets.

The SC team focused on customer-driven innovation, developing products tailored to specific requirements and targeting widely used product groups to maximize market impact. By engaging closely with customers and incorporating their requests early in development, SONGWON ensures that R&D efforts align with market needs and drive continuous improvement.

Close collaboration across R&D, analysis, quality assurance, production and sales has driven measurable improvements in process stability, technical capabilities and overall product quality.

BU SC is strengthening SONGWON's position as a trusted global leader and building lasting partnerships by ensuring consistent delivery of value to our customers. This approach is beginning to yield results, with newly developed products expected to become core offerings in the coming years. ■

# CUSTOMER SERVICE (CS)

## Driven by customer focus

At SONGWON, we never forget that our customers always have a choice. In addition to offering them a broad range of high-quality products, we recognize that their satisfaction relies heavily on SONGWON's dedicated customer service. Providing customers with the best support possible and doing everything we can to fulfill their needs is a cornerstone of our business strategy and supports our goal to be their partner of choice.

We view every interaction with customers as a chance to surpass expectations and demonstrate SONGWON's commitment to their continued success. Each CS team member strives to be accessible and deliver responsive, professional customer service aligned with SONGWON's values. The team's deep commitment extends beyond the point of sale. We aim to address any issues that arise during the purchasing process and throughout the entire duration of the customer's business relationship with us.

The first part of 2025 continued the trends observed in the second half of 2024, with both demand and supply remaining stable. Transport times also remained steady, though they continued to be lengthy, particularly from Asia to Europe. In the third quarter and more so in the fourth, demand became significantly more volatile. Overall demand declined, but there was also a noticeable increase in short-term requirements as customer order patterns became less predictable, due to changing market conditions, inventory levels, or other factors. We saw an increase in customers adjusting deliveries, often at short notice, or postponing planned deliveries. SONGWON's CS team endeavored to respond agilely to these shifts, adapt to changing demands and provide ongoing reliable support to our customers.

In 2025, CS's main objective, in alignment with Supply Chain, was to further automate and digitalize processes to increase efficiency and transparency. Key goals include implementing real-time tracking tools for shipments to improve the accuracy of customer updates and introducing automated order handling in China and the Middle East. These measures streamlined operations, optimized inventory management and elevated the overall customer experience.

In addition to ongoing efforts to improve processes and increase efficiency, CS focused on reducing response times to customer requests. As in previous years, open and transparent communication remained a priority

### In 2025, the CS team successfully implemented numerous internal initiatives, including:

- reorganizing the SONGWON Americas Supply Chain team, with additional resources and a dedicated Customer Service team.
- introducing an electronic archiving system, replacing the previous paper-based approach.
- automating intercompany order processing for China and the Middle East to increase efficiency and customer service.
- introducing real-time vessel tracking and container tracking services to enhance transparency and provide timely delivery updates.
- establishing new reporting standards to analyze and prevent delivery delays.

in 2025, with the team striving to be as responsive as possible—even as scheduling became more dynamic. SONGWON's collaborative teamwork culture empowers the CS team to provide comprehensive guidance and ensure lead times align with customers' expectations.

Staying ahead of industry developments and anticipating customers' challenges are essential elements of effective customer service. SONGWON's management has always fostered strong communication throughout the organization and our structure facilitates effective information flow. This enables CS to leverage synergies between departments, which ultimately benefits SONGWON's customers. Thanks to close cooperation, the CS team is promptly notified of any delays or unforeseen issues, allowing us to give customers ample time to decide how to proceed or to seek alternative solutions. To assess performance and identify areas for improvement—both within CS and across the organization—the CS team regularly collects feedback from both internal and external stakeholders.

To further develop the team's skills and facilitate the exchange of valuable insights, SONGWON organized a comprehensive global workshop in Switzerland in 2025. Supply Chain and Customer Service managers from all regions came together for an intensive 3-day company values training, followed by a 2-day functional training and knowledge exchange. These sessions provided the

teams with meaningful opportunities to share best practices and deepen their expertise.

In 2025, multiple initiatives further enhanced the efficiency and effectiveness of Customer Service. In a major step, we expanded the SONGWON Americas Supply Chain team to support future growth. Alongside organizational changes to help maintain seamless service to customers, we established a dedicated Customer Service team to manage sales order processing. The introduction of a global internal vessel tracking tool enables the CS team to proactively inform customers about any changes to shipping schedules—further enhancing the reliability and transparency of our customer service.

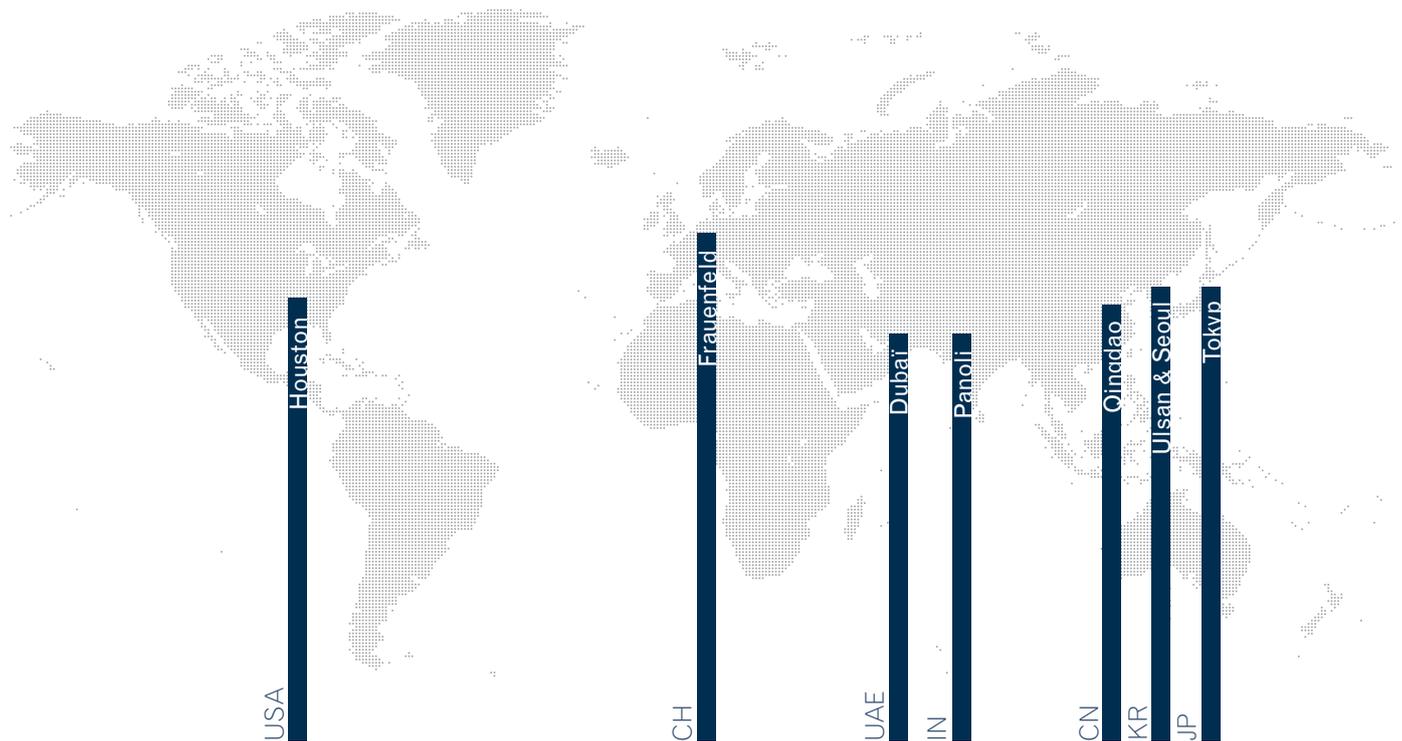
Since January 2025, all documents have been archived electronically, replacing the previous paper-based system. This transition, made possible by the new electronic archiving system implemented in late 2024, has made processes more efficient by providing faster, more streamlined access to documents and reducing manual paper filing. A new reporting system was also established in 2025 to better understand the reasons for sales orders not being delivered on time. This enables

SONGWON's CS team to track individual cases and identify patterns that will help us improve future delivery performance.

To provide high-quality service to our customers in more than 60 countries around the globe, SONGWON operates eight Customer Service centers. This setup ensures swift and effective local support and the flexibility to shift support and services to alternative locations as needed, allowing us to respond quickly to any disruptions.

In the coming year, CS will continue to invest in automation and real-time information systems. These improvements will enable the team to detect and respond to any supply chain disruptions as early as possible and ensure faster and more effective reaction to unexpected events. We will continue to prioritize process improvements and harmonization to deliver the best possible service to SONGWON's customers. Most importantly, by fostering trust and mutual respect, the CS team will continue striving to ensure SONGWON remains the partner of choice. ■

## SONGWON applies global and regional best practices from its Customer Service Centers in:



# PROCUREMENT

## Sourcing responsibly & adding value

Throughout 2025, Procurement addressed ongoing geopolitical challenges and shifting market dynamics, as higher import tariffs and national trade priorities led global supply chains to adjust and realign. Increased competition in certain markets and softer demand for some products required careful management of supplier commitments and inventory levels, particularly in Korea. Through proactive planning and close coordination with internal stakeholders and suppliers, the team effectively managed these complexities.

With years of experience and a deep understanding of the value chain and supply markets, SONGWON's Global Procurement team is highly experienced in managing uncertainty and resolving complexities. Fully aligned with SONGWON's global strategy, the team continued to ensure that all purchasing criteria required for the business were met and, most importantly, that the organization continued to fulfill its corporate responsibilities. At the same time, Procurement also maintained its focus on mitigating risks and aligning the needs of internal and external stakeholders with the most effective supplier solutions. This approach ensured the continuity and reliability of the supply chain across all 8 manufacturing sites.

In 2025, Procurement initiated a strategic shift in sourcing by gradually reducing reliance on EU and U.S. suppliers while expanding partnerships in South Asia. Leveraging the proximity of SONGWON's production sites in the region, the team strengthened regional integration within the supply network. Prioritizing local sourcing not only supports cost competitiveness by focusing on low-cost countries but also considers the total cost of ownership — including transportation, inventory and operational costs — to ensure the most efficient and sustainable supply solutions. This strategic realignment enhances operational continuity and underpins the company's long-term stability and sustainability goals.

As market competition intensified, stakeholder priorities shifted toward achieving lower raw material costs. In response, Procurement focused on reducing the cost of raw and packaging materials while minimizing waste through a more efficient inbound supply chain. For example, by rescheduling shipments, securing more efficient warehousing, reducing inventory levels and buying more from suppliers located near SONGWON's manufacturing plants.

### In 2025, Procurement faced challenges such as:

- geopolitical and trade developments requiring careful navigation of supply chains.
- global supply chain realignments and decoupling trends.
- competitive market conditions and fluctuating demand.
- managing purchase volumes and inventory in Korea under contractual requirements.
- Ensuring efficient shipping and inventory management to control costs.
- Diversifying the supplier base and shifting sourcing toward South Asia to mitigate risks.
- Climate-related impacts on shipping and logistics issues.
- Increasing sustainability and regulatory requirements, e.g., EU Deforestation Regulation (EUDR).
- Adapting to digital transformation initiatives, including automation and improved data analytics.
- Growing requirements for product documentation and traceability.

The Procurement team's close cooperation with internal stakeholders and our robust contingency planning helped SONGWON respond to unexpected challenges. In 2025, Procurement consistently shared information on any inbound supply chain issues, such as raw material shortages. By keeping relevant stakeholders, including Product Managers, Controlling and Production Planning, up to date on purchasing data, market intelligence and supply chain status, Procurement supported accurate and timely decision-making.

The team also worked to optimize operations in Korea to reduce detention and demurrage charges, the fees incurred when containers are held at ports or in storage facilities longer than expected. Procurement explored more cost-effective external warehousing options and invested in a container yard at the plant, which means that SONGWON can now safely store raw materials on site, which contributes to improved supply reliability and efficiency.

During the year, the Procurement team worked closely with other business areas to align its activities with the needs and priorities of SONGWON's business units and reduce compliance risks for the organization. Collaborating with the Regulatory Team on advanced K-REACH management, Procurement helped to ensure accuracy and regulatory compliance, including verifying CAS numbers, confirming permitted chemical quantities and updating other registration details as required.

In regular meetings with procurement teams in Korea, India and China, Global Procurement shared market and supplier information and worked together on purchasing issues to deliver the best solutions. In the past year, the teams negotiated improved pricing with several key raw material suppliers, which generated substantial cost savings over the year and increased SONGWON's profitability.

Procurement also arranged multiple meetings with suppliers to align shipping schedules with changes to the company's production plans. This ensured that deliveries matched manufacturing needs and helped avoid unnecessary delays or excess inventory. During the year, the team conducted 13 supplier site audits to facilitate strategic discussions and confirm that production capabilities matched SONGWON's purchasing roadmap. In addition, selected suppliers were invited to visit SONGWON's plants to define milestones and clarify the deliverables needed to achieve our shared goals.

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## In 2025, 27 new suppliers were added to SONGWON's Approved Supplier List.

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When assessing or selecting new suppliers, Procurement considers performance factors such as flexibility, reliability, quality and key sustainability metrics like carbon footprint to ensure integrity is maintained in all business transactions. As part of its commitment to sustainability, Procurement also made significant progress in 2025 to address Scope 3 GHG emissions by collecting CO2 data from over 117 suppliers. Doing so not only supports SONGWON's environmental aims but also provides critical insights into reducing the carbon footprint across the entire supply chain. The team also continued to concentrate its efforts on cost reduction, the negotiation of more beneficial terms with suppliers,

purchase and contract consolidation and changing to more economical or sustainable alternatives to benefit SONGWON.

At SONGWON, Procurement plays a critical role in ensuring supply chain continuity, responding swiftly to unexpected challenges to maintain operational stability across our manufacturing sites. When issues arise, contingency measures are implemented immediately and an initial report is shared with stakeholders. If necessary, the matter is escalated to the Management team in line with company procedures. Throughout the resolution process, stakeholders are kept fully informed and once the issue is resolved, a comprehensive report is provided summarizing the actions taken and the outcome achieved.

A notable example in 2025 was our response to a serious incident at our major supplier's plant in August, which led to critically low stock levels at our warehouse. To avoid halting production, Procurement and internal teams quickly approved an alternative supplier for this essential raw material and arranged delivery of the needed materials within 10 days, allowing production to continue without disruption.

Our Global Procurement organization continued to foster its continuous learning and skill development approach. Not only to expand the team's knowledge as well as provide both valuable foresight and practical insights in all their contributions to the organization, but also to ensure alignment with organizational standards and regulatory requirements. During the year, members of the Procurement team participated in external training courses to enhance their management skills, problem-solving abilities and interpersonal interactions. Additionally, they completed internal trainings on health, environment and safety, as well as important topics such as K-REACH compliance, SONGWON's Code of Conduct, Security and ICS\*.

By leading key initiatives and integrating all procurement practices with SONGWON's sustainability strategy, ethical standards and international compliance frameworks, the Procurement team reinforces long-term value creation and strengthens SONGWON's strategic position for sustainable, profitable growth. ■

\* Internal Control System

# SUPPLY CHAIN

## Driving efficiency and transparency

As a leading global supplier of specialty chemicals, maintaining a dependable and resilient supply chain is crucial to SONGWON's success and to meeting ever-changing market demands. With the heightened complexity of global markets and standards, customers need reliable, timely deliveries of high-quality materials to keep their manufacturing operations running at peak efficiency, even during periods of increased demand fluctuations and external challenges.

This year, supply chain performance was impacted by uneven demand patterns and regional logistical headwinds. Although transport constraints created temporary pressure, particularly extended transit times to Europe in the first 6 months of the year, these were effectively managed by the Supply Chain team and operations remained in line with expectations. In the 2<sup>nd</sup> half of the year and especially in the final quarter, volume shifts and demand reductions led to elevated inventory levels, mainly affecting regions with longer replenishment lead times such as Europe and the Americas.

In Europe, the transition to a new logistics service provider at the end of 2024 required time to stabilize processes and gain the full benefits of the improved setup. Although this stabilization took longer than initially expected, the new warehouse location, strategically positioned outside the congested port area in Antwerp, has gradually optimized material transfers. Together with streamlined communication flows and enhanced repackaging capabilities, this strengthened the efficiency and reliability of our European supply chain in the 2<sup>nd</sup> half of 2025.

In the Americas, the team ensured the move to the new facility in Pasadena, Texas, went smoothly. The new site provides the same services as the previous Houston plant, including OPS production and repackaging. It also serves as our main warehouse for the local market, handling both locally produced products and items sourced from Korea or third-party suppliers. To ensure uninterrupted service to customers and avoid any impact on deliveries during the transition period, the team maintained higher inventory levels. They also implemented new processes, including enhanced liquid handling, to ensure the US Supply Chain was well-equipped to address specific customer requirements, such as special tanks and delivery specifications.

To strengthen the US Supply Chain for future growth, 2 additional team members were added and organizational changes were implemented to maintain seamless service to customers. Along with the establishment of a dedicated Customer Service team to manage sales order processing, a Supply Chain Liquids Specialist was newly appointed to coordinate warehousing and value-added services for liquids products, including filling, transloading and heating.

SONGWON recognizes the need for greater transparency in the supply chain, both internally and externally. Throughout 2025, unpredictable demand continued to challenge both our Supply Chain and Operations teams across SONGWON's global operations. By working closely together and exchanging information with all stakeholders, including Procurement, P&D, Sales and Quality Assurance, the teams were able to stay ahead of demand patterns and implement proactive measures. These included intercompany pre-shipments, which helped minimize production impact and optimize inventories across regions. By collaborating closely with Sales, the Supply Chain experts gained clear insight into customer needs, enabling them to prioritize and support customers as effectively as possible. These combined efforts helped to maintain consistent service levels and reinforced the resilience, agility and reliability of SONGWON's supply chain throughout the year.

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To date, 89.3% of our suppliers have signed our Ethical Code of Conduct.

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Building on this focus on transparency, the team also implemented various initiatives over the past year to increase efficiency and transparency in our warehouse and replenishment processes and through additional reporting. For example, reports are now used that allow the Supply Chain team to track the movement of vessels and shipping containers in real time. These tracking services provide up-to-date information on the location and expected arrival of goods, allowing the team to keep customers fully informed about the status of their deliveries.

Supply Chain's strategic replenishment planning also optimizes inventory management and logistics, making sure materials are only moved when needed, reducing waste, costs and inefficiencies from overstocking or unexpected demand changes. This year, in China and the Middle East, SONGWON introduced automated systems for handling intercompany order processing. Replacing manual order processing with automated data exchange has led to increased efficiency in these regions.

We make a point of openly and transparently communicating with external stakeholders in the end-to-end supply chain, such as suppliers, logistics providers and customers. Internally, teams share information about shipment and logistics, such as vessel tracking. This information is promptly passed on to our customers, so they know when to expect their delivery. In 2025, we also worked closely with all internal stakeholders to create new services and processes. This ongoing teamwork and information sharing enable us to better respond to developing customer requirements.

In 2025, the Supply Chain team also continued to prioritize learning and knowledge-sharing initiatives to enhance their expertise and deliver greater value to the organization. The 'Supply Chain Knowledge Base,' created the previous year as an internal platform, facilitates information exchange between local Supply Chain teams and makes critical know-how readily accessible to all stakeholders. By fostering collaboration and providing easy access to key insights, the platform enables the team to make more informed decisions in their daily operations.

Looking towards 2026 and beyond, SONGWON will roll out automated processes for managing orders and data exchange to the Americas and Japan, the final two entities to be connected. Completing this integration will achieve total harmonization across all SONGWON entities, providing real-time visibility, advanced analytics and seamless intercompany transactions. In parallel, advanced forecasting and demand planning will be incorporated into Microsoft Dynamics 365 to better manage inventory, prevent overstocking or shortages and support cost-effective operations. Together, these initiatives strengthen SONGWON's supply chain and ensure greater responsiveness, reliability and service to our customers. ■

### In 2025:

- The smooth move to the new U.S. location for OPS production, repackaging and warehousing ensured continuity of services for the region.
- Proactive inventory management during the facility move guaranteed continuous product availability and uninterrupted customer service.
- The switch to a new logistics provider in Europe and a warehouse away from the congested Antwerp port area streamlined communication and improved repackaging capabilities.
- The establishment of new liquid handling processes in the U.S. addressed specific customer requirements, including special tanks and delivery specifications.
- The successful rollout of automated intercompany order processing in China and the Middle East increased efficiency.
- Close cross-functional collaboration enabled effective management of demand fluctuations across regions.
- Implementation of real-time vessel and container tracking services improved transparency and delivered timely updates to customers.

# RESEARCH & DEVELOPMENT (R&D)

## Value-driven innovation

In the past 60 years, SONGWON's R&D strength has been instrumental in supporting the company's growth and confirming our position as a trusted partner across the industries we serve. Throughout 2025, R&D's efforts were driven by the industry's rapidly changing requirements and increasingly complex customer demands.

Operating in such a highly competitive environment, we have always recognized that maintaining industry leadership requires a strong commitment to value-driven innovation and dedication to consistently exceeding customer expectations. This year, in order to address specific customer needs, the R&D team focused on enhancing its technical capabilities and refining SONGWON's product offering. Value creation remained the guiding principle in aligning development activities with evolving demands and future growth opportunities.

### R&D supports SONGWON's competitiveness and future growth by:

- investing in cutting-edge, advanced technologies.
- improving processes and maximizing synergies.
- developing high-performance products that add value.
- delivering the reliable quality our customers depend on.
- ensuring fast and effective responses to customer requests.
- allocating resources strategically to core technological areas.

The R&D team is key to keeping SONGWON ahead of trends and optimally positioned to seize emerging opportunities. Management prioritizes ensuring that our researchers have the resources, support and necessary conditions to continue delivering key innovations and providing strategic support across the business.

In 2025, R&D continued to refine its structure and optimize processes to enhance research efficiency, streamline workflows and ensure greater agility in responding to the current market demands. Key focus areas included developing fundamental raw materials, supporting localization initiatives and broadening the company's portfolio. Additionally, the team further enhanced customer-specific polymer development, using rigorous quality control and innovation to ensure stable, reliable quality from R&D through to full-scale production.

Meeting demanding specifications for ultra-high-purity and multi-functional materials remained a significant challenge in 2025. In response, the team established a robust manufacturing framework and leveraged all its available capabilities to ensure consistent product performance and support proactive, close collaboration with customers. These measures positioned R&D to meet rigorous customer quality requirements, supported consistent product performance and helped to sustain SONGWON's competitiveness in technology-driven markets.

In 2025, R&D optimized processes and restructured the research organization to maximize efficiency, enhance specialization and ensure resources are strategically allocated to core technological areas.

### In 2025, R&D:

- strengthened the development of fundamental raw materials to support localization initiatives.
- expanded the company's materials portfolio through targeted development activities.
- advanced customer-specific polymer development with rigorous quality control from research through production.
- met demanding specifications for ultra-high-purity and multi-functional materials with precise composition control.
- established a robust manufacturing framework to ensure consistent product performance.
- leveraged R&D capabilities to work closely with customers and meet evolving requirements.

The reorganization also included strengthening our researchers' expertise to enable the team to work more effectively across projects and respond flexibly to evolving business priorities. As a result, R&D achieved greater precision, productivity and alignment with SONGWON's strategic objectives.

The expertise, commitment and solution-oriented approach of the R&D team remained central to SONGWON's success. By leveraging advanced technologies and the team's deep technical knowledge, R&D continued to develop new products, provide comprehensive support to business-wide projects and deliver critical analysis and regulatory guidance. By expanding capabilities, enhancing processes and aligning closely with market and customer needs, R&D strengthened SONGWON's technological leadership and contributed to the company's growth in emerging high-value sectors.

In 2025, the R&D team successfully developed 84 new products, registered 7 products, increased SONGWON's portfolio of owned patents to 61 and advanced 23 products to scale-up. More stringent customer quality requirements during scale-up proved challenging and contributed to a decline in external scale-up success rates. In response, R&D strengthened internal procedures, held joint review meetings with internal and external partners to anticipate risks and optimize process conditions and also refined process parameters and monitoring systems. A Total Quality Control (TQC) framework was also established to systematically manage quality and ensure stable and reliable technology transfers.

### R&D highlights:

- 7 new products were registered.
- 84 new products have been developed.
- 23 products are in scale-up.
- 68.4 % scale-up success ratio achieved.
- 61 patents are currently held by SONGWON.

Recognizing that continuous learning and knowledge sharing are essential to building expertise and driving innovation, strengthening SONGWON's R&D capabilities remained a priority in 2025. A structured capability-building program was introduced to expand

technical skills and integrate advanced data analysis and AI-based tools into core R&D workflows. Through practical, application-focused learning and project-based implementation, the program supported more effective, data-driven decision-making and contributed to strengthening internal expertise and the ability to maintain SONGWON's technological competitiveness.

Throughout 2025, R&D focused on strengthening production stability and advancing integrated development capabilities across key electronic and specialty materials. New technology was introduced this year to optimize purification and processing, supporting the reliable handling of high-purity, sensitive materials. Furthermore, organizational adjustments enhanced internal coordination from early-stage synthesis through to final product development. These initiatives enabled faster development cycles, improved operational resilience and led to greater alignment between research activities and manufacturing needs.

R&D also continued to support the growth of core business areas by developing customized solutions to address customers' requirements and ever-increasing regulatory expectations. To respond to tightening environmental requirements, particular emphasis was placed on identifying alternative materials and technologies aligned with SONGWON's sustainability strategy. Throughout the year, R&D focused on expanding environmentally responsible product offerings and supporting long-term, sustainable growth with ongoing technical evaluations and targeted development activities.

Looking ahead, R&D will build on the established process systems in key sectors to focus on developing next-level differentiated technologies and supporting the successful commercialization and stable production of high-value products. A core goal will be to minimize risks during production transitions by enhancing the predictability of research and development processes, ensuring reliable scale-up and maximizing operational efficiency. R&D will also continue to reinforce SONGWON's sustainability strategy by advancing regulatory-compliant and environmentally responsible product development across all business areas. ■

# TAD & TECHNICAL SERVICE

## Comprehensive support & application expertise

To meet their specific performance needs and navigate today's increasingly complex safety, regulatory and sustainability requirements, today's customers seek suppliers who offer innovative products backed by extensive application expertise and advanced technical service.

SONGWON's competitive advantage is built on a customer-centric, side-by-side approach supported by a deep understanding of our customers' needs and challenges. With our innovation capabilities, extensive technical expertise and decades of experience, we transform this insight and our customers' product development ideas into measurable business results. Along with our longstanding reputation for technical competence and high-quality product development, the premium service we offer is fundamental to SONGWON's continued success.

Throughout 2025, our Technical Service (TS) experts continued their regular face-to-face customer visits and close collaboration to strengthen relationships and also SONGWON's position as a trusted, long-term partner. Additionally, TS contributed significantly to SONGWON's successful participation at major international trade fairs and key industry events, including the European Coatings Show, ChinaPlas and K 2025, with the strong support of the Global Testing & Application Development (TAD) team.

In addition to showcasing SONGWON's latest advances in mechanical recycling in polypropylene (e.g., SONGNOX® 1330) and SONGSORB® light stabilizers linked to sustainability, extending the lifetime of manufactured articles (SONGSORB® HALS, SONGSORB® UV absorber and SONGSORB® Hydroxybenzoate [HB]), these events provided valuable opportunities to highlight SONGWON's position as an industry leader committed to providing committed to advancing sustainability and providing comprehensive regulatory support.

During meetings with customers, onsite and at industry events, the TS and TAD teams noted continued strong interest in sustainability and regulatory-related topics, reflecting the increasing pace of regulatory change and evolving industry requirements. To address this, our TS and TAD experts helped customers with their sustainability challenges, providing valuable

insights and, e.g., life cycle assessments (LCAs) for their products as well as regulatory support with the assistance of the Regulatory Affairs team.

Our experts continued actively contributing to the Polyolefins Circular Economy Platform (PCEP) in 2025, collaborating with industry partners to advance the recyclability of polyolefin packaging and support initiatives that increase the use of recycled post-consumer polyolefin content in products.

## Global Testing & Application Development (TAD)

Within the Technology Innovation Center, the valuable synergy between the TAD and TS teams means that the needs of customers directly influence

### In 2025, TAD:

- improved response times and quality of customer support requests.
- optimized its standard support of internal and external stakeholders.
- developed and implemented projects aligned with evolving market trends.
- addressed the higher number of customer Technical Service requests (more than 2024).
- expanded application development activities to address diverse industry challenges.
- enhanced capabilities through new analytical and processing technologies.
- established more cost-competitive external laboratories to improve customer support.
- advanced its application development skills and technical expertise.
- increased lab capacity and achieved greater operational efficiency.
- generated the extensive technical data required to support business activities.
- supported TS and other key functions at customer events, webinars, conferences and trade fairs.

SONGWON's product development and approval processes. This coordinated approach also supports swift responses to shifting market demands, including the increasing focus on developing more sustainable solutions to meet evolving regulatory requirements. In addition, TAD continued to prioritize ongoing knowledge enhancement, advancing its technical expertise and training the younger chemists to support long-term technical excellence and remain well-positioned to meet future customer demands.

Throughout 2025, sustainability and circularity continued to drive industry priorities, with customers seeking resource-efficient solutions that could deliver high performance and meet environmental expectations. In response, TAD applied its technical expertise to sustainability-focused, market-aligned projects and generated critical technical data for multiple applications, including mechanically recycled polymers. These activities contributed to the development of products aimed at improving the quality and consistency of recycled materials without compromising efficiency.

Working closely with the BUs, TAD continued to develop market-driven and tailored solutions addressing a broad range of industry challenges. To further strengthen customer support, the team also optimized internal processes, expanded external laboratory capabilities and integrated advanced testing protocols across its operations.

In 2025, TAD worked even more closely with TS to support new product introductions and ensure smooth commercialization. The team generated critical application test data that TS used to create promotional materials for customer meetings, webinars, conferences and internal product training for sales colleagues, which helped to reinforce SONGWON's ability to deliver market-relevant, customer-focused solutions.

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In 2025, our experts actively contributed to the Polyolefins Circular Economy Platform (PCEP).

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## Technical Service (TS)

More than providing technical support, Technical Service (TS) contributes significantly to creating new business opportunities for SONGWON. In addition to answering technical questions, our experts work alongside customers to support product and process improvements and optimize application performance by driving project efficiency. Leveraging deep technical expertise and industry knowledge, TS helps customers select the most appropriate SONGWON products for their specific applications and ensures that they gain maximum value throughout the product's lifecycle.

In close collaboration with TAD, TS experts play a vital role as business enablers within SONGWON. Highly valuable to the organization, they function as key facilitators between customers, sales teams and our internal organizations – Product Management, Manufacturing, R&D and TAD. TS also ensures that key SONGWON stakeholders (TAD, Regulatory Affairs, Product Management and Operations) are always kept in the loop through ongoing, direct communication. This approach supports fast, efficient decision-making and strengthens internal coordination, both of which are essential to delivering customer value and supporting sustained business success.

Throughout 2025, TS delivered technical presentations centered on stabilization and sustainability at leading industry conferences, including the SPE International Polyolefins Conference and SPETPO Global Automotive Conference in the U.S. and the 7<sup>th</sup> Forum Plastic Recyclates in Germany. Building on the success and positive response to its global customer webinars in recent years, the team also organized webinars in 2025, one featuring SONGSORB® HALS and the other on SONGWON's key highlights from K 2025.

Our TS experts also supported product promotion with training and online sessions for internal sales teams and distributors on newly launched products, liquid UV absorbers and SONGWON's mechanical recycling story, as well as participating in customer visits and actively taking part in key industry shows and conferences. Furthermore, the regular distributor reviews were conducted to ensure our partners remained focused on projects and approval implementation, which was valuable for managing SONGWON's downstream customers.

## Close-to-the-customer expertise

We have always strived to be close to our customers and offer the best level of technical support whenever they need it and wherever they are in the world. SONGWON has 9 support centers strategically placed across the globe.

- **China** | Qingdao
- **Germany** | Greiz
- **India** | Panoli
- **Japan** | Tokyo
- **Korea** | Ulsan
- **Korea** | Suwon
- **Switzerland** | Frauenfeld
- **UAE** | Dubai
- **USA** | Houston

During the year, TS received an increased number of customer requests for support with regulatory topics, such as the new requirements under the EU Food Contact Materials (FCM) legislation to regulate materials (mainly plastics) in contact with food. In 2025, the TAD Lube lab supported BU Fuel and Lubricant Additives (FLA) overall, including providing technical service and also evaluated SONGWON's products within and outside the FLA portfolio for the lubricants market.

Looking ahead, TS will continue its work on mechanical recycling to advance industry sustainability initiatives and remain closely engaged with customers to monitor and respond to emerging market trends and regulatory changes. ■



# MANUFACTURING

## Production efficiency through flexibility and innovation

For more than 6 decades, SONGWON has been dedicated to innovation in manufacturing and the reliable supply of high-quality products that meet global operating standards. Our success is built on the combination of extensive production expertise, backward integration and proprietary technology.

SONGWON runs 8 manufacturing facilities strategically located around the globe, including the world's largest fully back-integrated antioxidant site in Maeam, Korea. We continually invest in the latest plant technology and automation to enhance safety and increase sustainability, minimizing our dependence on natural resources, improving the environmental performance of our plants and products and, most importantly, reducing our carbon footprint.

### SONGWON's manufacturing strategy is committed to:

- consistently meeting the needs of our customers and stakeholders.
- delivering high-quality products.
- maintaining agility to adapt to market fluctuations.
- using our manufacturing expertise to create customer value.
- optimizing asset usage to achieve operational efficiencies.
- improving environmental standards in production processes and products.
- upholding high standards for health and safety at our facilities.
- implementing automation to improve efficiency.

Our customers rely on our advanced technology and in-depth industry expertise to ensure a reliable supply of premium products that support consistent, precise and stable manufacturing processes worldwide.

## SONGWON's Maeam plant in South Korea is the world's largest fully back-integrated site dedicated to antioxidants.

Supply chain issues continued to affect production sites, with long lead times and shortages of some raw materials. Local conflicts, tariff changes and delays in regulatory approval caused additional issues in some regions.

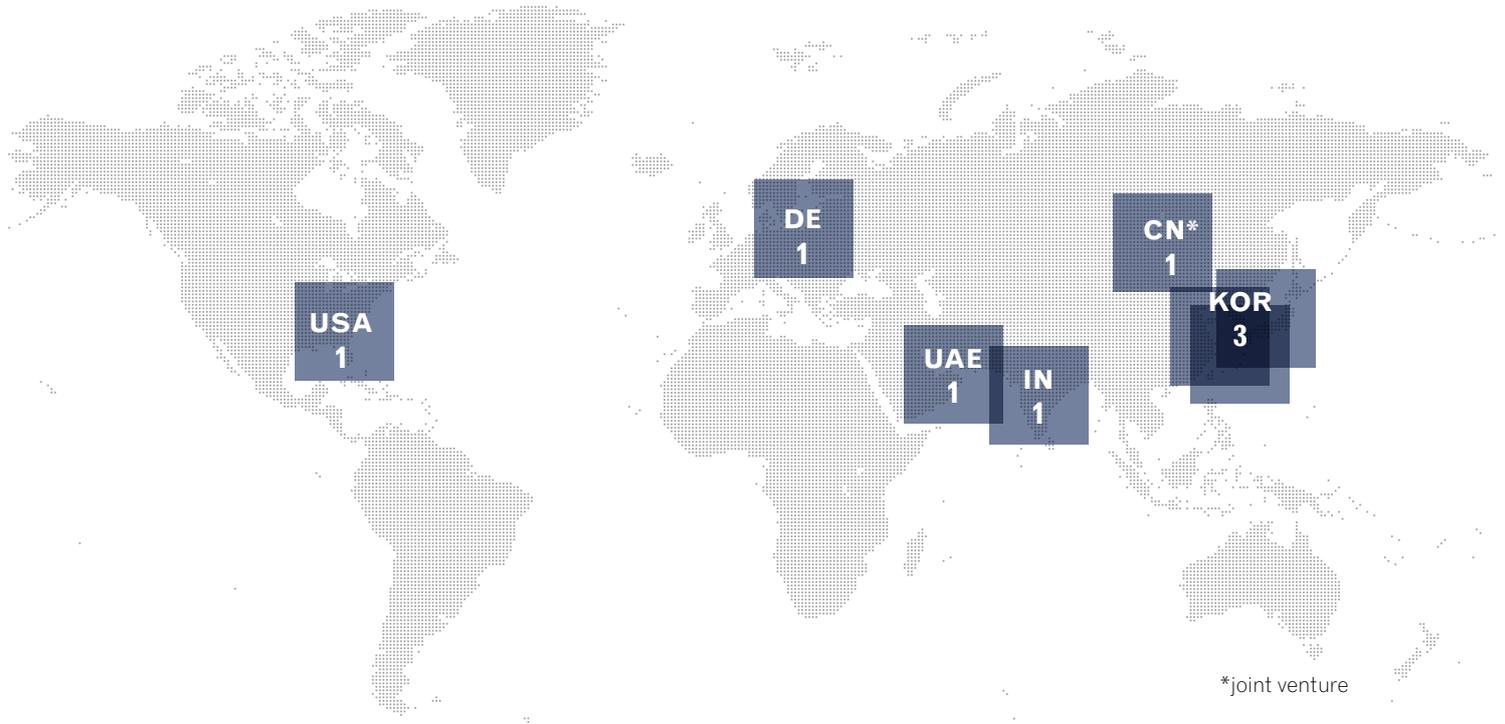
### To alleviate these challenges, SONGWON:

- sought new raw material suppliers.
- implemented advanced replenishment planning with buffer stock.
- ensured strong production planning.
- maintained close communication with customers.
- flexibly managed plant operations and scheduling.

Together, these measures helped SONGWON maintain stable production, meet customer commitments and reduce the impact of supply chain disruptions.

2025 brought increasing cost pressures due to low demand in the chemical market, inflation-driven increases in energy and logistics, alongside enhanced regulations and environmental health and safety measures. SONGWON responded to rising costs with a comprehensive strategy including increased automation, targeted cost-reduction measures, optimized production scheduling and investments in sustainability.

## Global locations



During the year, we advanced core production technology to improve efficiency, quality and environmental performance. In Suwon, a new dehumidification and drying system enables year-round production of high-hardness ether-type TPU products, which had previously been limited by outdoor humidity. In 2025, due to supply issues, the Ulsan plant faced difficulties manufacturing products requiring high-pressure steam. In response, the team successfully optimized and developed processes to reduce the reliance on high-pressure steam and replaced it with medium-pressure steam generated in-house for these products.

The acceptance of Artificial Intelligence (AI) in the chemical manufacturing industry has generally been more cautious than in other sectors. However, SONGWON has always invested in innovative technology to support optimization and progress and following a cautious, gradual approach to ensure safety and stability. While several facilities still rely heavily on manual work, automation has been introduced in some of the plants to reduce manual labor, increase efficiency and manage costs.

Throughout 2025, all SONGWON plants, except for the OPS plant in the U.S., ran smoothly with no major shutdowns beyond routine maintenance. In connection with the relocation of its operations, the OPS plant underwent a scheduled shutdown. During this period, new production lines were installed and operations focused on increasing capacity and fulfilling customer orders despite typical start-up and logistical adjustments.

To address stricter environmental regulations and the drive toward zero-carbon operations, SONGWON has invested in energy efficiency, renewable energy, water management, waste reduction and recycling initiatives, such as rainwater harvesting and off-site solar power. The manufacturing team has also been actively involved in preparing for the upcoming Dangerous Goods Management Act, which mandates government audits starting in 2027, in collaboration with a consulting firm.

Investments were made in enhanced systems and new software to improve data monitoring, support safety training and strengthen overall safety management.

At Maeam, specific targets were set to reduce accident rates with a goal of TCAR <0.30 and LTIR <0.60. and at Suwon, an accident prevention and emergency response system was implemented and is now fully operational. These are just some of the measures at SONGWON to ensure a safe working environment for all employees and support compliance with evolving, more stringent regulations.

Our committed and experienced manufacturing team, many of whom have worked together for years, has been instrumental in ensuring seamless operations and the reliable delivery of high-quality products. Their adaptability and skills enable them to address process improvements, staffing challenges and evolving customer demands. The team's proactive approach, combined with SONGWON's rigorous EH&S culture, also helps to maintain efficiency and continuity, as

demonstrated in Panoli, where a major capacity expansion project was completed this year, ahead of schedule and within budget. It is the team's expertise, commitment and dedication that enable SONGWON to consistently deliver high-quality products to our customers.

Amid the current challenges facing the industry, SONGWON will continue to further optimize manufacturing processes, improve efficiency and enhance product quality and yield. The focus will continue to be on safety and environmental protection, while exploring measures to lower manufacturing costs. Another priority will be capacity expansion in key regions, including the US and Europe, with planned new line startups to support ongoing business continuity and timely, reliable delivery to our customers. ■

## MANUFACTURING ACTIVITIES IN 2025

### Installed

- Low energy consumption pumps
- Water washing process
- Electrostatic precipitator
- Rainwater harvesting project
- Off-site solar power agreement for 3.8 MW
- 30kL x 3 Peso-compliant bulk solvent storage facility
- Nitrogen generator unit
- 20 kg bag sealing machine
- Pneumatic transport line for extruder
- Dehumidification and drying system for TPU
- New location and extrusion line

### Improved

- BOM and process improvements for capacity and quality
- Yield improvement and minimization of utility/product losses
- Equipment replacement for increased energy efficiency
- Replaced retirees with contract workers to increase workforce flexibility
- Flexible staff management to maintain operational continuity

### Reduced

- Workload through automation
- Manufacturing costs
- Labor needs through automation
- Overtime work to improve work-life balance
- Customer complaints through root cause elimination and quality measures
- Raw material BOM and utility BOM

### Increased

- Production efficiency through automation
- Renewable energy usage
- Yield and quality for specific product lines
- Utilization of plants
- Niche AO volume and targeted capacity
- Flexible production with shorter lead times

### Conducted

- Regular maintenance and planned shutdowns
- Safety training programs and activities
- Process audits and consulting for regulatory readiness
- Robust checks and controls of the force filtration system in Panoli to avoid quality complaints



# QUALITY ASSURANCE

## Upholding the highest standards

At SONGWON, we take pride in the reputation we have established over the years for delivering consistently high quality. For us, Quality Assurance (QA) is not just obtaining the required certifications or controlling pre-shipment product quality. It is about having effective systems in place, intensive attention to detail and aligning process improvements with sustainable best practices. Most importantly, it is about ensuring compliance and supporting our customers' QA efforts in all aspects of their business.

QA is supervised at the highest level of the organization and at the forefront of everything we do. As an absolute priority, maintaining the highest quality is not just a task for our QA experts but a shared commitment across the entire global team. Accordingly, SONGWON's Quality Policy is aligned with the business strategy. It underlines how we respond to the requirements for quality service and safe products and demonstrates our commitment to stakeholders.

Using the latest methodologies and best practices, our QA experts actively collaborate with SONGWON's operations, sites, business units (BUs) and our customers to ensure QA needs are met and optimal outcomes achieved. To support quick product turnaround and shorter time-to-market, QA has been seamlessly integrated into SONGWON's supply chain and this ensures that our products consistently meet the rigorous specifications of the industry. Our active coordination with product management and production provides reliable quality data, analysis and the necessary checks and documentation.

In 2025, our unified approach was key to bringing our new HALS product portfolio, SONGSORB®, to market for the Polymer Stabilizers and Coatings BUs. The successful market introduction was achieved through cross-functional collaboration involving Product Management, Regulatory Affairs, Quality Control, Technical Service, Supply Chain and our supply points. Working together ensured the timely availability of product analyses, quality data and documentation which enabled the BUs to carry out planned promotions and customer communications across multiple channels and webinars. During the ramp-up phase, QA actively monitored quality standards and ensured that relevant information and samples were available to customers and all stakeholders.

The QA team keeps all internal stakeholders, including SONGWON's major sites, fully informed by organizing their regular Quality Management Review meetings.

These give the QA team the opportunity to engage with all relevant departments and operations teams in SONGWON's entities and review quality data. It also allows critical issues to be identified and effective corrective actions implemented based on accurate root cause analysis and best practices. QA's proactive approach ensures compliance with standards, maintains stable product quality and drives continuous improvement by tracking failures, analyzing trends and reviewing results across all sites.

Working closely with regional QA teams within the global Quality Management System (QMS), the QA team streamlines core processes, optimizes resources and strengthens operational effectiveness worldwide. This integrated approach reinforces SONGWON's "One Team" philosophy and ensures all stakeholders operate under consistent processes and shared quality goals.

To ensure transparency across the organization, the QA team further strengthened internal communication in 2025 to keep all stakeholders informed of upcoming and implemented changes. This improved communication proved particularly valuable this year when QA redefined and strengthened its reclassification process to respond faster and more efficiently to product reclassifications. As a result, both the business and customers are now promptly informed of relevant changes which contributes to smoother operations and more effective decision-making.

The Quality Management System (QMS) at SONGWON is designed to strategically align core processes, streamline workflows and optimize resources to enhance the effectiveness of global operations. By keeping the system agile and reducing complexity wherever possible, the QA team drives efficiency and ensures issues are resolved more swiftly. SONGWON's QMS is continuously updated to meet new business and operational requirements and to maintain compliance with industry standards such as ISO. In 2025, this capability was further improved with the rollout of a standardized quality data system across all manufacturing sites. Now, all stakeholders can access a centralized database to review quality and evaluate quality results. Furthermore, SONGWON can respond more quickly to issues, achieve continuous improvement and further strengthen product quality worldwide.

From SONGWON's first ISO certification in 1995, we have established strict operating procedures and well-documented quality control measures. In addition to highlighting the organization's commitment to quality, ISO certification demonstrates the importance we place on improving our operations to fulfill our customers'

changing quality and sustainability expectations. SONGWON is currently certified to ISO 9001:2015 and in 2025, we began evaluating the upcoming changes needed to comply with the new standard, ISO 9001:2025 (Quality Management System), which will come into place at the end of 2026.

**SONGWON has the following ISO certifications:**



- Quality Management System: ISO 9001:2015



- Environmental Management System: ISO 14001:2015



- Occupational Health & Safety Management System: ISO 45001

SONGWON's manufacturing sites in Korea are all certified with the ISO 45001:2018 (Occupational Health and Safety Management) standard, ensuring a unified and consistent approach to health and safety management.

Each year, QA regularly organizes ISO training and refresher courses at our manufacturing sites to ensure employees comply with established quality management standards, maintain consistent product quality and improve operational efficiency. Additionally, QA schedules regular training for internal ISO auditors and assigns auditors to the sites. These assignments and training sessions are key to a successful internal audit. Each ISO audit is supported by an efficient system that ensures the process is correct and makes findings and actions transparent to all stakeholders.

As in previous years, the QA team continued proactively working together with the business units to improve supplier quality levels and enhance operational efficiency.

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All SONGWON's manufacturing sites in Korea are certified to ISO 45001:2018 (Occupational Health and Safety Management), ensuring a unified, consistent approach to health and safety management.

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Through supplier audits, we ensure that SONGWON's quality standards are clearly understood and delivered at the levels set. Most importantly, we require suppliers to adhere to legal compliance and foster social responsibility in areas such as environmental stewardship, human rights and occupational safety. By building strong, collaborative relationships with our suppliers and actively supporting them, we ensure that our rigorous QA requirements are met.

At the core of QA at SONGWON is customer satisfaction and understanding customers' needs and expectations. The organization regularly engages with customers to gather feedback on products, deliveries and services. In 2025, a customer survey conducted by an external provider resulted in an overall performance score of 92%. The QA team carefully evaluated the feedback and implemented actions for continuous improvement.

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In 2025, a customer survey conducted by an external provider resulted in an overall performance score of 92%.

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In addition to surveys, SONGWON receives regular customer performance cards that assess delivery performance and other aspects of customer expectations, including documentation, services and product quality. The QA team systematically reviews these, identifies areas for improvement and initiates corrective actions where necessary. Reviewing these records over time helps SONGWON monitor trends and track progress in meeting customer expectations.

This year, the QA team was reorganized to respond more effectively and promptly to quality requests from each production site and for special tasks. By having a single point of contact, the organization is able to address issues directly and get timely responses. To support continuous professional development, the regular training program keeps QA team members up to date with the latest practices and enables them to enhance their knowledge and contribute more effectively to assuring quality at SONGWON.

For SONGWON, QA is not a static process but an evolving one. In today's challenging landscape, changes are occurring more rapidly and customers are expecting greater flexibility and higher quality product and service levels. Now, more than ever, the QA team's full support is essential to the success of the organization and their efforts to keep the quality of products and services at expected levels are crucial. ■

# REGULATORY AFFAIRS

## Our commitment to compliance

As a global leader operating across multiple regions, SONGWON must navigate a complex landscape of international and local laws, regulations and policies. Vital not only to SONGWON's business but also to that of our partners, customers and stakeholders, Regulatory Affairs (RA) manages the complexity of our regulatory environment and ensures that all SONGWON's activities and products remain fully compliant. As a key function, RA also underscores the organization's commitment to ethical responsibility, sustainability and adherence to the highest standards.

Compliance is deeply embedded in the core processes of SONGWON's product stewardship efforts. In line with this, our RA experts collaborate closely with other departments and are actively involved in all business processes and product lifecycle stages to ensure that the necessary regulatory requirements are met.

Throughout 2025, the RA team continued to actively address the growing global emphasis on product safety and registration. The team was expanded further to facilitate the completion of registrations within the applicable deadlines and in full compliance with regulatory requirements, while also providing more comprehensive support to the business units and their customers. Additionally, RA continued with efforts on data centralization to maximize efficiency and accelerate response times. Digitization enhancements enabled rapid, full-range responses to complex regulatory topics, as well as tailored appropriate replies to specific customer situations.

In response to the ever-increasing global compliance challenges, RA continued to focus on strengthening its expertise and expanding its knowledge. Team members were given enhanced access to external online resources to enable them to get training on specialist topics as and when required. The team also participated in numerous trade fairs and conferences throughout the year to share its expertise with downstream partners.

The high number and complexity of the data requests, as well as the wide diversity of topics RA received this year, reflect the increasing regulatory demands impacting our customers. Collaborating closely with SONGWON's regional representatives and internal technical experts, the RA team provided the appropriate guidance to enable customers to remain compliant with the specific regulations relevant to their areas of application.

### In 2025, the RA team:

- created approx. 150 new SDS and updated nearly 700.
- issued 20 RDS for new products and updated over 100.

We know that our customers rely on receiving complete and accurate product safety and regulatory information from SONGWON to ensure that they comply with national and global regulations and can achieve their business and sustainability (environmental, health and safety) goals. Therefore, SONGWON takes its responsibility as a supplier very seriously and our RA team provides customers with the comprehensive information they need. In 2025, RA created approximately 150 new Safety Data Sheets (SDS) and updated nearly 700. SONGWON also provides customers with a voluntary Regulatory Data Sheet

### Current and future RA challenges:

- Regional regulatory bodies (such as those in Europe and South Korea) continue in their efforts to identify and restrict hazardous substances.
- The number of countries adopting substance inventories or registration programs continues to increase, with also further focus on potential impurities.
- Shipped volumes in various countries and regions must be precisely tracked and reported to ensure compliance with registered tonnage bands is maintained.
- Regulatory authorities consider substance registration dossiers as living documents, where updates and modernization can be requested, particularly to address new topics of concern, changes to the regulations and technical advancements in testing techniques.
- The diversity of global registration programs means that most years now have a high-priority deadline, often with parallel demands for attention in the same time period.
- The growing extent of regulation now applicable to our industry and downstream users results in an ever-increasing number and complexity of compliance questionnaires from customers.

(RDS) for many of its products, for use as a summary of the regulatory status. In 2025, 20 RDS were issued for new products and over 100 updated.

During the year, regional regulatory bodies, such as those in Europe and South Korea, continued efforts to identify and restrict hazardous substances. Several other countries advanced their chemical regulation initiatives in 2025, adopting substance inventories and registration programs.

substantial effort in creating and delivering the data needed to enable downstream users of our products to remain compliant with the amendments to food contact<sup>2</sup> regulations.

The RA team also focused its efforts on upcoming regulatory requirements. It reviewed the complete product portfolio and as necessary, prepared for Ukraine-REACH, round 1 of Turkish KKDIK registration and the initiation stages of work on the Drinking Water

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## At SONGWON, we actively provide substance data to satisfy regulatory demands and ensure that our products are accurately classified and labeled to facilitate safe transportation and use.

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SONGWON collaborates in regulatory consortia, together with a diverse range of external partners, to ensure that data is generated efficiently. In addition, we collaborate in trade associations that aim to ensure that any regulatory action is both measured and appropriate to enable the global safe use of materials. In 2025, we further strengthened our association activities, particularly by taking a leading role in initiating a new global trade association for antioxidants and light stabilizers.

To remain at the forefront of industry best practices, the RA team maintains an extensive global network of external consultants. Engaging these dedicated specialists complements the expertise of our internal team and helps to maximize the scope of support we provide for our products.

Although 2025 was not a deadline year for registrations in Korea (K-REACH), the RA team continued its regulatory activities throughout 2025 and submitted approximately 100 dossiers, notifications and exemption declarations. In Europe, where the REACH registration system has been in place longer, the team completed 15 submissions (updates and new registrations).

Furthermore, there were also significant deadlines for new regulations in 2025. SONGWON's full product range was screened and the necessary documentation prepared for the EU microplastics<sup>1</sup> restriction, and food contact<sup>2</sup> regulations required extensive preparatory work, including screening SONGWON's full product range and preparing the necessary documentation where required. In addition, the RA team invested

Directive<sup>3</sup>. In parallel, the team performed a full preliminary review of the new Packaging and Packaging Waste Regulation<sup>4</sup> and created guidance for internal departments to support this complex, long-term project.

As regulatory requirements continue to evolve, the RA team will ensure the ongoing careful stewardship of SONGWON's portfolio. Leveraging the advanced tools they have developed and combining them with their proactive monitoring strategy, RA will navigate upcoming regulatory challenges by identifying and executing the necessary regulatory actions. Going forward, the RA team will also continue to provide guidance to the business units, ensure compliance across all regions and continue to meet stakeholder expectations. ■

1 Microplastics: EU REACH restriction on intentionally added microplastics (Commission Regulation (EU) 2023/2055)

2 Food contact: Updates to EU food contact materials legislation under (Commission Regulation (EU) 2025/351)

3 Regulation (EU) 2025/40 of the European Parliament and of the Council on packaging and packaging waste

4 Directive (EU) 2020/2184 on the quality of water intended for human consumption

# OUR PEOPLE

## A strong, committed team

SONGWON is driven by a committed team of 974 highly skilled and dedicated people. Each one plays a key role in our success and helps to foster close, long-term relationships with our stakeholders. Always placing the highest expectations on themselves, they work with shared purpose and give their best to the organization, our customers and the industry.

Representing 35 different nationalities, our global team mirrors SONGWON's global customer base. Leveraging their diverse backgrounds and perspectives, they play an invaluable role in helping us remain successful amid all the challenges of today's competitive business environment. Working across the business and borders, our people are united in their strong sense of responsibility and determination to contribute, not just to SONGWON's business success but to the success of our customers as well.

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## SONGWON's global team brings together 35 different nationalities.

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Our unique and collaborative company atmosphere is shaped by a positive mix of long-standing employees with years of experience and young, ambitious fresh talent. Whether new to the organization or with us for a long time, each employee is an essential part of our global team. In addition to diligently carrying out their daily tasks, our people always seek to improve and challenge both themselves and their colleagues to go the "extra mile". Their entrepreneurial mindset and strong team spirit, combined with SONGWON's global footprint and local expertise, have helped to grow the organization we are today and continue to strengthen our competitive position in the markets we serve.

In addition to providing a secure working environment and safeguarding the well-being of our people, management actively engages and maintains regular dialogue with employees and surveys have been conducted from time to time to offer additional perspectives. In this way, SONGWON's leadership gains insight into employees' views and also ensures transparent, consistent communication across the organization. Furthermore, business and department

leaders hold regular meetings with their teams and promote active employee participation in sharing views and suggestions. When broader exchange is needed, SONGWON's leadership arranges meetings at the various locations to share key organizational updates and gather valuable input that supports decision-making and continuous improvement. Encouraging information exchange across the organization and leveraging internal synergies has always been a priority at SONGWON and is actively supported by leadership.

As part of our commitment to maintaining a strong corporate culture, SONGWON organizes various workshops to strengthen, e.g. leadership skills, align with corporate values and address emerging human capital trends. For example, in 2025, a global workshop held in Europe brought together employees from key operational and support functions of all Group entities, including Controlling, Accounting, IT, Supply Chain, Marketing & Communications and Human Resources. Under the slogan "Inspire to Achieve – Strive for Success – Lead," the workshop covered topics like communication and feedback, leadership in practice, the effects of global demographic changes on today's labor market and evolving expectations across the workforce. Each session offered a mix of practical leadership training, broader insights and technical development to strengthen professional growth and alignment with SONGWON's Corporate Values. The Group CEO and Leader Group Commercial also took part to share their views.

Cultivating long-term customer relationships has always been important to us. Each year, SONGWON's teams work closely with our customers to understand their challenges and needs, offering targeted support where required. The insights gained from these interactions are shared internally across the relevant functions, providing us with an additional competitive advantage. This collective sense of responsibility toward colleagues and stakeholders demonstrates our commitment to truly living our Corporate Values every day.

At SONGWON, being a successful organization goes beyond performance and achievements. It means acting responsibly and ethically, complying with the law and responding to the growing expectations for social responsibility. From initial onboarding sessions to annual refresher courses, we ensure our people understand SONGWON's standards and expectations. Each global team member knows that they must abide by the laws, rules and regulations of the country in

which they work, follow SONGWON's company values and the ethical principles in our Code of Conduct, as well as adhere to essential guidelines and procedures in daily operations\*. To further reinforce our focus on social responsibility, we introduced the Community Engagement Policy in 2025, outlining how we engage with and support local communities.

Our Corporate Values, Code of Conduct and Whistleblower Policy underline SONGWON's commitment to equality, diversity, human rights and sustainability. We strive for an inclusive environment where all employees work together as one team, regardless of their background or beliefs. Employees are encouraged to feel proud of being part of a global organization with high integrity standards that protects its people, assets and reputation. We believe that a culture that embraces diversity, human rights and equal opportunities is an essential cornerstone that helps to strengthen relationships between managers and employees while building trust across the company.

### HR Highlights in 2025:

- Strengthened SONGWON's corporate culture, emphasizing collaboration and communication.
- Introduced a Community Engagement Policy to reinforce social responsibility commitment.
- Streamlined talent search and hiring processes to successfully fill key positions.
- Refined onboarding to ensure new employees have a smooth start.
- Developed leadership capabilities through targeted trainings and coaching.
- Promoted employee development via tailored learning and exchange, where suitable.
- Offered job enrichment opportunities and promotion when relevant.
- Focused on succession and development planning for key positions to ensure continuity and organizational resilience.
- Organized initiatives to strengthen team spirit and Corporate Value awareness.
- Supported various community engagement programs and initiatives.

We are proud of the talented team of people SONGWON has and recognize their importance for our ongoing positive development. Empowering them to realize their maximum potential has always been our aim. To support this, we provide employees with the chance to continuously learn, share knowledge with each other and apply their experience to make valuable contributions to the company. HR helps to organize trainings on topics such as health and safety, discrimination and sexual harassment, ethics and cyber security, etc. Furthermore, when managers and employees identify development goals during yearly performance reviews, HR supports them in finding suitable education and skill-building opportunities.

Alongside this, our people have access to SONGWON's e-learning platform and can access HR's educational content from wherever they are at any time. The information is downloadable so that it can be read offline and employees can also take assessment tests and obtain certifications. Throughout the year, SONGWON's business units offered knowledge-building sessions and webinars to keep all employees, particularly newcomers, up to date on our latest products and market information.

Through comprehensive on-the-job training, our people gain hands-on experience, an opportunity to advance their skills and the chance to acquire the knowledge they need to perform their best. SONGWON's employee exchange program was developed to enable employees to work alongside another SONGWON team in a different country and culture. This allows employees to familiarize themselves with different approaches, build stronger connections with other global team members and return to their local workplace with extra knowledge and experience. Over the years, this approach to strengthening the communication between locations and promoting the sharing of best practices has proven valuable to SONGWON on many levels. Most importantly, it helps us to establish a global mindset and build on our diversified culture.

SONGWON's HR philosophy is built on recognizing the essential role each employee plays within the organization and the value they bring to every aspect of our global operations. Working hand-in-hand with management, HR fosters entrepreneurial thinking and encourages a culture of collaboration. We know that creating an environment in which employees can take pride in their work and contribute to achieving SONGWON's strategic targets is core to maintaining our leading position in the industry.

\* In 2025, there were no incidents of misconduct, including any breaches of the Code of Conduct and no significant fines—monetary or non-monetary—for non-compliance with applicable laws and regulations.

We strive to ensure that employees remain engaged, motivated by measurable results and feel valued. Tasks are always aligned with the organization's strategic goals and we base our assessment of employees' performance on a clear set of leadership expectations, targets and measures.

To ensure structured and transparent assessment across the organization, SONGWON uses a performance management system (PMS) that clearly links individual contributions to company objectives. Through this system, employees gain insight into their strengths, areas for improvement and how they can continue to improve their capabilities. A key component of the PMS is the individual development plan, designed to support ongoing personal and professional growth. By promoting constructive, accurate and motivating feedback, the PMS supports meaningful dialogue between employees and managers and contributes to mutual success.

In addition to investing in and developing the skilled employees we already have within SONGWON, we continue to hire new talent. We always seek the best person for the job and provide a working environment where they can excel and are encouraged to grow by being assigned meaningful tasks aligned with their roles. Adhering to local apprenticeship regulations, we also support the growth of local talent and strengthen the workforce by creating skill development opportunities and maintaining close cooperative relationships with local universities and technical colleges. This approach, combined with our trainee programs, strengthens SONGWON's position as an attractive employer and also helps to address the global shortage of skilled workers.

For HR, finding the "best" person for the job at hand means more than attracting people with the right qualifications and experience. It involves finding people who align with SONGWON's Corporate Values, bring diversity to the team and add to our multicultural work environment. As a leading global organization, operating in such a dynamic, international landscape requires open-minded, collaborative thinkers who are versatile and can adapt to changes as well as effectively manage challenges.

At SONGWON, we recognize the value that local managers bring through their deep understanding of the culture of both employees and customers and we leverage this localized expertise to strengthen our global operations. While HR's priority is always to select the best candidate for each position, whenever

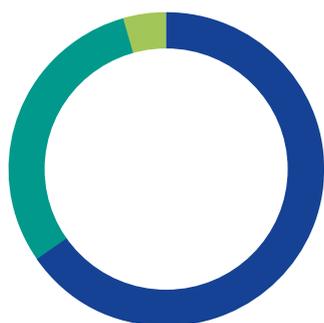
### At SONGWON, we:

- provide** an environment for sharing & collaborating.
- support** creativity & entrepreneurial team spirit.
- enable** people to thrive & take responsibility.
- value** diversity & unique perspectives.
- encourage** further development & learning.
- acknowledge** dedication & achievements.
- empower** performance.

possible, we always aim to hire from within SONGWON first. For mid- to lower-level positions, our priority is internal recruitment and we follow a similar approach when considering candidates for senior management positions.

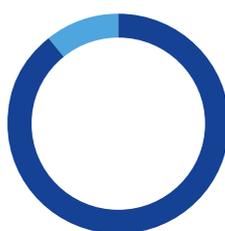
For example, in 2025, the former CFO stepped down after 18 years of dedicated service. After a comprehensive succession planning process, the Board of Directors appointed a new CFO, selecting an internal candidate who has over 10 years of experience with the organization and extensive financial expertise. The leadership structure was also strengthened through the appointment of a new Business Unit Leader and Sub-Business Unit Leader, both long-term SONGWON employees with substantial industry experience.

Throughout 2025, our regional and global HR teams played an essential role again in helping to secure business continuity for the organization, effectively supporting employees and enabling them to continue making positive contributions to the organization's success. Looking ahead, HR will continue rethinking and adapting its principles to position SONGWON as a preferred employer in the industry and ensure that the company is well-equipped for future growth. ■



**974**

Employees



**634**

Asia

Women (75)  
Men (559)



**289**

EMEA

Women (34)  
Men (255)



**51**

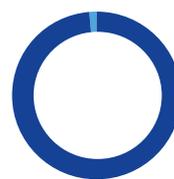
Americas

Women (12)  
Men (39)

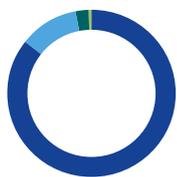
In 2025, 19 employees took parental leave and 9 employees returned to work.



Women (121)  
Men (853)



Permanent (961)  
Temporary (13)



Men, salaried (831)  
Women, salaried (116)  
Men, hourly (22)  
Women, hourly (5)



Men, full-time (843)  
Men, part-time (3)  
Men, temporary (7)  
Women, full-time (105)  
Women, part-time (10)  
Women, temporary (6)

### BOD & Executive Committee



30-50 years old (0)  
over 50 years old (4)



Executive Committee

Men (4)  
Women (0)

BOD

Men (4)  
Women (0)

### Employees by gender

	Left	Hired
Total	53	96
Men	46	72
Women	8	24

### Employees by age

	Left	Hired
Total	53	96
> 50 years	21	22
From 30 to 50 years	23	45
< 30 years	10	29

# SONGWON'S GLOBAL TEAM



American

British  
Irish

Dutch

German

Polish

Belgian

Swiss

Austrian

French

Italian

Venezuelan

Spanish

Colombian

Nigerian

# 35

different nationalities work at SONGWON

Belarusian

Hungarian

Chinese

Romanian

South Korean

Japanese

Jordanian

Egyptian

Arab

Pakistani

Taiwanese

Nepalese

Ugandan

Indian

Thai

Filipino

Sri Lankan

Malaysian

Singaporean

Indonesian



TECHNOLOG  
INNOVATION  
CENTER

# 03



# Sustainability Report

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# SUSTAINABILITY STATEMENT

More than just an environmental responsibility, sustainability is fundamental to how SONGWON operates and conducts its business. It shapes the way we think and act across every aspect of our organization — from our pursuit of operational efficiency and innovative product development to our commitment to employee engagement and our dedication to ethical leadership and partnerships. Embracing the principles of corporate responsibility, we have remained committed to transparently reporting on our actions and their impacts on an annual basis since our first report in 2008.

Transparency is essential to building and maintaining the trust of our stakeholders and ensuring accountability across our business. In 2025, SONGWON achieved its 6<sup>th</sup> EcoVadis Gold rating, with a score of 84 out of 100, placing the company among the top 5% of organizations assessed globally. This sustained performance across Environment, Labor & Human Rights, Ethics and Sustainable Procurement reflects the continued dedication of our global teams, whose unwavering efforts each day drive progress in sustainability throughout our operations.

In line with our ongoing commitment, SONGWON reports on its global operations. In 2025, we continued to align our efforts with 15 United Nations Sustainable Development Goals (SDGs), maintaining our focus on the areas we have prioritized over the past few years. During 2025, we advanced our comprehensive carbon reduction roadmap, designed to meet the Korean government's Nationally Determined Contribution, which targets an 11.4% reduction in chemical industry emissions by 2030. This roadmap continues to serve as the foundation for SONGWON's long-term ambition to achieve Net-Zero emissions by 2050.

In 2025, with our addition of 15 new sustainability KPIs, SONGWON is taking further steps to address critical environmental, social and governance challenges. These expanded indicators will be essential in advancing key initiatives, including water stress management and sustainable product development, while supporting data-driven strategies to achieve long-term sustainability improvements.

In 2025, SONGWON strengthened its sustainability strategy by refining ESG quantitative and qualitative targets, ensuring measurable progress across environmental, social and governance areas. As part of these efforts, we updated the layout of our Life Cycle Assessment (LCA) reporting, improving how product carbon footprint data is presented and analyzed. By setting clear objectives and integrating enhanced measurement tools, we can track progress, drive meaningful change and ensure our long-term sustainability goals remain ambitious and achievable, reinforcing SONGWON's role as a responsible and forward-thinking industry leader.

As sustainability and circularity continue to shape industry priorities, customers are increasingly seeking resource-efficient solutions that combine high performance with environmental responsibility. In response, we have added 2 products to SONGWON's portfolio specifically designed to enhance the quality and consistency of mechanically recycled materials without compromising efficiency.

Whether in environmental initiatives such as carbon reduction, social priorities like employee well-being, or governance enhancements, SONGWON's ESG framework makes it possible for us to set clear expectations, monitor our impact and continuously adapt to emerging challenges. As a leader in the industry for 60 years, we have consistently demonstrated agility and resilience and navigated challenging periods while steadfastly adhering to our sustainability values. We recognize that there will always be more to do, but our robust roadmap continues to position us to explore new and innovative ways to enhance sustainability across our operations, drive meaningful change and demonstrate our commitment to shaping a more sustainable future for generations to come and for the planet. ■



Thomas Schmutz

Leader Global Technology,  
Regulatory Affairs & Sustainability

# ECOVADIS GOLD



**In 2025, SONGWON received its 6<sup>th</sup> Gold medal from EcoVadis in recognition of our ongoing commitment to consistently high sustainability performance.**

Achieving EcoVadis Gold status 6 times is a testament to our strong commitment to sustainability and corporate responsibility, as well as the significant progress SONGWON has continued to make over the years. Unlike many other certifications that apply only to specific sites, the rating reflects the sustainability efforts of the entire SONGWON Group and highlights our collective commitment to sustainability across our global operations.

Our gold medal score of 84/100 ranks SONGWON in the top 5% of companies assessed globally and highlights consistently strong sustainability performance. Additionally, achieving 84/100 points places the organization in the 98<sup>th</sup> percentile worldwide and showcases our advancements in ethics and sustainable procurement.

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**Improved in 2025**  
**Sustainable procurement:**  
**from 80 to 84 points.**  
**Ethics: from 70 to 76 points.**

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While our Platinum rating last year was a milestone for us, EcoVadis' more stringent assessment criteria in 2025 have raised the bar for all organizations and SONGWON fully supports this evolution. These higher benchmarks serve to motivate each of us to keep pushing forward and we are incredibly proud to be leading the way on sustainable business practices within our sector. Our Gold rating this year shows that we are not only maintaining but actively strengthening our sustainability practices, but it also highlights the dedication of SONGWON's global team, who play a vital role in advancing our sustainability goals and whose daily efforts drive our progress.

Unlike many other certifications that apply only to specific sites, the rating reflects the sustainability efforts of the entire SONGWON Group and highlights our collective commitment to sustainability across our global operations.

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**Scoring 84/100 points, we are proud to be ranked in the top 5% of the companies assessed worldwide.**

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EcoVadis is a leading global reference platform for evaluating how organizations integrate sustainability principles into their business practices and management systems. Trusted by over 150,000 organizations across 185 countries and 250 industries, it is widely used by major multinational corporations to monitor and assess the corporate social responsibility (CSR) performance of their business partners.

Its comprehensive assessment framework covers four key areas: environmental protection, labor and human rights, business ethics and sustainable procurement. Based on internationally recognized standards, including the 10 Principles of the UN Global Compact, ILO conventions, GRI standards and ISO 26000, these sustainability ratings provide businesses with evidence-based performance insights and a clear, actionable roadmap for continuous improvement. ■

For more information on EcoVadis, please see: [www.ecovadis.com](http://www.ecovadis.com)

# SUSTAINABILITY ACHIEVEMENTS 2025



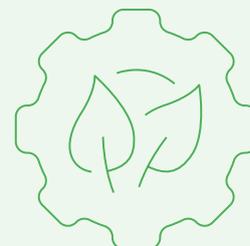
**15**

new KPIs  
bringing the

total to 104 KPIs in 2025

UN Sustainability  
Development  
Goals

**15**

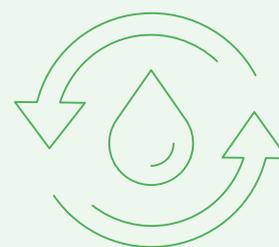


## EcoVadis Gold

SONGWON is in the top 5% of  
companies evaluated worldwide.

Sourced  
**53%**

of the Panoli plant's total  
energy consumption  
from **renewable energy**.



Progressed with long-term goal  
of achieving  
**Net-Zero emissions**  
by 2050

# 2025 HIGHLIGHTS

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- Awarded 6<sup>th</sup> EcoVadis Gold, placing SONGWON in the top 5% of companies evaluated worldwide.
- Established a detailed strategy plan by 2030 according to SONGWON's Net-Zero Roadmap.
- Promoted sustainable sourcing and maintained membership in the Responsible Mineral Initiative (RMI).
- Used PE bags containing 50% recycled plastic as packaging materials.
- Collected and reused tote bags (liquid PVC stabilizer packaging).
- Maximized use of steam produced by the agro-waste-fired steam boiler.
- Recycled waste by extracting raw materials from process sludge generated in the product manufacturing process.
- Recycled water through Zero Liquid Discharge and recovered 75% of steam condensate in Panoli (total water savings: 13.466KL).
- Executed CO<sub>2</sub> emissions management in relation to our global supply chain.
- Provided training and guidance to supply chain partners upon request, to support CO<sub>2</sub> emissions reduction and ESG management, conducted quarterly joint safety patrols to improve plant environment & safety.
- Introduced a Green Sales approach to reduce hazardous substances, increase bio-based materials use, improve raw material recovery and enhance energy and waste efficiency.
- Engaged in community donation activities, Panoli plant.
- Adopted official method for Life Cycle Assessments (LCAs) as IPCC2021 GWP100.
- Upgraded the LCA-report template to include more comprehensive LCA-related information.
- Added more ESG KPIs to ESG Roadmap to ensure comprehensive ESG reporting.
- Established a Community Engagement Policy with specific community contribution activity goals.
- Derived Improvement activities for GHG emissions and energy efficiency, e.g. waste oil emission reporting method improvement (Tier 1 to 3)
- Prepared further power and fuel efficiency improvements, e.g. zero emission steam purchasing & renewable energy purchasing.
- Planted over 283 trees near SONGWON's Panoli plant in India to support GHG absorption.
- Sourced 53% of the Panoli plant's total energy consumption from renewable energy.
- Improved EHS system to enhance SONGWON's safety and health management, e.g. accident alert system etc.

# ABOUT OUR SUSTAINABILITY REPORT

From its foundation in 1965, SONGWON has navigated a constantly changing business landscape, embraced new opportunities and overcome challenges. As our global business grows, our sustainability priorities also evolve, driving our efforts to meet the expectations of our stakeholders and allowing us to create long-term value that will benefit future generations.

Sustainability is deeply embedded in SONGWON's approach to economic, environmental and social responsibilities across the value chain. The 2025 Sustainability Report provides stakeholders with a clear and comprehensive overview of the company's key activities and achievements, while demonstrating its unwavering commitment to sustainability objectives and transparency. The report outlines environmental, social and governance (ESG) objectives, progress and performance across global operations for the fiscal year 2025 (ending December 31<sup>st</sup>, 2025), unless otherwise indicated. Its content has been developed taking into account stakeholders' feedback and recommendations regarding the previous year's reported topics and their importance.

This year's report, published on March 15<sup>th</sup>, 2025, is designed to fulfill the information requirements of SONGWON's stakeholders, comply with relevant regulations and align with criteria defined by sustainability rating and benchmarking organizations. It focuses on the concepts and key performance indicators (KPIs) that reflect SONGWON's material sustainability issues. The report has been prepared in accordance with GRI (Global Reporting Initiative) Standards 2021 for the period from January 1<sup>st</sup>, 2025, to December 31<sup>st</sup>, 2025, in alignment with the Group's financial reporting.

## Additional disclosures in 2025

Annually, SONGWON reviews and updates its sustainability Key Performance Indicators (KPIs) to meet the evolving environmental, social and governance (ESG) standards. In anticipation of the future adoption of the IFRS sustainability standards by the Korea Sustainability Standards Board (KSSB), we have aligned our KPIs to meet the stringent criteria outlined by the Korea Institute of Corporate Governance and Sustainability (KCGS) and the more demanding requirements set by EcoVadis.

This year, we added 15 new ESG KPIs, bringing the total to 104. In addition, the multi-year roadmap established in 2024 continues to guide the introduction of further

sustainability disclosures. Our roadmap also enables us to effectively monitor and improve SONGWON's sustainability performance and ensure alignment with stakeholder expectations and applicable regulatory timelines.

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In 2025, SONGWON expanded its ESG KPI's from 89 to 104.

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SONGWON's ESG KPIs continue to address 15 UN Sustainable Development Goals (SDGs), consistent with the previous year. Among these, water stress management remains a priority, highlighting the company's sustained commitment to global water resource challenges. Through responsible water management at its operational sites, SONGWON contributes meaningfully to international water sustainability efforts, supporting our goal of achieving SDG 17: Partnerships for the Goals.

## External assurance

Transparent and verified reporting is a key priority at SONGWON. As part of our commitment, the selected KPIs for 2025 have been externally assured by the British Standards Institution (BSI). This limited assurance engagement was carried out in accordance with the auditing principles outlined in the International Standard on Assurance Engagements (ISAE) 3000. Through this process, we ensure that SONGWON's reporting meets the highest standards of accuracy and credibility. (For further details, see the BSI Independent Assurance Opinion Statement on pg. 140).

## Enhanced reporting

In anticipation of the forthcoming disclosure requirements as per the IFRS Sustainability standards, SONGWON has launched a project aimed at enhancing

its environmental, social and governance (ESG) reporting. These IFRS standards for sustainability are expected to be adopted by the Korea Sustainability Standards Board (KSSB) and are likely to become mandatory for SONGWON in a few years. Additionally, we diligently consider the evaluation criteria outlined by the Korea Institute of Corporate Governance and Sustainability (KCGS) in accordance with Korean law, as well as the higher standards required by EcoVadis to achieve each rating level. We view our project as a valuable opportunity to further SONGWON's progress and strengthen our position as a socially responsible organization.

## Sustainability Strategy

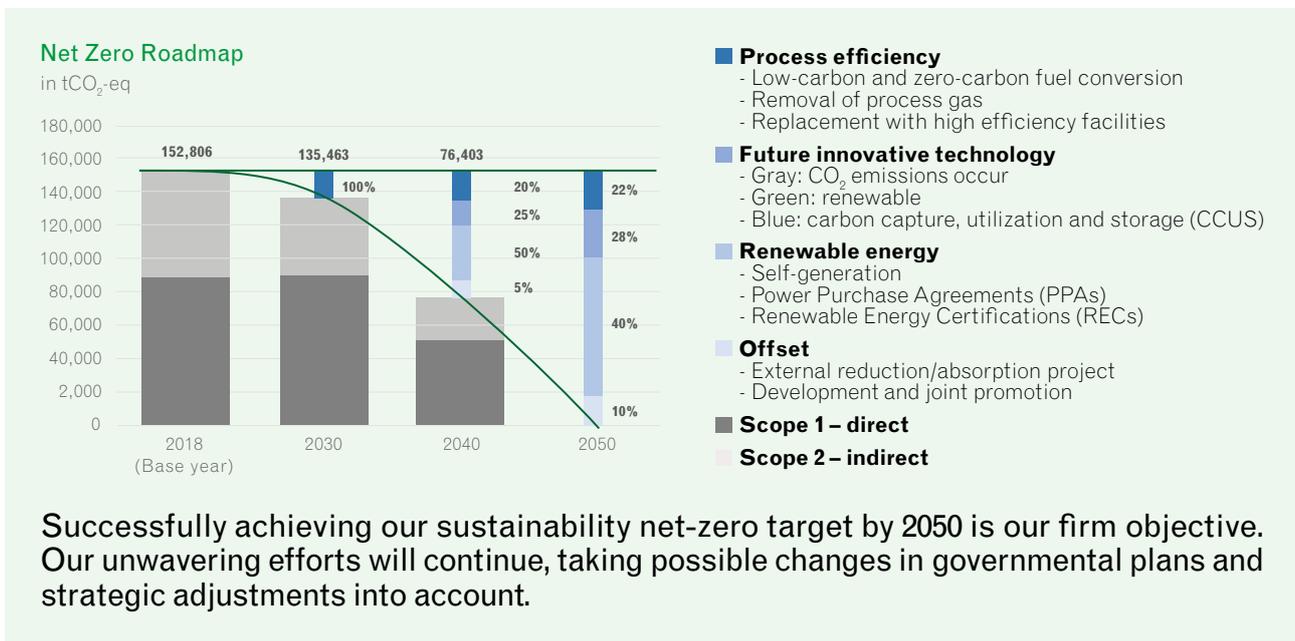
Sustainability is a strategic driver at SONGWON. We understand that to maintain and strengthen our leadership position in our core businesses, operating with a sustainable business model is essential. Accordingly, our strategic objective is to create added value by optimizing operational efficiency, fostering innovation and embracing responsible business practices that meet the evolving demands and sustainability standards of our markets and stakeholders.

This influences the company's strategic direction and requires significant investments, particularly in financial and human resources. Sustainability is a group-wide challenge involving SONGWON's entire global team in all our entities and playing an active role in shaping

the company's culture. Our approach is comprehensive and we carefully consider all aspects of sustainability: environmental, social and economic. Our sustainability priorities are determined through our materiality assessment process and focus on the most significant topics.

SONGWON's sustainability efforts continue to be guided by the UN SDGs and aligned with internationally recognized sustainability principles that further the global sustainability agenda. Our commitment to SONGWON's Code of Conduct and stakeholder expectations is reflected in our corporate strategy, policies and integrated management system, highlighting our dedication to sustainability while uncovering new business opportunities. As external sustainability regulations continue to evolve each year, we have proactively strengthened our ESG initiatives to ensure SONGWON remains well ahead of global disclosure requirements. The establishment of IFRS sustainability disclosure standards in 2023, along with their forthcoming adoption by the Korea Sustainability Standards Board (KSSB), has had a significant influence on our approach.

To prepare for evolving regulatory requirements, we continued to refine SONGWON's structured ESG reporting roadmap to transition from GRI to IFRS Sustainability Standards. In 2025, the Net-Zero Roadmap toward 2030 was reviewed and updated, reflecting more reliable evidence on business growth and identifying key measures to reduce greenhouse gas (GHG) emissions.



Successfully achieving our sustainability net-zero target by 2050 is our firm objective. Our unwavering efforts will continue, taking possible changes in governmental plans and strategic adjustments into account.

These measures include enhancing GHG emission reporting methods and exploring low-carbon energy sources. Looking ahead, the roadmap will incorporate Korea's new Nationally Determined Contribution (NDC) target for 2035 next year and the long-term roadmap to 2050 will be more specified.

Sustainability remains central to our approach, with initiatives proactively developed to strengthen governance and reporting. To manage major goals, a regular ESG reporting system was introduced in 2025 within the sustainability governance structure. Furthermore, improving energy efficiency, reducing emissions and transitioning to renewable energy sources remain central pillars of SONGWON's long-term sustainability strategy. As we monitor, manage and report on a broad range of ESG factors, we prioritize resources toward addressing material sustainability risks and opportunities. Understanding our key priorities allows us to optimize our time, investments and efforts to achieve maximum impact.

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## In 2025, SONGWON launched a Community Engagement Policy, integrating community engagement activities into the company's social sustainability goals.

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Across SONGWON's global operations, we continue to embed sustainability principles into every aspect of our business. In 2025, we launched a Community Engagement Policy in coordination with the HR team, integrating community engagement activities into the company's social sustainability goals. Many ESG policies covering Environment, Labor & Human Rights, Safety & Health and Sustainable Procurement were already fully embedded last year and the newly established Community Engagement Policy represents a further step in our commitment to stakeholders, setting clear goals and targets for community engagement. These initiatives reinforce our dedication to creating positive social impact and advancing responsible business practices across SONGWON's operations.

## Material topics

An annual materiality assessment is conducted at SONGWON to ensure we focus on issues that have the greatest potential to impact our business and those that matter most to our stakeholders—customers, employees, investors and communities.

In order to identify material topics, we reference the previous year's GRI report and follow the principles outlined in the Global Reporting Initiative GRI 3 standard. We assess both actual and potential impacts through engagement with internal and external stakeholders, as well as experts who have an in-depth understanding of SONGWON's operational context. This method helps us prioritize the issues most crucial for our reporting. At SONGWON, we assess the relevance of each sustainability element by considering its impact on our business and its broader economic, environmental and social impacts, including factors such as human rights and business relationships. The results from this process directly guide our strategic focus. The outcomes from this assessment directly shape our strategic priorities.

The determination of material topics is an ongoing process to ensure the achievement of long-term relevance and value. The topics covered in this report were selected for their potential impact on SONGWON's stakeholders and our ability to generate long-lasting value. The primary responsibility for selecting these topics lies with the Sustainability Management Team, as defined in our Sustainability Governance Structure (see Governance pg. 120). This team consistently engages with customers, partners, the supply chain and shareholders to acquire relevant feedback. The feedback gathered from last year's report not only validates our direction but also highlights areas that require deeper exploration, such as customer experience and supply chain-related issues.

In addition, we actively monitor emerging factors at SONGWON that may impact future material topics, such as climate change, evolving environmental regulations, shifts in consumer and investor expectations and changes in social responsibility and regulatory frameworks. This proactive, ongoing approach enables us to remain responsive to emerging trends and allows us to adjust SONGWON's materiality assessments to address both current and future sustainability needs.

At the end of 2023, as part of SONGWON's structured sustainability governance framework, the Executive Committee (EC) actively contributed by identifying

key ESG material issues and grading their respective positive and negative impacts. This time, to proactively prepare to meet upcoming ISSB\* disclosure requirements, the concept of double materiality was applied, focusing on both the impact of ESG factors on SONGWON and the company's impact on these ESG factors.

The Sustainability team subsequently reviewed the methodology used in 2023 and reassessed whether SONGWON's circumstances or the external environment had changed significantly enough to require us to reidentify or regrade the material ESG issues. After careful consideration, the team concluded that no such changes were necessary and this finding was shared with the Executive Committee (EC) for further review. The EC then re-examined and approved

the existing material topics to ensure they continued to align with SONGWON's sustainability strategy and goals. The finalized results were subsequently acknowledged by the Board of Directors (BoD).

For more information on SONGWON's Material Topics, see pg. 126.

At SONGWON, our operational goals and performance metrics are aligned with the core principles of our sustainability strategy. We regularly assess our progress and transparently communicate the results through our Sustainability Report. This approach ensures that we focus on the most relevant topics, addressing the priorities of both our organization and our stakeholders. ■

## Goals

## Measures

CO <sub>2</sub> -Emissions*: reduction of 11.4% by 2030 (Base year: 2018)	Implementation of Net-zero roadmap by 2050 Verification by Korean Government Independent Limited Assurance by BSI (British Standards Institution) 3 <sup>rd</sup> party verification by KSA (Korean Standard Association)
Energy consumption: Energy-efficiency, renewables	Energy consumption (Direct, Indirect) is monitored monthly basis. Energy-efficiency: On-site operational optimization measures, Replace the facilities as high-efficiency model Renewables: Solar power, agro-waste (implemented locally) Independent Limited Assurance by BSI (British Standards Institution)
Product carbon footprint	Measures product carbon footprint with LCA (Life Cycle assessment) Official characteristic method : IPCC 2021 GWP100 Providing official LCA report to related stakeholders for sustainable value chain Hold LCA report for major products that occupied over top 80% of sales within product portfolio
Health and Safety	Management of accident rates: Total Case Accident Rate of 0.37 No./hour in 2025 Independent Limited Assurance by BSI (British Standards Institution)
Customer satisfaction	Sustainability Service Center (Customer Service, Sales, Technical Service etc)
Innovation	Product innovations and developments for Sustainable products such as Low carbon product, Eco-friendly product
Circular economy	Developed design for mechanical recycling of raw materials The packaging recycled for PVC stabilizers
Waste reduction	Implement operational optimization to reduce waste Use of 50% Recycled PE Bag for packaging Recovery of raw materials from occurred waste Water recycling by operating a ZLD (Zero Liquid Discharge) system
Governance Structure	Sustainability Governance Structure in place

\* To meet the Korean government's NDC (Nationally Determined Contribution), the CO<sub>2</sub> emissions (Scope 1 and Scope 2) shall be reduced by 11.4% from the 2018 absolute value by 2030 at the Korean manufacturing sites.

# ENVIRONMENT, SOCIAL AND GOVERNANCE

At SONGWON, we take a comprehensive and proactive approach to ESG. With the aim of generating lasting value and delivering consistent returns, we have implemented a sustainable business model that addresses the long-term objectives of environmental, social and governance (ESG) principles.



## Value Creation

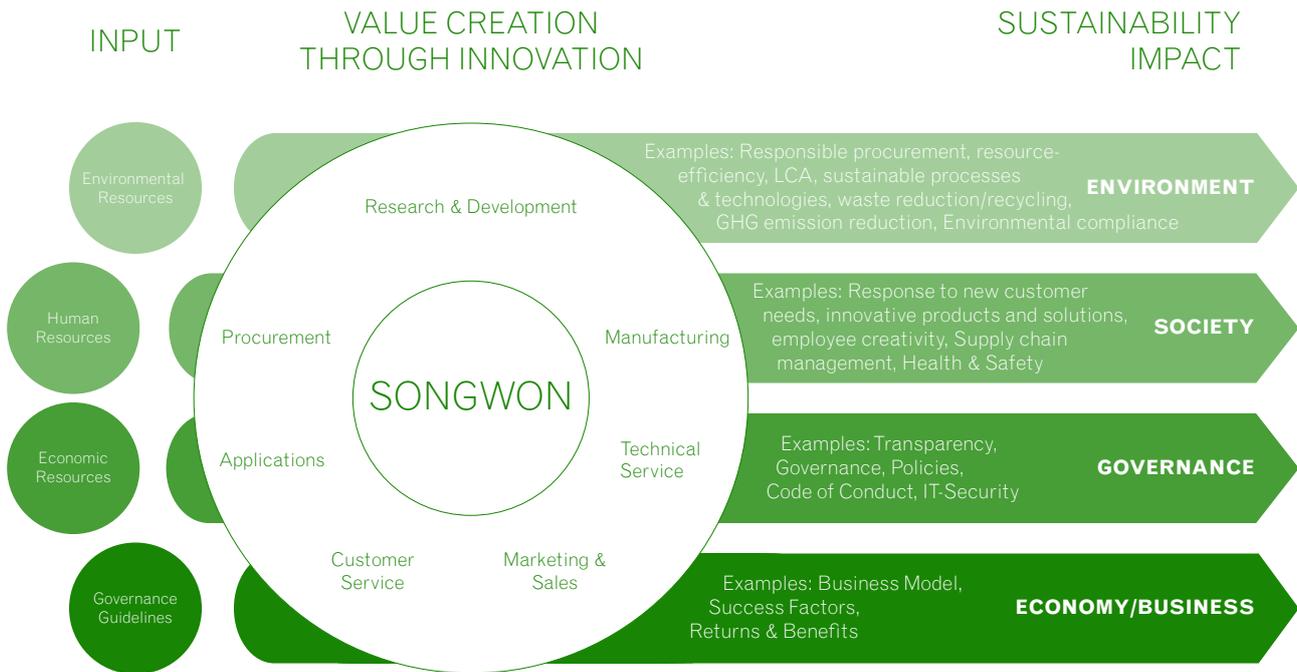
SONGWON's business model creates value through innovation, operational excellence and responsible business practices and supports long-term performance and sustainable development.

SONGWON creates stakeholder value by integrating ESG principles into its business model.

# ANCE (ESG) APPROACH

## Value Creation through Innovation

**SONGWON's business model** combines an ongoing commitment to sustainability, social and ecological responsibility, with innovation-driven value creation.



We carefully evaluate the ESG impacts of all SONGWON's business activities to ensure they are aligned with sustainable development and the UN's Sustainable Development Goals.

## Products

**SONGWON** is a global leader in the development, manufacture and supply of specialty chemicals and one of the largest manufacturers of polymer stabilizers in the world. Always keeping sustainability at the forefront of everything we do, we work closely with customers and other industry experts to develop and deliver customized, application-specific chemical products for a variety of sectors and industries.

### Sustainable product development

At SONGWON, our commitment to product safety, quality and innovation goes hand in hand with a proactive approach to sustainability. As companies across industries increase their investment in eco-friendly technologies to reduce carbon footprints, we are intensifying our efforts to develop products that actively support these goals. By applying life cycle thinking, we guide our portfolio toward greater sustainability and consider the environmental impacts at every stage, from responsible sourcing and transportation to manufacturing, customer use and end-of-life management. In accordance with GRI

standards, we recognize the importance of monitoring and reporting on our products' environmental impact, making it a central part of SONGWON's sustainability strategy.

At our Technology Innovation Center in South Korea, sustainability drives every stage of product development. Committed to expanding SONGWON's portfolio, our experienced team of experts seeks to optimize resource efficiency and minimize our environmental impact through innovative solutions. With a strong, collaborative approach and forward-thinking strategies, we contribute to a cleaner economy,

align with our customers' sustainability objectives and advance shared progress toward a greener, more sustainable future.

Over its six decades in the industry, SONGWON has built a diverse and comprehensive portfolio of performance-enhancing products that improve the durability of end materials and facilitate the recycling of plastics. Our additives also help products maintain their original properties and support the concept of giving plastics a 2<sup>nd</sup> life. By actively assisting customers to choose products that meet their sustainability requirements, SONGWON plays a meaningful role in advancing the circular economy.

### In 2025, 8 products within SONGWON's portfolio have been identified as Green Sales Products.

As part of this commitment to sustainable product development, SONGWON introduced its own definition of Green Sales Products in 2025 and conducted a corresponding analysis across its portfolio. Green Sales Products are categorized based on criteria that include the presence of hazardous chemical substances, bio-based content, raw material recovery, as well as energy and waste reduction rates. Through this assessment, 8 products within SONGWON's portfolio have been identified as Green Sales Products that emphasize eco-friendliness and future sustainability. Going forward,

SONGWON will continue to expand its development of eco-friendly products to support a sustainable future and further advance the circular economy.

### Technical Service (TS)

SONGWON has 9 support centers strategically located around the globe that offer customers the highest level of expert technical support. In our industry today, it is not enough just to produce sustainable products. Customers expect much more from us. In keeping with this, SONGWON's TS team leverages its expertise to help customers implement sustainable solutions and provides ongoing support to ensure high performance is consistently maintained. Throughout the year, TS continued to focus its efforts on the key market issues of recycling, sustainability and regulation.

#### SONGWON's Technical Service Team:

- proactively monitors and addresses customer requests.
- provides LCAs for SONGWON's core products.
- designs and further develops solutions for mechanical recycling.
- promotes learning in the area of mechanical recycling.
- supports product innovations, e.g., incl. bio-based content.
- contributes to extending SONGWON's portfolio of sustainable products & solutions.
- monitors initiatives related to plastic waste as a renewable resource to promote the circular economy.

**SONGNOX® 1076**  
(Primary antioxidant)

**SONGNOX® DSTDP**  
(Second antioxidant)

**SONGNOX® 2908**  
(UV absorber)

**SONGNOX™ CZ-SC909**  
(PVC stabilizer for cables)

**SONGNOX® DLTDP**  
(Second antioxidant)

**SONGNOX™ CZ-SM20**  
(PVC stabilizer for film)

**SONGNOX® DMTDP**  
(Second antioxidant)

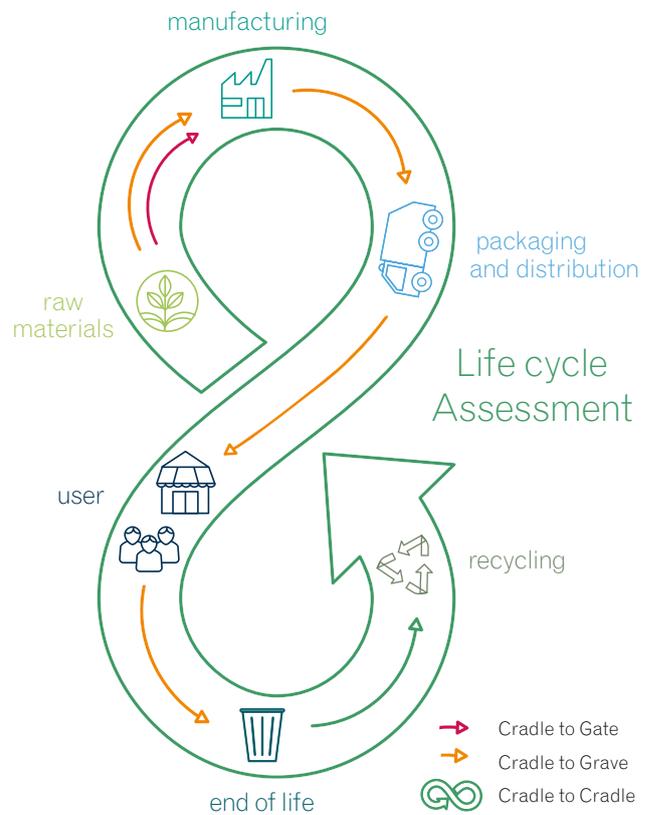
**SONGNOX™ CZ-SP180**  
(PVC stabilizer for pipes)

## Life Cycle Assessments (LCAs)

Leveraging our global position as a specialty chemicals provider, we tailor our solutions to address the diverse needs of our customers and maintain rigorous standards for quality and performance. At the same time, we also recognize the potential impact of our products and processes on customers, end-users and the environment.

Fully recognizing our responsibility to the circular economy, SONGWON conducts Life Cycle Assessments (LCA) to assess the sustainability performance of our core products across their entire life cycle, from the development phase to end-of-use, in accordance with ISO 14040 and ISO 14044 standards.

In 2025, we introduced a new LCA method to calculate product carbon footprint (PCF). With the new method, named IPCC2021 GWP100, emission data can be analyzed based on carbon sources such as fossil, biogenic and CO<sub>2</sub> uptakes. This allows us to better understand how our product's carbon footprint affects climate change. Going forward, the IPCC2021 GWP100<sup>1</sup> method is SONGWON's new official standard for conducting LCA. Using the SimaPro<sup>2</sup> program and the Ecoinvent<sup>3</sup> database, we conduct LCAs on a Cradle-to-Gate system boundary, which are updated every 3 years in line with the TfS (Together for Sustainability) guideline.



SONGWON considers the full lifecycle of plastics during product development.

### Key LCA activities at SONGWON

- Global warming potential is quantified per product and optimization opportunities are identified.
- Opportunities to use low-impact raw materials and extend end-product durability are explored.
- Possibilities for using renewable energy in production and operations are evaluated.
- Supply chain sustainability improvements are guided by LCA insights and customer requirements are fulfilled.

<sup>1</sup> IPCC2021 GWP100: A scientifically recognized method from the Intergovernmental Panel on Climate Change (IPCC), an organization under the United Nations, to calculate greenhouse gas emissions over 100 years, used to measure the climate impact of products.

<sup>2</sup> SimaPro: Professional software developed by PRé Sustainability, The Netherlands, to assess the environmental impact of products.

<sup>3</sup> Ecoinvent: A database of environmental data maintained by the Ecoinvent Association, Switzerland and used in life cycle assessments to calculate sustainability performance.

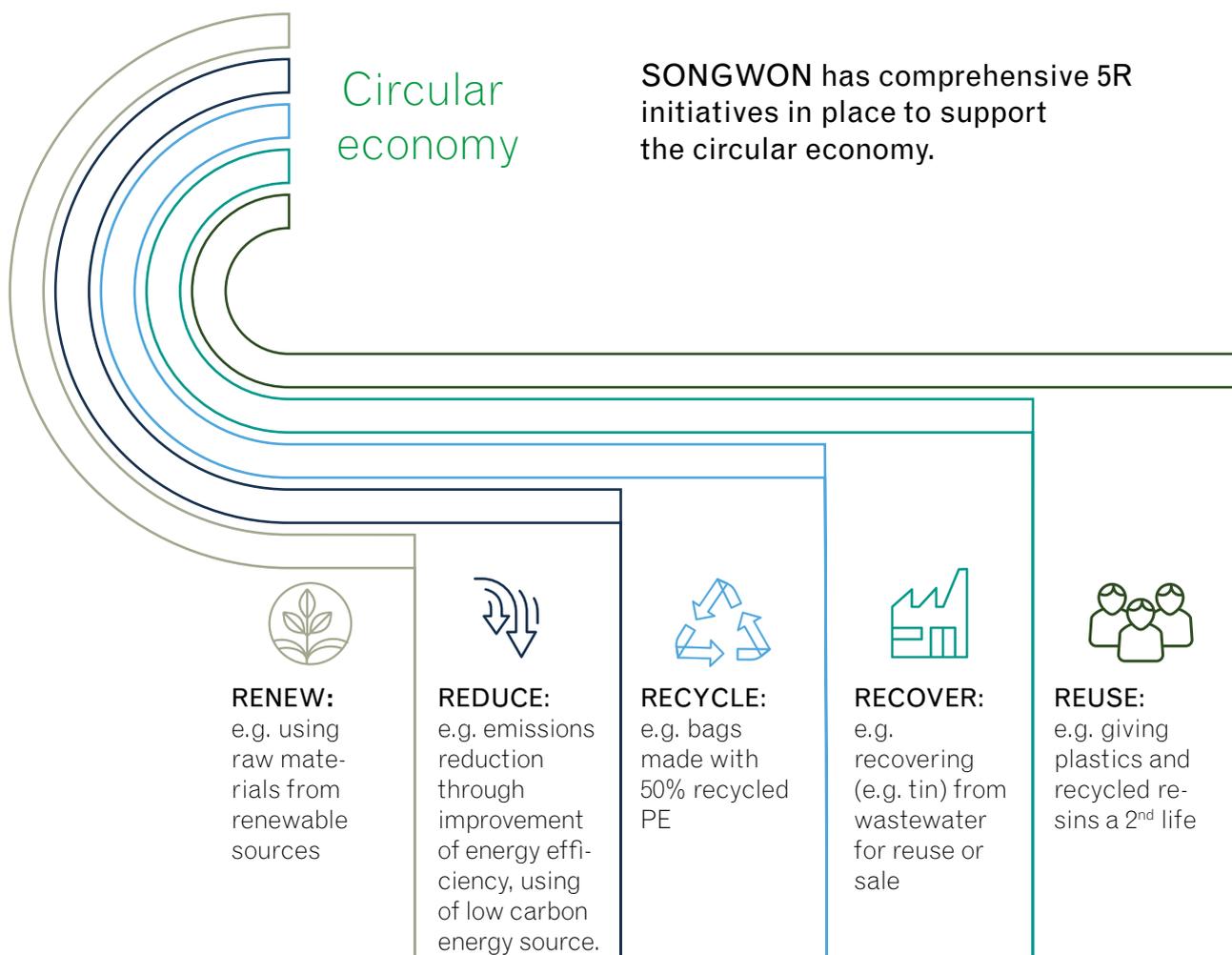
<sup>4</sup> Cradle-to-Gate: The assessment includes a product's journey from raw material extraction to the factory, but does not cover its use or disposal or distribution.

## Circularity

For us, the circular economy means optimizing resource use throughout the entire value chain, as we handle a substantial volume of materials in our production processes each year. Through ongoing learning, our deep commitment to continuous improvement and strategic investments, we aim to enhance our operational efficiency and increase the utilization of energy and the raw materials we purchase, while reducing emissions and minimizing waste at the same time.

Recognizing its responsibility to both the environment and society, SONGWON has introduced comprehensive 5R initiatives to support and continually strengthen the circular economy. In our global organization, employees are not only encouraged but also empowered to go beyond minimum standards in their efforts to safeguard the environment.

Today, the plastics industry is actively seeking solutions that meet the ever-evolving demands for sustainability. In response, SONGWON is focusing its innovation efforts on improving the sustainability of plastics. By applying our expertise in additives and specialty chemistry, we are supporting customers to transform and reuse materials, creating new solutions that contribute to closing the loops.



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SONGWON is a member of PCEP (Polyolefin Circular Economy Platform), a European joint industry initiative, founded by two plastics industry associations (EuPC and PlasticsEurope) to advance the circular economy.

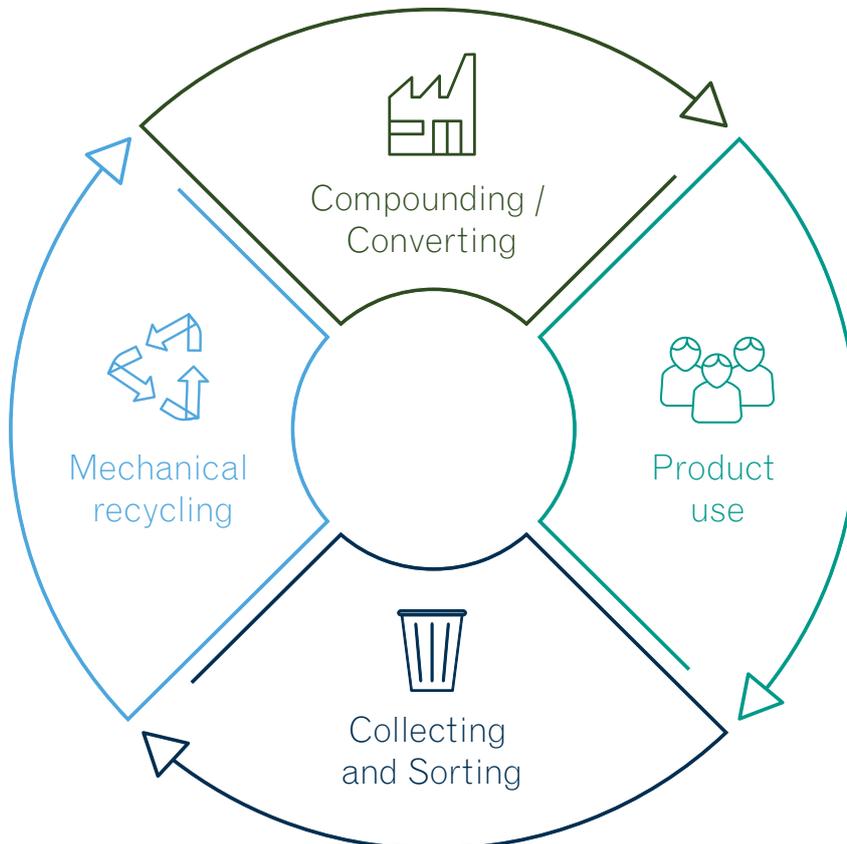
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### SONGWON's Approach to Circularity

When plastics are not adequately stabilized with additives, their mechanical properties and durability are substantially reduced over time. To prevent this, we have developed a "design-for-circularity" approach that enhances both the quality and durability of polyolefins. SONGWON's approach helps to reduce material waste and support a more sustainable circular economy by making it possible for products to be reused or recycled more effectively and without significantly losing their original properties.

### SONGWON's contribution to mechanical recycling

As sustainability and circularity continue to shape industry priorities, customers are seeking resource-efficient solutions that deliver high performance while meeting environmental expectations. In line with this, SONGWON is responding with an experimental product, XP2121, specifically developed for lower-quality recycled polypropylene and SONGNOX® PQ, designed to improve the processing of recycled LDPE/LLDPE films. These are just 2 examples from SONGWON's portfolio that enhance the quality and consistency of mechanically recycled materials without compromising efficiency.



## UN Sustainable Development Goals (SDGs)

SONGWON is strongly committed to the Sustainable Development Goals (SDGs) and Agenda 2030. By providing sustainable solutions that drive innovation across various industries, the chemical sector can play a vital role in advancing sustainability. Our industry's ability to deliver impactful solutions aligns with numerous SDGs, reinforcing its significance in global sustainability efforts. ■

As a member of the UN Global Compact (UNGC), SONGWON is working towards achieving 17 Sustainable Development Goals (SDGs) to fulfill its corporate social responsibility.




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In 2025, SONGWON continued to target 15 SDGs.

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# ENVIRONMENT

We have always recognized that minimizing the environmental impact of our business activities is a moral responsibility and a key driver of our future success as a leading organization. In addition, we acknowledge that our operations and supply chains, including SONGWON's products and services, have an impact on the natural environment in various ways. As expectations for environmental responsibility continue to increase throughout the value chain, we remain committed to upholding SONGWON's unwavering commitment to environmental stewardship.

Our goal is to safeguard the environment by responsibly managing natural resources, including renewables and raw materials, through sustainable procurement and production practices. This involves not only reducing energy and water consumption but also minimizing emissions, waste and effluents. To support SONGWON's emissions reduction goals, we have implemented an operational management system to improve energy efficiency, increase recycling rates and reduce waste and wastewater. Through proactive coordination and strategic planning enabled by this

system, we continue to make meaningful progress toward a more sustainable and climate-resilient future.

Since 2008, we have transparently reported SONGWON's sustainability performance, with a focus on specific countries and key indicators. As part of our evolving strategy and ongoing drive for improvement, we ensure that our reporting measures and scope both align with our goals and reflect our broader commitments.

<p>Scope of environmental data was extended</p>	<p>The reporting scope includes all manufacturing sites in SONGWON entities.</p> <p>Since 2023, all 8 manufacturing sites are included.</p> <hr/> <p>Since 2023, environmental data collection was extended to all manufacturing sites of SONGWON entities.</p> <p>(Since 2024, the reported environmental data of the Baifu plant considers a share ratio of 30%.)</p>
<p>Independent Limited Assurance</p>	<p>In accordance with ISAE 3000, BSI has conducted the external review (limited assurance) of 104 KPIs.</p> <hr/> <p>The assurance statement is provided on pg. 140.</p>
<p>Restatement</p>	<p>On an annual basis, at the end of June, the Korean Government verifies and corrects SONGWON's disclosed emissions data (Korea) in the Annual Report. The adjustments relate to the previous year's data. The (minor) adjustments according to the Korean government are included in the tables. A footnote details the modification.</p> <hr/> <p>The corresponding tables are marked.</p>

## Energy

Committed to sustainable energy consumption, we have made it a top priority to evaluate the environmental, social and economic impacts of our energy use. In keeping with this, we have implemented effective measures to reduce energy consumption, enhance efficiency and transition to renewable sources whenever possible. Moreover, by prioritizing process optimization and energy efficiency, we continually strive to mitigate the environmental impacts related to the energy SONGWON consumes.

In 2025, we achieved a significant reduction in overall energy consumption in our manufacturing facilities by optimizing processes and enhancing our use of energy. At our Maeam plant in Korea, power consumption was reduced through improvements in wastewater treatment and at our plant in India, modifications to the evaporation system lowered both power and steam use. Together, these initiatives are contributing to our efforts to combat climate change and improve energy efficiency, strengthen our energy management strategy and demonstrate our commitment to building a more sustainable future with our stakeholders.

### In 2025, SONGWON:

- We achieved the 2025 target of total energy consumption.  
Target: 2,938,768 GJ / Actual: 2,793,468 GJ
- We reduced 8.1% of total energy consumption compared to 2024.

## Emissions

SONGWON continuously strives to explore various significant carbon reduction strategies to achieve its 2030 goal and incorporate these into the Net-Zero Roadmap established last year. In line with this, SONGWON aims to reduce emissions by 11.4% by 2030, aligning with the chemical industry sector's target of 11.4% reduction from 2018 levels. To achieve this, we plan to implement further efficiency measures, including investing in and upgrading our facilities, as well as procuring eco-friendly steam and renewable energy. Furthermore, enhancing the waste oil emission reporting method from Tier 1 to Tier 3 is expected to improve the accuracy of reported quantities and reduce emissions from incineration.

In 2025, as part of our ongoing efforts to reduce emissions, SONGWON continued to implement measures at its South Korean plants in Ulsan, Maeam and Suwon to lower GHG emissions. A key contributor to these reductions remains the continuous middle-pressure steam supply at the Maeam Plant, which has a zero GHG emission factor and helps reduce the LNG boiler load.

In addition, power efficiency at the Ulsan Plant was improved through the cooling water pump upgrade. SONGWON also identified an additional opportunity to support emission reductions by applying the Tier 3 waste oil emission reporting method, improving the accuracy of reported quantities and reducing emissions from incineration.

### Greenhouse Gas Protocol (GHG Protocol) corporate standard – Scope 1 and Scope 2 :

- **Scope 1** – emissions are direct GHG emissions that occur from sources that are owned or controlled by SONGWON, including emissions from the combustion of fuels for electricity, incineration, heat, or steam and emissions from physical or chemical processing.
- **Scope 2** – emissions are indirect GHG emissions from the generation of purchased electricity and steam consumed by SONGWON.

SONGWON's Net-Zero Roadmap defines the key measures planned for the coming years, including carbon capture, utilization and storage (CCUS), the transition to green fuels such as Ulsan City's future Blue Hydrogen Grid and the adoption of renewable energy by 2050. As these initiatives progress, more detailed plans will be incorporated to ensure continued progress toward our Net-Zero target.

In accordance with internationally recognized standards, SONGWON has consistently tracked and reported emissions data on an annual basis since 2008. Our CO<sub>2</sub> equivalent (CO<sub>2</sub>e) disclosures encompass both direct emissions (Scope 1) and indirect emissions (Scope 2), covering all 8 of SONGWON's global manufacturing facilities. In 2025, total emissions amounted to 140,683 tCO<sub>2</sub>e.

### In 2025, SONGWON:

- Achieved the 2025 target of total GHG emissions in Korea<sup>1</sup> Target: 149,322 tCO<sub>2</sub>-eq / Actual: 123,052 tCO<sub>2</sub>-eq
- Reduced 16.1% of total GHG emissions in Korea compared to 2024.

## Raw Materials

**Our strong commitment to transitioning to renewable resources lies at the heart of our product portfolio strategy. At SONGWON, we continually seek to strengthen the sourcing of renewable raw materials by integrating them into our operations. This year, we further reinforced this approach by establishing the Sustainable Procurement Policy and Environmental Policy to formally embed renewable raw material sourcing into our corporate framework.**

In addition, our goals continue to focus on the monitoring of eco-friendly raw materials and services procurement, as well as maximizing resource recycling to support the sustainable use of limited renewable resources. These measures align with SONGWON's broader strategy for environmental sustainability.

Although the majority of SONGWON's raw materials still come from non-renewable sources, we are

making steady progress each year to improve the sustainability of our operations. In 2025, we used 10,331 MT of renewable raw materials. At the same time, we continue to monitor evolving regulations, including the EU Deforestation Regulation (EUDR), whose implementation has been postponed<sup>2</sup> to the end of 2026, to ensure ongoing compliance and alignment with responsible sourcing practices.

### In 2025, SONGWON:

- Used 10,331 MT of renewable raw materials.
- Total 26,864 MKRW of green purchasing amount (renewable raw materials, recycled PE bags).

<sup>1</sup> Korean plants: Ulsan, Maeam & Suwon

<sup>2</sup> In December 2025, the EU Council adopted a revision to the EUDR, delaying its application for most operators until 30 December 2026.

## Water

Water is a key resource for SONGWON's manufacturing processes. Integrated into our Environmental Policy, our water management strategy focuses on maximizing water efficiency across operations and minimizing pollutants entering water sources. At each of SONGWON's plants, we are executing targeted, site-specific action plans to reduce consumption, improve the quality of discharged water and implement pollutant-preventative measures aimed at conserving this highly valuable resource.

To ensure efficiency and sustainability across our operations, our water management team closely monitors water-related issues each year in real time. In 2025, SONGWON achieved a 11.6% reduction in water withdrawals, demonstrating that our dedicated efforts are yielding results in improving our use of water.

SONGWON operates water treatment facilities at all its manufacturing sites and makes continuous process improvements at these facilities to enhance the quality of water used. These efforts ensure that effluent from our wastewater treatment plants is properly managed to meet standards more stringent than those applied by central sewage treatment plants and demonstrate our commitment to protecting water resources.

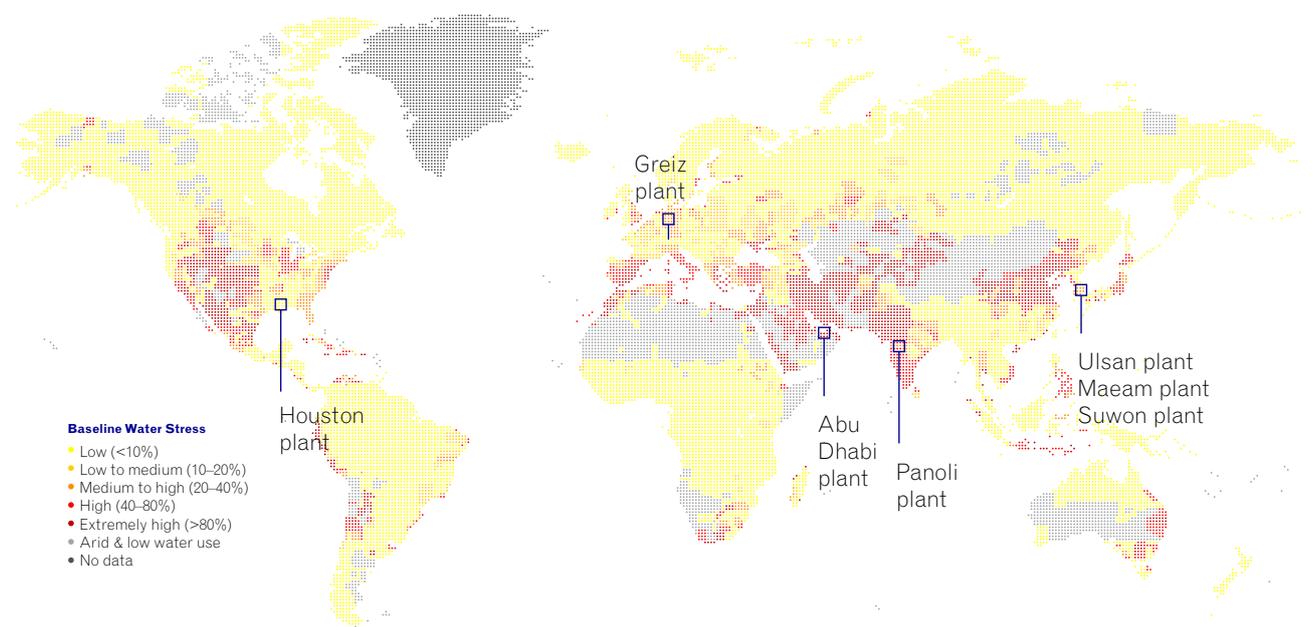
As part of SONGWON's global water risk management, all manufacturing sites are assessed using the Aqueduct Water Risk Atlas.

SONGWON's Panoli plant in India, identified as high risk through this water stress mapping, proactively supports water resource recycling. To minimize water risk, the site reduces overall water consumption by operating a Zero-Liquid Discharge system that re-treats wastewater from the production process and reuses it within operations.

The Abu Dhabi plant was also identified as being in an extremely high-water stress area. However, water use at this site is limited to office purposes and is not used to support production processes, so the overall consumption is minimal. Based on this, we consider the water-related risk at the facility to be low and no immediate action is required.

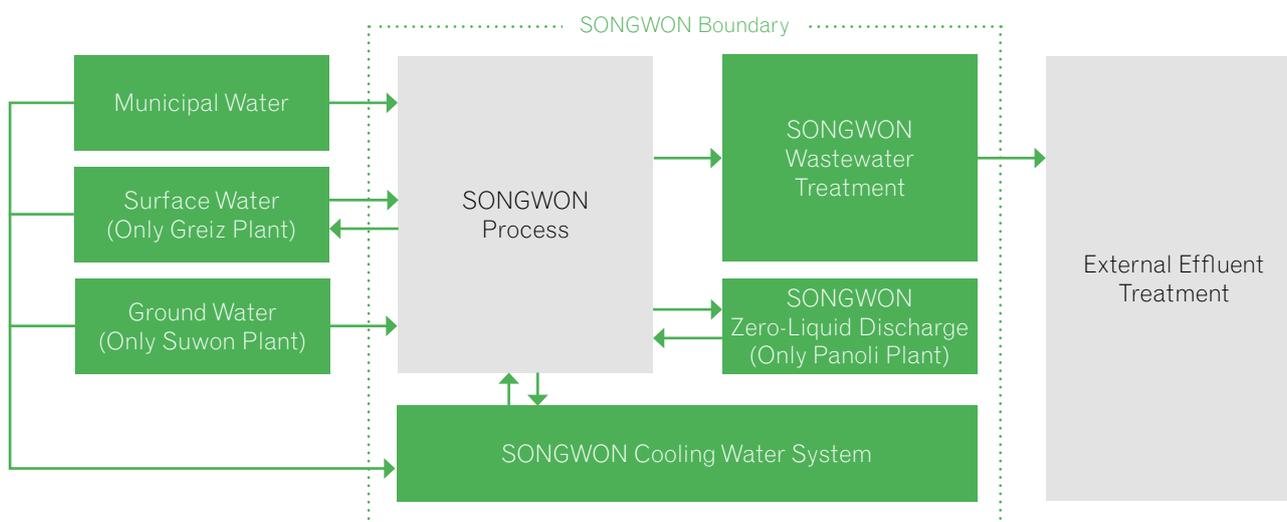
Our 3 manufacturing sites in Korea further contribute to water conservation by regenerating steam through used steam condensation, achieving a reduction in overall water consumption and improving operational efficiency.

### SONGWON Water Stress mapping



Criteria	Low	Low to Medium	Medium to High	High	Extremely High	Arid & low water use	No data	Total
Withdrawal			72%	14%	14%			100%
Consumption			72%	14%	14%			100%
Remark			Ulsan, Maeam, Suwon, Panoli, Greiz, Houston	Panoli	Abu Dhabi			

### Waste Water Treatment Flow of SONGWON



#### In 2025, SONGWON:

- Achieved the 2025 target of total Water withdrawal and Water discharge:
  - Water withdrawal: Target 1,253,160 ton / Actual 1,113,632 ton
  - Water discharge: Target 693,533 ton / Actual 615,984 ton
- Reduced 11.6% of total Water withdrawal and 9.3% of total Water discharge compared to 2024.

### Waste

Although byproducts are an unavoidable part of manufacturing, at SONGWON, we strive to reuse them whenever possible to minimize waste generation and lower associated carbon emissions. This approach is part of our broader commitment to sustainability and is reinforced through the implementation of 5R measures, which contribute to building a circular economy.

Waste is classified into hazardous and non-hazardous categories at SONGWON and we manage the amount of waste according to each treatment method. By adhering to our strict waste management guidelines and Environmental Policy, we ensure that the organization remains compliant with laws and regulations, including Korea's Waste Management Act. In addition, we continuously monitor waste disposal across multiple

categories to manage treatment methods effectively and maintain full regulatory compliance.

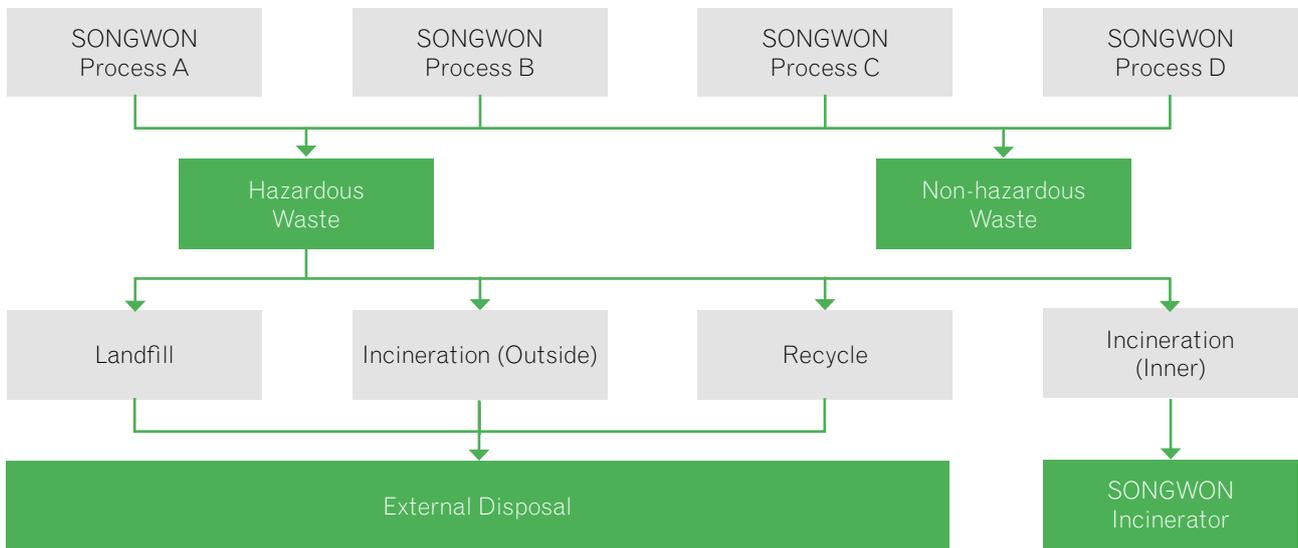
In cases when recycling is not feasible, we manage unavoidable waste responsibly, treating and disposing of it in full compliance with all regulations. In line with this, we continue to implement 5R measures at SONGWON to support circularity.

At our Maeam plant in Korea, various measures were implemented to reduce waste disposal. For example, a reduction of wastewater sludge by improving wastewater treatment, changing the method of disposal for compact process dust waste from landfill to recycling. These initiatives are a testament to our promise to stakeholders to reduce our waste disposal through tangible innovation.

### In 2025, SONGWON:

- We achieved the 2025 target of total Hazardous/ Non-hazardous waste. Hazardous waste: Target 30,164 ton / Actual 29,102 ton; Non-hazardous waste: Target 5,449 ton / Actual 4,212 ton
- Total Hazardous waste: reduced 10.7% compared to 2024.

### Waste Treatment Flow of SONGWON



### Pollutants

We have set air and water pollutant reduction targets for SONGWON that exceed legal requirements and these objectives have been integrated into our Environmental Policy.

Again, throughout 2025, we have taken significant steps to actively monitor and reduce air and water pollutants across SONGWON's global manufacturing facilities. The organization monitors the following identified air and water pollutants:

- Air:** NO<sub>x</sub>, SO<sub>x</sub>, TSP, PM, Odor, VOCs, Noise, etc.
- Water:** TOC (Total Organic Carbon), BOD (Biochemical Oxygen Demand), SS (Suspended Solids), etc.

SONGWON is pursuing the following strategies to reduce air and water pollutants:

- Enhancing air quality management by installing advanced pollution control equipment, transitioning to eco-friendly fuels and minimizing noise with silencers.
- Strengthening water pollution control efforts by upgrading treatment systems and expanding wastewater recycling programs.

### In 2025, SONGWON:

- Achieved the 2025 target of total NO<sub>x</sub> emissions  
NO<sub>x</sub> emissions: Target 38,622 kg / Actual 35,071 kg
- Reduced 4.2% of total NO<sub>x</sub> emissions compared to 2024.

Furthermore, as part of our ongoing efforts to minimize the environmental impact of SONGWON's production facilities and achieve cleaner operations, we continue to install new technologies and implement process improvements.

## Significant spills

We have proactive measures in place at SONGWON to prevent significant spills, including comprehensive chemical management processes such as the CCTV monitoring of chemical storage areas, real-time leak detection systems and the installation of leak prevention facilities.

Since 2008, SONGWON has not recorded spills of any kind (oil, fuel, waste, or chemical) that were required to be reported.

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As in the previous year, SONGWON also recorded no spills in 2025.

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## Biodiversity

At SONGWON, we acknowledge that our business operations present both opportunities and risks for biodiversity, which extend beyond our global production to the raw materials we use and how our products are used by customers. Part of our commitment to preserving biodiversity is prioritizing it in the management of our sites. Quantitative targets for biodiversity-related KPIs are periodically reviewed and managed at the management level (ECM and BoD) at SONGWON, to ensure that they are embedded into SONGWON's Environmental Policy and part of our sustainability strategy.

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To the best of our knowledge, SONGWON's activities, products and services had no significant impact on biodiversity in 2025.

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SONGWON does not own, lease, or manage any property within or near protected areas or regions of high biodiversity.

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In 2025, risk assessments were completed for 100% of SONGWON products, with 33.4% classified under GHS label categories 1 and 2 for health and environmental hazards based on sales revenue.

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## Safety & Environmental Stewardship of Chemicals

At SONGWON, safeguarding the environment and ensuring the safe use of the chemicals we manufacture is a fundamental responsibility. Guided by SONGWON's Environmental Policy and supported by our comprehensive chemical management process, we diligently monitor and manage the environmental and safety impacts of chemicals we produce. To support this, we work in industry associations to develop comprehensive health, safety and environmental information on our product range. In addition, we actively engage with regulatory initiatives through advanced methodologies such as industry risk management (iRMOA), socio-economic analysis (SEA) and occupational exposure limits (OEL) and also conduct hazard and risk assessments.

In 2025, risk assessments were completed for 100% of SONGWON products, with 33.4% classified under GHS label categories 1 and 2 for health and environmental hazards based on sales revenue. Beyond assessment, we actively pursue 'product pruning' — replacing products of concern with safer alternatives, such as our transition away from SONGSORB® 3270 and SONGSORB® CS 327 UV-absorber.

In line with this dedication to responsible chemical handling, we comply with the chemical substance regulations of each country or region (e.g., K-REACH, EU-REACH, Chemical Substances Management Act) and actively engage in industry dialogues to support the implementation of relevant legislation. To further enhance our environmental management, SONGWON's Environmental Policy outlines specific measures for improving chemical safety.

In order to promote safe handling and compliance, we provide regular chemical trainings for our employees, including specialized programs for hazardous chemical managers, handlers and workers. In addition, we provide ongoing support to the users of our products, such as customers, by supplying Safety Data Sheets (SDS) and Regulatory Data Sheets (RDS). All of these documents contain essential information on chemical regulations and the appropriate Personal Protective Equipment (PPE) for each product.

## Sustainable sourcing

**SONGWON's procurement strategy incorporates key criteria such as health, quality, safety, social responsibility and environmental protection. Our procurement organization is focused on ensuring the long-term reliability of our supply chain, supporting product production and securing competitive advantages for SONGWON's business operations. Sustainability is at the center of all our procurement practices and we proactively seek suppliers who align with our commitment to environmental and social responsibility.**

SONGWON's sustainable sourcing approach is embedded in our ESG and Sustainable Procurement Policies. It focuses on respecting human rights, complying with all relevant laws and regulations, minimizing social and economic impacts and protecting the environment. In this way, we not only strengthen SONGWON's supply chain resilience but also improve our ability to meet our corporate responsibility commitments. In addition, we have dedicated significant resources to strengthening our human rights compliance systems as well as to fostering a safe and healthy organizational culture for both our employees and those supporting our supply chains.

SONGWON not only selects suppliers based on economic indicators but also based on sustainability performance (e.g., shorter transport distances for lower emissions), competitiveness, or geographic area (e.g., close proximity to plants, reduced delivery time, same time zones, quick responses).

Our evaluation of suppliers is based on sustainability performance, including factors like labor laws, EH&S, human rights and business ethics. We also make full compliance with our Ethical Code of Conduct and ESG assessments and training a mandatory requirement. This year, the Procurement team conducted a supply chain ESG assessment on approximately 169 suppliers across key product groups, including Main AOs, Lubricants and TPP.

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By 2025, a supply chain ESG assessment was conducted on approximately 169 suppliers across key product groups.

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In addition, we avoid any products potentially linked to child labor in our value chain and source raw materials in compliance with regulations such as conflict minerals and the Uyghur Forced Labor Prevention Act (UFLPA). In collaboration with the Product Management & EHS team, the Procurement team has explored RSPO-certified palm oil-based raw materials (e.g., stearyl alcohol) and set up an option to source them responsibly to meet future customer requirements for RSPO products. We also continuously monitor the EU Deforestation Regulation (EUDR), which is due to take effect at the end of 2026. To support stakeholders in making informed decisions, SONGWON provides reliable sustainability information verified by 3<sup>rd</sup> parties.

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SONGWON continues to embed sustainable sourcing strategies into its Sustainable Procurement Policy.

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At SONGWON, we are actively managing CO<sub>2</sub> emissions within our supply chain and supporting suppliers to reduce emissions by incorporating their performance into the evaluations. Our future goal is to meet customer demands by accounting for Scope 3 emissions and contributing to carbon reduction initiatives. By setting environmentally friendly corporate objectives and fostering a circular economy, we enable customers to participate in eco-friendliness by purchasing SONGWON products.

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As part of its ongoing commitment to responsible mineral sourcing, SONGWON is a member of the Responsible Minerals Initiative (RMI).

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## Exclusion of Conflict Minerals

Ensuring that all SONGWON products are free from conflict minerals underscores our commitment to ethical and responsible sourcing. Tin, the primary raw material used in tin stabilizers, is among the minerals classified as conflict minerals (3TG). To address the risks associated with these materials, SONGWON only sources Tin from verified conflict-free smelters, with traceability and compliance verified through the Conflict Minerals Reporting Template (CMRT), the

standard format of the Responsible Minerals Initiative (RMI), of which we are an active member.

To reinforce responsible sourcing across our supply chain, we require all suppliers to sign SONGWON's Ethical Code of Conduct and confirm compliance through regular audits. The Code includes key sustainability principles, including the prohibition of conflict minerals.

## Product use

**SONGWON's approach to product sustainability is rooted in reducing the environmental impact of our products throughout their entire life cycle, from production to disposal. To achieve this, we conduct Life Cycle Assessments (LCA) of our products to evaluate their environmental impacts from production to disposal. These assessments provide us with valuable insights, helping us identify opportunities to reduce our footprint during the product's use phase.**

Transitioning to renewable resources is a key aspect of SONGWON's product strategy. In line with this, a quantitative target has been set for sourcing renewable raw materials as part of our broader goal to adopt circular economy principles — principles focused on reducing resource consumption and increasing the use of renewable materials, which are integral to our Environmental Policy.

continuously monitoring changes related to the sustainability of products, ensuring SONGWON stays aligned with evolving regulations and customer needs. By working closely with customers and experts, we focus on meeting global product safety regulations and customer-required quality specifications to minimize the safety and quality impacts on customers when they use our products.

Compliance with global regulatory frameworks such as K-REACH, EU-REACH, etc. is crucial for ensuring the safety and sustainability of our products. These regulations ensure that we provide safe products to our customers while minimizing any adverse environmental and health impacts during product use. All SONGWON's departments, including the Sustainability, Procurement, Regulatory and Supply Chain teams, strive to comply with regulations by

In line with our ongoing sustainability efforts, SONGWON has completed LCAs on the top 80% of our products, based on their sales volume, enabling us to better understand and minimize their environmental impact throughout their life cycle. LCA assessments are instrumental in guiding our future actions to improve product sustainability and reduce negative environmental effects.

### In 2025, the LCA layout was updated with the following improvements:

- Changed characterization method to industry standard
  - IPCC 2021 GWP100 v1.00
- Mentioned system boundary
- Disclosed standards used:
  - ISO 14040/14044, TFS Guidelines\_v3.0
- Specified geographical validity area
- Ecoinvent version / Scope 3 data source\*
- PDS (Primary Data Share %)
- DQR (Data Quality Rating)

\* used when no primary data is available

## Product end-of-life

At SONGWON, we are committed to sustainability throughout the entire product life cycle, from development to end-of-life. By applying circular economy principles, we focus on recycling, reusing and ensuring proper disposal methods to minimize environmental impact. Implementing the 5R measures—Reduce, Reuse, Recycle, Recover and Redesign—allows us to extend material life, reduce waste and uphold environmental responsibility beyond primary use.

## Green Sales

SONGWON is committed to promoting environmentally friendly products that support both the planet and human health. Our Green Sales approach focuses on reducing hazardous substances, increasing the use of bio-based materials, improving raw material recovery and enhancing energy and waste efficiency. By tracking and disclosing the status of our Green Sales products, we demonstrate transparency and accountability to our stakeholders.

This approach aligns with our environmental objectives as outlined in SONGWON's [Environmental Policy](#) and supports our broader ESG strategy. Green Sales is a key focus for stakeholders concerned with global environmental standards and customer health and safety. Looking ahead, SONGWON will continue expanding its portfolio of eco-friendly products to meet stakeholder expectations and strengthen our commitment to sustainability.

## Genetically modified organisms (GMOs)

At SONGWON, we strive to ensure customer safety and environmental sustainability. For this reason, we exclusively source renewable raw materials that are non-GMO, we do not engage in the production of GMO-related products and we also make sure that our supply chain is GMO-free. By adhering to our fundamental principle of GMO-free raw material sourcing, we effectively mitigate potential risks associated with GMOs in our product development and in this way, we manage the environmental impact of SONGWON's products and contribute to advancing sustainability.

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## SONGWON does not produce products related to GMOs

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## Environmental Management & Compliance

SONGWON is committed to minimizing our ecological impact and protecting natural resources by following both national and international regulations. This dedication is a core element of SONGWON's Environmental Policy, which aligns with our long-term sustainability vision and drives our continuous efforts to foster a greener future.

To ensure effective environmental management, SONGWON has a company-wide environmental management system, certified under ISO 14001. This global standard outlines the requirements for an efficient environmental management system and enables organizations to improve their environmental performance. At SONGWON, we conduct regular internal and external audits, maintain ISO 14001 certification and ensure the effectiveness of our environmental management system. In 2025, we completed an external audit successfully, highlighting our continued dedication to environmental excellence and sustainable practices.

To ensure ongoing alignment with ISO 14001 standards at a global level, SONGWON's Global EHS team continuously monitors and evaluates the environmental performance across all manufacturing sites and the EHS teams at each business site oversee compliance with local environmental regulations. Additionally, all SONGWON's suppliers and partners are required to adhere to the Ethical Code of Conduct for the supply chain. In this way, we ensure that environmental responsibility is embedded throughout every aspect of SONGWON's operations.

To complement this, we conduct regular monitoring and evaluations, stay committed to complying with both domestic and international environmental regulations and drive continuous improvement in SONGWON's environmental practices. In 2024, in order to further strengthen our compliance efforts ahead of the European Union Deforestation Regulation (EUDR), set to take effect at the end of 2026, we proactively conducted a study to ensure SONGWON's compliance

and continue to monitor regulation developments. The EUDR\*\* seeks to ensure that products sold in the EU do not contribute to global deforestation or forest degradation. Our proactive measures to prepare highlight SONGWON's dedication to environmental responsibility and its readiness to meet changing regulatory standards.

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In 2025, SONGWON successfully completed an external audit of its ISO 14001 certification.

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### Employee environmental training

Throughout 2025, SONGWON continued to strengthen employee training and awareness of our environmental sustainability goals and practices. Now an official part of the organization's training curriculum, sustainable environmental education ensures that all employees complete essential education in environmental management.

As part of its commitment to continuous learning and sustainability, we also continue to offer programs focused on hazardous chemical management and energy consumption, along with climate action initiatives. To enhance the quality and relevance of these trainings, we regularly update our programs to reflect the latest trends and best practices in climate action.

Furthermore, to assess how effective SONGWON's training programs are, we evaluate our employees' awareness based on the education curriculum. In doing so, we can ensure that our people are not only familiar with the training content but also well-equipped enough to apply the knowledge in their day-to-day activities. To foster a culture of proactive environmental responsibility, we also provide regular environmental training to help employees identify and mitigate environmental risks in their workplace. At SONGWON, we have reinforced the importance of sustainability across the organization by integrating environmental responsibility into employee development as well as performance management. ■

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In 2025, to shift awareness of the environmental and climate crisis from mere "awareness" to "action", SONGWON provides diverse training sessions for employees on topics such as energy saving, climate action and hazardous chemical management, etc.

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**RT-CH-410b.2**  
**Safety & Environmental Stewardship of Chemicals**

*Discussion of strategy to (1) manage chemicals and (2) develop alternatives with reduced human or environmental impact*

<p><b>Management of chemicals</b></p>	<p>We conduct hazard and risk assessments to identify and monitor the environmental and safety impacts of chemicals. Where necessary we pursue risk assessments and supporting data through industry risk management option analysis (iRMOA), socio-economic analysis (SEA), and the development of data for occupational exposure limits (OEL).</p> <p>SONGWON produces hazardous chemicals, however, we work within industry associations to develop comprehensive health, safety, and environmental information for our product range. In addition, we actively engage with regulatory initiatives to ensure the continued availability and safe use of our products in downstream applications. As part of this effort, the RA team is collaborating with both upstream and downstream users to restrict the transit of unintentional substances of potential hazard or regulatory control.</p> <p>We provide ongoing support to internal and external customers of our products, to help guide them through the labelling, packaging and essential support documentation we provide. This includes Safety Data Sheets (SDS), which outline critical information such as appropriate Personal Protective Equipment (PPE) for safe handling, and Regulatory Data Sheets (RDS), which detail chemical regulations and hazardous chemicals.</p>
<p><b>Develop alternatives with reduced human or environmental impact</b></p>	<p>Business Units carry out periodic risk assessments to identify and focus on products with most significant adverse effect and engage in possible replacement projects with the objective of finding less harmful alternative products. Otherwise, we maximize risk management measures to prevent negative effects for the environment.</p> <p>Risk management is part of the yearly strategic review of the business. Consequently, we prune products and replace them with less harmful products. Recent pruning examples are SONGSORB® 3270, SONGSORB® CS 327.</p>

**RT-CH-530a.1**  
**Management of the Legal & Regulatory Environment**

*Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting industry*

In compliance with our Code of Conduct, SONGWON supports dialogue between the business and government authorities at local, national and international levels to promote and implement relevant legislation, regulations and agreements, stakeholder rights protection etc.

<p><b>Active Industry Engagement</b></p>	<p>We actively participate in industry associations and environmental programs to stay ahead of government and policy changes. This ensures we understand evolving requirements and can support our customers in meeting compliance standards.</p>
<p><b>Continuous Regulatory Compliance</b></p>	<p>Our Regulatory Affairs team conducts regular checks to ensure full compliance with applicable regulations, reinforcing our commitment to safety and transparency</p>
<p><b>Publicly Available Policies</b></p>	<p>SONGWON has established comprehensive Environmental and Health &amp; Safety policies that guide our operations and demonstrate our commitment to complying with all applicable legal regulations. They form an integral part of our internal governance framework and support our efforts to maintain high standards of environmental stewardship and workplace safety.</p>

## Energy consumption

GRI Disclosures	SASB Categories	Categories	Unit	2022	2023	2024	2025		
302-1	RT-CH-130a.1	Total	<b>Total</b>	<b>GJ</b>	<b>2,883,636</b>	<b>2,792,107</b>	<b>3,040,185</b>	<b>2,793,468</b>	
			Korea	GJ	2,801,451	2,620,229	2,914,074	2,659,731	
			Group entities	GJ	82,185	171,878	126,111	133,737	
302-1	RT-CH-130a.1	Direct Energy	Total	<b>Total</b>	<b>GJ</b>	<b>626,353</b>	<b>700,643</b>	<b>764,092</b>	<b>697,067</b>
				Korea	GJ	603,851	661,813	736,200	666,816
				Group entities	GJ	22,502	38,830	27,892	30,252
		Indirect Energy	Total	<b>Total</b>	<b>GJ</b>	<b>2,257,283</b>	<b>2,091,463</b>	<b>2,276,093</b>	<b>2,096,401</b>
				Korea	GJ	2,197,599	1,958,417	2,177,874	1,992,916
				Group entities <sup>a</sup>	GJ	59,684	133,046	98,219	103,485
		Renewable energy consumption <sup>b</sup>	Total	<b>Total</b>	<b>GJ</b>	<b>158,604</b>	<b>121,339</b>	<b>129,238</b>	<b>110,465</b>
				solar energy <sup>c</sup>	GJ	5,002	3,498	0	0
				energy from agrowaste	GJ	153,603	117,841	129,238	110,465
				<i>Share of total energy</i>	%	<b>6%</b>	<b>5%</b>	<b>4%</b>	<b>4%</b>
		Grid electricity	Total	<i>Ratio</i>	%	First reporting from 2025			<b>40%</b>
				<b>Total</b>	<b>GJ</b>	<b>288</b>	<b>261</b>	<b>266</b>	<b>276</b>
Self-generated energy	Total	Korea	GJ	288	261	266	276		
		Group entities	GJ	0	0	0	0		
302-3	Energy use intensity	Intensity	GJ/million KRW	2.17	2.71	2.84	2.59		

<sup>a</sup> Due to the change of conversion factor (kWh to GJ) of power consumption for group entities, their data has been changed. (0.0096 → 0.0036 GJ/kWh).

<sup>b</sup> Renewable energy consumption is applicable for only Panoli plant.

<sup>c</sup> Solar energy supply has been stopped since sep. 2023 due to the contract expiration.

## Total Spills

GRI Disclosures	SASB Categories	Categories	Unit	2022	2023	2024	2025	
306-3	Total Spills	Total volume of spills (oil, fuel, waste and chemicals)	<b>Total</b>	<b>Liters</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
			Korea	Liters	0	0	0	0
			Group entities	Liters	0	0	0	0

Coverage is Ulsan, Maeam, Suwon, Panoli, Greiz, Abu Dhabi, Houston plant.

## Genetically Modified Organisms

GRI Disclosures	SASB Categories	Categories	Unit	2022	2023	2024	2025
RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms	Total	%	0%	0%	0%	0%

All the products based on renewable raw material are not contain GMO.

## GHG emissions

GRI Disclosures	SASB Categories		Unit	2022	2023	2024	2025		
305-1 305-2	RT-CH-110a.1	Total GHG emissions (Scope 1+2) <sup>d</sup>	<b>Total</b>	<b>tCO<sub>2</sub>e</b>	<b>149,073</b>	<b>152,440</b>	<b>167,747</b>	<b>140,683</b>	
			Korea	tCO <sub>2</sub> e	140,337	132,116	146,717	123,052	
			Group entities	tCO <sub>2</sub> e	8,736	20,324	21,030	17,631	
305-1	RT-CH-110a.1	Direct emissions (Scope 1)	Global Scope 1 emissions covered under emissions-limiting regulations <sup>e</sup>	<b>Total</b>	<b>tCO<sub>2</sub>e</b>	<b>84,837</b>	<b>82,841</b>	<b>89,599</b>	<b>73,823</b>
				Korea	tCO <sub>2</sub> e	83,694	80,855	88,166	72,277
				Group entities	tCO <sub>2</sub> e	1,143	1,986	1,433	1,546
				<b>Total</b>	<b>%</b>	<b>99%</b>	<b>98%</b>	<b>98%</b>	<b>98%</b>
				Korea	%	100%	100%	100%	100%
				Group entities	%	0%	0%	0%	0%
305-2		Indirect emissions (Scope 2) <sup>f</sup>	<b>Total</b>	<b>tCO<sub>2</sub>e</b>	<b>64,236</b>	<b>69,599</b>	<b>78,148</b>	<b>66,860</b>	
		Total	Korea	tCO <sub>2</sub> e	56,643	51,261	58,551	50,775	
			Group entities	tCO <sub>2</sub> e	7,593	18,338	19,597	16,085	
305-4		Carbon Intensity	Total Intensity	tCO <sub>2</sub> e/ million KRW	0.112	0.148	0.157	0.135	

<sup>d</sup> Korea emission calculation method is based on FRAMEWORK ACT ON LOW CARBON and GREEN GROWTH, regulation for EMISSION TRADING SYSTEM in Korea. This data can be changed after data verification by Korean Government. (Verified figures will be announced in every May, and it will be reflected in next year's report.)

For group entities (Panoli, Abu-dhabi, Greiz, Houston, Baifu) emission, calculation method is based on IPCC guideline (Scope 1) & each nation's electricity factor (Scope 2) & each supplier's Steam factor (Scope 2).

<sup>e</sup> The group entities except Korea are not applicable for the emission limiting regulation.

<sup>f</sup> 1) Electricity factor of GHG emission (Unit : kg-GHG/kWh)

Korea : 0.4594 [Korea regulation of GHG emission]

India : 0.73 [CEA report]

Germany : 0.36 [German Federal Environment Agency]

US (Texas) : 0.33 [EPA ERCT Emission Rates]

UAE : 0.42 [Country specific electricity grid greenhouse gas emission factors - 2024\_Carbon Footprint Ltd]

China : 0.54 [Ministry 05 of Ecology and Environment of China]

Switzerland : 0 [Thurplus - Power generation source : renewable 34.6% /

Nuclear : 15.4%]

2) Steam factor of GHG emission (Unit : t-GHG/GJ)

– Ulsan Plant

TK(37K) : 0.043

TK(25K) : 0.050

TK(4K) : 0.000

– Maeam Plant

SY(25K) : 0.000

SY(8K) : 0.011

TK(7K) : 0.000

– Baifu Plant

Steam(7K) : 0.06

→ Steam emission factors are provided by steam supplier

Water

GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025				
303-3	RT-CH-140a.1	Water withdrawal	<b>Total</b>	<b>ton</b>	<b>1,271,227</b>	<b>1,265,517</b>	<b>1,260,070</b>	<b>1,113,632</b>		
			Total	Korea	ton	1,216,974	1,066,816	1,114,459	984,575	
				Group entities	ton	54,253	198,701	145,611	129,057	
			Municipal Water <sup>g</sup>	<b>Total</b>	<b>ton</b>	<b>1,226,422</b>	<b>1,173,071</b>	<b>1,193,165</b>	<b>1,039,339</b>	
				Korea	ton	1,172,169	1,022,783	1,079,396	958,481	
			Ground-water <sup>h</sup>	Group entities	ton	54,253	150,288	113,769	80,858	
				<b>Total</b>	<b>ton</b>	<b>44,805</b>	<b>44,033</b>	<b>35,063</b>	<b>26,094</b>	
			Rainwater	Korea	ton	44,805	44,033	35,063	26,094	
				Group entities	ton	0	0	0	0	
			Surface water <sup>i</sup>	<b>Total</b>	<b>ton</b>	<b>0</b>	<b>48,413</b>	<b>31,842</b>	<b>48,199</b>	
				Korea	ton	0	0	0	0	
				Group entities	ton	0	48,413	31,842	48,199	
				<b>Total</b>	<b>ton</b>			<b>113,769</b>	<b>80,071</b>	
			303-1 303-3	RT-CH-140a.1	Water withdrawn from locations with high or extremely high baseline water stress <sup>j</sup>	Korea	ton	First reporting from 2024	0	0
						Group entities	ton		113,769	80,071
Total	%	9.03%				7.19%				
303-5	RT-CH-140a.1	Water Consumption	<b>Total</b>	<b>ton</b>	<b>543,970</b>	<b>504,403</b>	<b>581,265</b>	<b>497,648</b>		
			Total	Korea	ton	489,717	441,265	505,956	428,791	
				Group entities	ton	54,253	63,138	75,309	68,857	
			Municipal Water <sup>g</sup>	<b>Total</b>	<b>ton</b>	<b>506,725</b>	<b>468,024</b>	<b>551,697</b>	<b>475,174</b>	
				Korea	ton	452,472	404,886	476,388	406,317	
			Ground-water <sup>h</sup>	Group entities	ton	54,253	63,138	75,309	68,857	
				<b>Total</b>	<b>ton</b>	<b>37,245</b>	<b>36,379</b>	<b>29,568</b>	<b>22,474</b>	
			Rainwater	Korea	ton	37,245	36,379	29,568	22,474	
				Group entities	ton	0	0	0	0	
			Surface water <sup>i</sup>	<b>Total</b>	<b>ton</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
				Korea	ton	0	0	0	0	
				Group entities	ton	0	0	0	0	
				<b>Total</b>	<b>ton</b>			<b>75,309</b>	<b>63,855</b>	
			303-1 303-5	RT-CH-140a.1	Water consumed from locations with high or extremely high baseline water stress <sup>j</sup>	Korea	ton	First reporting from 2024	0	0
						Group entities	ton		75,309	63,855
Share of total water consumption	%	12.96%				12.83%				

<sup>g</sup> Municipal water data boundaries : Ulsan, Maeam, Suwon, Panoli, Abu Dhabi, Houston, Baifu plant  
 Due to the migration of Houston plant starting from 2<sup>nd</sup> half of 2025, the water withdrawal amount monitoring becomes to be available.  
<sup>h</sup> Groundwater data boundaries : Only Suwon plant  
<sup>i</sup> Surface water data boundaries : Only Greiz plant (Data depends on cooling water demand from production.)  
<sup>j</sup> Panoli, Abu Dhabi, Baifu plant are distinguished as high or extremely high baseline water stress

GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025	
303-4	Water discharge <sup>k</sup>	<b>Total</b>	<b>ton</b>	<b>727,257</b>	<b>761,115</b>	<b>678,804</b>	<b>615,984</b>
		Korea	ton	727,257	625,552	608,503	555,784
		Group entities	ton	0	135,563	70,302	60,200
-	Water recycle <sup>l</sup>	<b>Total</b>	<b>ton</b>	<b>14,152</b>	<b>10,578</b>	<b>10,034</b>	<b>13,466</b>
		Korea	ton	0	0	0	0
		Group entities	ton	14,152	10,578	10,034	13,466
		Ratio of re-cycled water compared to total water consumption	%	3%	2%	2%	3%

<sup>k</sup> Due to the migration of Houston plant starting from 2<sup>nd</sup> half of 2025, the water discharge amount monitoring becomes to be available.

<sup>l</sup> Water is recycled within Panoli plant with zero-liquid discharge system. (No water discharge to outside of plant.)

## Waste

GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025	
306-3 306-4 306-5	Waste generated	<b>Total</b>	<b>ton</b>	<b>34,309</b>	<b>34,763</b>	<b>35,419</b>	<b>33,314</b>
		Korea	ton	34,309	30,685	31,163	28,474
		Group entities	ton	First reporting from 2023	4,079	4,256	4,841
-	Total <sup>m</sup>	<b>Total</b>	<b>ton</b>	<b>2,754</b>	<b>2,733</b>	<b>2,844</b>	<b>4,212</b>
		Korea	ton	2,754	2,226	2,463	3,887
		Group entities	ton	First reporting from 2023	507	381	325
-	Recycling <sup>n</sup>	<b>Total</b>	<b>ton</b>	<b>1,070</b>	<b>1,614</b>	<b>1,748</b>	<b>3,271</b>
		Korea	ton	1,070	1,459	1,649	3,159
		Group entities	ton	First reporting from 2023	155	99	112
306-3 306-4 306-5	Non-hazardous waste	<b>Total</b>	<b>ton</b>	<b>255</b>	<b>379</b>	<b>246</b>	<b>198</b>
		Korea	ton	255	180	160	98
		Group entities	ton	First reporting from 2023	199	85	99
-	Landfill <sup>o</sup>	<b>Total</b>	<b>ton</b>	<b>1,430</b>	<b>741</b>	<b>851</b>	<b>743</b>
		Korea	ton	1,430	587	654	630
		Group entities	ton	First reporting from 2023	154	197	114
-	External incineration <sup>p</sup>	<b>Total</b>	<b>ton</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		Korea	ton	0	0	0	0
		Group entities	ton	0	0	0	0
-	Internal incineration	<b>Total</b>	<b>ton</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		Korea	ton	0	0	0	0
		Group entities	ton	0	0	0	0

<sup>m</sup> Due to the unit error for Houston plant's previous data, the data correction has been made for Group entities overall data.

<sup>n</sup> Recycling of non-hazardous waste contains waste water sludge, waste carbon, food waste and waste glass.

<sup>o</sup> Landfill of non-hazardous waste contains dust, waste sludge and waste insulation.

<sup>p</sup> External incineration of non-hazardous waste means waste plastic.

GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025
		<b>Total</b>	<b>31,555</b>	<b>32,030</b>	<b>32,575</b>	<b>29,102</b>
	Total <sup>m</sup>	Korea ton	31,555	28,459	28,700	24,587
		Group entities ton	First reporting from 2023	3,571	3,875	4,515
		<b>Total</b>	<b>12,903</b>	<b>13,220</b>	<b>10,961</b>	<b>9,685</b>
	Recycling <sup>a</sup>	Korea ton	12,903	13,008	10,871	9,579
		Group entities ton	First reporting from 2023	212	90	105
306-3	RT-CH-150a.1	<b>Total</b>	<b>3,074</b>	<b>5,628</b>	<b>6,796</b>	<b>6,599</b>
306-4		Korea ton	3,074	2,596	3,407	2,704
306-5		Group entities ton	First reporting from 2023	3,033	3,389	3,895
		<b>Total</b>	<b>660</b>	<b>613</b>	<b>1,518</b>	<b>1,513</b>
	External incineration <sup>s</sup>	Korea ton	660	286	1,122	998
		Group entities ton	First reporting from 2023	327	395	515
		<b>Total</b>	<b>14,919</b>	<b>12,569</b>	<b>13,300</b>	<b>11,305</b>
	Internal incineration <sup>t</sup>	Korea ton	14,919	12,569	13,300	11,305
		Group entities ton	First reporting from 2023	0	0	0

<sup>a</sup> Recycling of hazardous waste contains waste drum, waste insulation oil, waste oil, waste catalyst and waste acid.

<sup>r</sup> Landfill of hazardous waste contains process sludge (organic), waste asbestos and ash.

<sup>s</sup> External incineration of hazardous waste means waste oil (process).

<sup>t</sup> Internal incineration of hazardous waste means amount of waste which is incinerated from incinerator located in the inside boundary of SONGWON.

## Pollutants

GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025			
305-7	RT-CH-120a.1	Air emissions <sup>u</sup>	Sulfur Oxides (SOx)	Korea	kg	27	31	95	199
				Group entities	ppm	4	2	8	13
		Nitrogen Oxides (NOx)	Korea	kg	18,435	29,217	36,625	35,071	
			Group entities	ppm	7	6	39	25	
303-2	Water pollutants <sup>v</sup>	Total Organic Carbon (TOC)	<b>Average</b>	<b>ppm</b>	<b>27</b>	<b>19</b>	<b>24</b>	<b>21</b>	
			Korea	ppm	27	19	24	21	
			Group entities	ppm	–	–	–	–	
		Biochemical Oxygen Demand (BOD)	<b>Average</b>	<b>ppm</b>	<b>11</b>	<b>7</b>	<b>6</b>	<b>5</b>	
			Korea	ppm	11	7	6	5	
			Group entities	ppm	–	–	–	–	
		Suspended Solids (SS)	<b>Average</b>	<b>ppm</b>	<b>13</b>	<b>13</b>	<b>8</b>	<b>7</b>	
			Korea	ppm	13	13	8	7	
	Group entities	ppm	–	–	–	–			
305-7	RT-CH-120a.1	Air quality <sup>w</sup>	VOCs	Korea	kg	16	78	85	478
				Group entities	kg	–	–	–	–
			<b>Total</b>	<b>kg</b>	<b>1364</b>	<b>827</b>	<b>2551</b>	<b>2734</b>	
		HAPs	Korea	kg	1364	827	2551	2734	
			Group entities	kg	–	–	–	–	

<sup>u</sup> For Panoli plant, SOx, NOx data is monitored and regulated as ppm base. Due to the monitoring of gas flowrate is unavailable, it is limited to convert ppm to kg.

<sup>v</sup> Water pollutants coverage is Ulsan, Maeam, Suwon plant. Group entities don't applicable.

<sup>w</sup> Air quality data coverage is Ulsan, Maeam, Suwon plant. Group entities don't applicable.

## Safety & Environmental Stewardship of Chemicals

GRI Disclosures	SASB Categories		Unit	2022	2023	2024	2025
		<b>Total</b>	<b>ton</b>	<b>93,261</b>	<b>95,940</b>	<b>103,935</b>	<b>88,038</b>
	Hazardous chemicals	Korea	ton	88,698	90,076	96,749	85,514
		Group entities	ton	4,563	5,864	7,186	2,524
		Percentage of products that contain GHS Category 1 and 2 Health and Environmental Hazardous Substances that have undergone a risk assessment	Total (Percentage)	%	First reporting from 2025		33.4%
RT-CH-410b.1	Risk assessment	Percentage of such products that have undergone a hazard assessment*	Total (Revenue)	million KRW	First reporting from 2025		346,913
				%	First reporting from 2025		100%

Coverage is Ulsan, Maeam, Suwon, Panoli plant. Another group entities don't use hazardous chemicals.

\* All the products classified as GHS Category 1 and 2 have completed the hazard assessment.

## Green sales<sup>x</sup>

GRI Disclosures	SASB Categories		Unit	2022	2023	2024	2025
		<b>Total sales revenue (Denominator)</b>	<b>million KRW</b>			<b>1,070,200</b>	<b>1,038,508</b>
	Green sales performance	Ratio of green sales and services compared to total sales	%	First reporting from 2024		7.21%	8.26%
		Green sales products revenue <sup>y</sup>	million KRW			77,154	85,739

<sup>x</sup> SONGNOX<sup>®</sup> 1076, SONGSORB<sup>®</sup> 2908, SONGNOX<sup>®</sup> DLTPD, SONGNOX<sup>®</sup> DMTDP, SONGNOX<sup>®</sup> DSTDP, SONGSTAB<sup>™</sup> CZ-SC900, SONGSTAB<sup>™</sup> CZ-SM20, SONGSTAB<sup>™</sup> CZ-SP180

<sup>y</sup> Converting to KRW, the currency based on the invoice date for each product is applied.

## Product Design for Use-phase Efficiency<sup>z</sup>

GRI Disclosures	SASB Categories		Unit	2022	2023	2024	2025
RT-CH-410a.1	Total revenue of the applicable products designed to increase resource efficiency during their use phase	Total	%	First reporting from 2024		7.21%	8.26%

<sup>z</sup> SONGNOX<sup>®</sup> 1076, SONGSORB<sup>®</sup> 2908, SONGNOX<sup>®</sup> DLTPD, SONGNOX<sup>®</sup> DMTDP, SONGNOX<sup>®</sup> DSTDP, SONGSTAB<sup>™</sup> CZ-SC900, SONGSTAB<sup>™</sup> CZ-SM20, SONGSTAB<sup>™</sup> CZ-SP180

## Green purchasing

GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025		
	<b>Total sales revenue (Denominator)</b>	<b>mil. KRW</b>	<b>600,780</b>	<b>414,429</b>	<b>523,899</b>	<b>530,387</b>		
	Ratio of green purchasing compared to total purchase amount	%	8%	5%	4%	5%		
	Green purchasing amount	Group entities	mil. KRW	46,481	22,042	23,175	26,864	
	By type	Renewable raw material (palm oil etc) <sup>aa</sup>	Total (Percentage)	mil. KRW	44,103	21,797	21,474	26,271
		PE bag (50% recycled plastic)	Total (Revenue)	mil. KRW	2,378	245	1,702	592

<sup>aa</sup> Raw materials based on Palm oil etc. are defined as Renewable raw material.

## Raw Material

GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025	
	<b>Total</b>	<b>ton</b>	<b>195,792</b>	<b>171,712</b>	<b>221,600</b>	<b>202,459</b>	
	By type	Renewable <sup>bb</sup>	ton	13,247	9,232	12,182	10,331
		Non-renewable	ton	182,545	162,480	209,418	192,128

<sup>bb</sup> Renewable raw material (Palm oil base such as Cetyl alcohol, Glycerine, Lactic acid, N-octanol, Oleylalcohol, Stearyl alcohol, Zinc stearate etc.) and PE Bag (50% recycled plastic)

## Product Use

GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025
	Coatings	%	2.7%	2.4%	2.7%	2.6%
	Fuel and Lubricant Additives	%	23.4%	24.6%	29.0%	31.6%
	Polymer Stabilizers	%	56.3%	56.4%	52.5%	49.9%
	Specialty Chemicals	%	0.4%	0.3%	0.1%	0.2%
	Tin Intermediates / PVC	%	8.5%	7.7%	7.2%	7.1%
	TPU / SPU	%	8.7%	8.5%	8.5%	8.6%

## Product End-of-Life

GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025	
	Product End-of-Life	6 months	%	3%	3%	2%	2%
		8 months	%	0%	0%	0%	0%
		9 months	%	0%	0%	0%	0%
		12 months	%	18%	18%	17%	15%
		18 months	%	3%	3%	3%	3%
		24 months	%	40%	40%	50%	48%
		30 months	%	–	–	0%	1%
		36 months	%	30%	30%	20%	25%
	60 months	%	5%	5%	6%	5%	

## Environmental Management

GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025		
	Environmental Management <sup>cc</sup>	Number of Third-party approved environmental certifications	<b>Total</b>	<b>no.</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>

<sup>cc</sup> - ISO14001, RSPO SCC MB

## Environmental Compliance

GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025		
2-27	Environmental Compliance	Number of environmental regulation violations	<b>Total</b>	<b>no.</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>
			Korea	no.	1	0	2	0
			Group entities	no.	0	0	0	0
		Amount of fines for environmental regulation violations	<b>Total</b>	<b>KRW</b>	<b>0</b>	<b>0</b>	<b>1,600,000</b>	<b>0</b>
			Korea	KRW	0	0	1,600,000	0
			Group entities	KRW	0	0	0	0

Coverage is Ulsan, Maeam, Suwon, Panoli, Greiz, Abu Dhabi, Houston plant.

## Employee training

GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025		
	Employee training – environmental <sup>dd</sup>	Number of employees who completed the training	<b>Total</b>	<b>persons</b>		<b>922</b>	<b>953</b>	
			Korea	persons			592	607
			Switzerland	persons			51	54
			Germany	persons		First reporting from 2024	31	34
			USA	persons			35	49
			India	persons			150	151
			UAE	persons			44	39
			Japan	persons			9	9
			PRC	persons			10	10

<sup>dd</sup> Environmental training contents  
- Climate change & Energy saving : For all employees / 1 hour per every year

# SOCIAL

At SONGWON, our commitment to social responsibility is shaped by our understanding that sustainable growth is founded on the well-being of people and communities. By focusing on customer satisfaction, workplace health and safety, and the promotion of diversity and human rights, we aim to lead with care and integrity. Our dedication and initiatives extend beyond our own operations to support responsible practices across our supply chain and to make meaningful contributions that benefit society as a whole. Collectively, these efforts demonstrate SONGWON's belief that strong relationships and a people-focused mindset are key to driving lasting, impactful change and achieving a sustainable future.

## Customer Focus

As key stakeholders, our customers are central to SONGWON's value proposition and overall success. We prioritize their needs across our product portfolio, ensuring quality and reliability. While dedicating ourselves to fostering strong, lasting relationships based on trust, we also remain committed to environmental, health, safety, and social responsibility.

SONGWON's workplace culture is built on personal accountability and a strong commitment to meeting customer needs. As a reliable development partner, we leverage the power of collaboration to create high-quality solutions. In order to continually stay a step ahead of our customers, we have proactive measures in place to anticipate their evolving product and service needs as well as their information requirements.

By seamlessly integrating every aspect of the value chain, making swift and well-considered decisions and applying solution-driven strategies, we strive to reliably supply top-quality, optimize costs and drive innovation across both products and processes.

## Our services to our customers

With our comprehensive approach, we guide our customers through every stage, from procurement and production to sales, customer service and after-sales support. Our priority is to respond to our customers' evolving needs, address regulatory developments and meet the growing demand for product and service information, labeling and life cycle assessments (LCA) as well as sustainable solutions in both products and packaging.

**At SONGWON, we are committed to ensuring customer satisfaction and safeguarding their health and safety by advancing product and process innovations that deliver positive environmental impacts. These include:**

- Providing information on product composition and the origin of key materials, where relevant
- Excluding conflict materials and child labor
- Procuring renewable materials where possible
- Manufacturing products in a safe environment
- Ensuring prompt and reliable supply (despite supply chain disruption or geopolitical challenges)
- Using recycled PE for packaging (up to 50%) incl. Climate Protection Certificate from RIGK
- Providing an LCA for all SONGWON's core products and expanding these each year
- Continuing to build an optimized pipeline of products, services and solutions
- Offering guidance, trainings and webinars for the efficient and safe handling of products or solutions
- Managing (online) requests regarding product use, technologies, materials and/or regulations received from supply chain stakeholders
- Offering trainings on our mechanical recycling approach to give plastics a 2<sup>nd</sup> life
- Monitoring of regulatory and product (labeling) requirements
- Strengthening the Sustainability Team

This year again, SONGWON recorded zero incidents of non-compliance related to marketing communications, product information and labeling. To better understand customer needs and perceptions, voice of customer surveys and strategic reviews were conducted.

Technical Service also continued its regular face-to-face meetings with customers and the dedicated email address (techservice@songwon.com) has streamlined technical customer requests and improved the team's response times to technical inquiries.

## Health and Safety

TCAR\* 2025: 0.37 No./hour

**At SONGWON, health and safety will always remain our top priority. As a truly sustainable organization, we strive for strong environmental stewardship and a safe, healthy, and injury-free workplace.**

In just over a decade, SONGWON has made major improvements in EH&S by increasing awareness and emphasizing its importance across the organization. Each of SONGWON's manufacturing facilities operates with well-established EH&S safety policies as well as clear procedures and performance standards. All of these exceed the minimum requirements to comply with the laws and regulations for chemical production processes, products, or technologies. Annual legal analyses and compliance assessments are conducted to ensure compliance is maintained and that we adhere to the health and safety regulations applicable in the countries where SONGWON operates.

SONGWON has an established EHS system in place that provides a comprehensive framework covering management, work permits, safety inspections, corrective actions, internal audits, employee health management, and subcontractor management. The system supports efforts to raise employee awareness and strengthen safety management standards at each facility to enhance safety and health practices and achieve accident-free operations.

In 2025, to strengthen safety awareness across the organization and support a shared understanding of accident prevention, the system's accident alert function was upgraded so that when an incident occurs, it notifies all employees of the incident and the preventive actions implemented. Key activities within the system include identifying near-miss incidents wherever possible, providing training on accident and incident cases, and implementing preventive actions. The system also supports employee health through annual health check-up programs, work environment measurement programs, and job stress assessment programs.

Our approach to workplace safety is centered on proactive measures aimed at creating a safer and healthier environment for all SONGWON employees. In line with this, every member of our global team actively engages in identifying and managing risks as well as seeking ways to continuously improve EH&S. Our regular safety walks and housekeeping activities support us to identify workplace hazards, implement corrective actions and apply preventive measures to improve overall health and safety practices across the organization.

In addition, by carrying out periodic risk assessments (K-PSR, HAZOP, Checklist), we can mitigate potential process accident risks such as fires, explosions, or exposure to hazardous chemicals. In line with these efforts, the Ulsan plant's Process Safety Management (PSM), a key system for process safety in Korea, was

### Example initiatives to enhance health and safety awareness in 2025:

- Introduced a safety observation program at the Maeam plant, encouraging employees to observe and take action.
- Implemented a safety reporting system at the Ulsan plant to enable employees and stakeholders to report identified risks and implement improvements.
- Conducted a mock fire drill in coordination with the Civil Defence Department at the Abu Dhabi plant.
- Defined and prepared 10 Safety Golden Rules for implementation at Maeam in 2026.

\* TCAR (Total Case Accident Rate)

upgraded to the second-highest level\*\* through regular assessments. Key initiatives like these not only prevent accidents but also enhance employees' understanding of potential risk factors. Furthermore, to ensure that everyone at SONGWON is well-prepared to handle emergencies effectively, employees are required to take part in mandatory training on safety and health, as well as emergency response simulations, such as fire and evacuation drills.

Driven by our commitment to safety, responsibility, and achieving accident-free operations, we continuously monitor standards across SONGWON's operations. We firmly believe that every accident is preventable and that hazards can be mitigated or eliminated by implementing safe working practices and strictly adhering to them. As a responsible leader in the industry, SONGWON's core mission is to ensure the safety and health of its employees, partners, and other stakeholders, while striving to prevent safety accidents.

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## Our People

**We have always understood the importance of doing what is right for people, including our employees, customers, and communities, as well as for the environment. At SONGWON, we value the input of our employees and recognize that their contributions are essential to our success. It is the collective, dedicated efforts of our global team to establish and maintain long-term relationships with our stakeholders that drive SONGWON's ongoing, sustainable growth.**

In addition to ensuring a safe, inclusive work environment, we want our organization to be known as a 'great place to work.' As a responsible employer, we recognize that attracting and retaining the best talent is essential to our success. We empower our employees to thrive personally and professionally while aiming to continually improve productivity and support work-life balance.

At SONGWON, we are committed to fostering a healthy work-life balance by offering flexible working arrangements that take local requirements and cultural considerations into account. These include flextime options to support childcare needs, compensatory leave arrangements, and a structured vacation application system.

In addition, specific measures were introduced this year to further support employees' work-life balance, such as initiatives to help reduce overtime work within manufacturing operations. Our HR team oversees the effective management of these initiatives, ensuring alignment with broader organizational objectives and continuously reviewing opportunities to enhance and expand such practices where appropriate.

Employee health and well-being form an integral part of SONGWON's approach to building a positive workplace. To support this, the organization offers a range of initiatives, including health awareness programs, sports activities promoting physical fitness and access to personal counseling services such as grievance support.

Our approach to filling open positions focuses on promoting from within wherever possible, but also actively seeking to attract young professionals. At SONGWON, we actively recognize the experience and dedication of our long-term employees, who play a key role in sharing their knowledge, guiding new hires and supporting the development of younger talent. In this way, we balance fresh perspectives with the invaluable expertise of our seasoned workforce.

In today's global context, we recognize that our employees and potential hires seek meaningful work and want to be part of an organization whose values align with their own. This is particularly important in our industry, where people want to see the results of their efforts and contribute to making a tangible and meaningful impact on sustainability.

\*\* The Korean Process Safety Management (PSM) system, introduced by the Ministry of Employment and Labor (MOEL) in 1996, is a national framework for process safety that assesses chemical facilities using a four-level grading scale, aimed at reducing the risk of major accidents.

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## People want to see the results of their efforts and contribute to making a tangible and meaningful impact on sustainability.

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Every individual drives the sustainable growth of our organization and plays a significant role in our success. Aligned with SONGWON's values, we actively create awareness of sustainability topics and encourage employees to follow related policies. Through our internal e-learning platform (LMS), we offer various presentations and annual training

sessions on key topics such as energy saving and climate change to ensure that our employees are always highly engaged and well-informed.

SONGWON is committed to ensuring that remuneration practices are fair, competitive and aligned with both market trends and individual performance. Our group-wide policies outline clear principles for structuring remuneration, including benefits, based on objective criteria such as responsibilities, competencies and results. We have a zero-tolerance policy for discrimination and ensure that all remuneration decisions are made impartially, based solely on qualifications and performance and not influenced by personal factors such as gender, age, or background.

## Diversity & Inclusion

**Diversity is a fundamental part of SONGWON's corporate culture. With 974 employees representing 35 nationalities, our global operations are supported by a solid foundation of shared responsibility and mutual respect toward all stakeholders. This commitment is anchored in SONGWON's Corporate Values, Code of Conduct and Whistleblower Policy, which set clear expectations for an inclusive and ethical workplace.**

In order to reinforce company standards, everyone, including management, receives comprehensive training aligned with SONGWON's Code of Conduct, covering key topics such as ethics, safety, workplace harassment prevention (including sexual harassment), human rights and disability awareness. Provided annually through our internal eLearning platform, these trainings enable employees to have the knowledge needed to ensure a respectful and safe working environment is maintained. Discrimination is not tolerated under SONGWON's Code of Conduct, and if any incident were to occur, swift and decisive action would be taken. In 2025, no cases of discrimination occurred.

All new employees are required to complete compliance training on the Code of Conduct as part of their onboarding, which concludes with a final test on the Learning Management System (LMS). Annual refresher tests are also conducted to reinforce ethical standards and help ensure these principles stay fresh in employees' minds. To support transparency and accountability, SONGWON has a structured monitoring process in place to promptly identify and address any instances of non-compliance. Most importantly, our Whistleblower Policy provides employees with a secure and confidential channel to report any violations.

**In 2025, SONGWON reported no instances of bribery, corruption, discrimination, whistleblowing, child labor, forced labor, or violations of the Code of Conduct. The organization complies with all relevant government regulations regarding working conditions and fully respects employees' rights to freedom of association and collective bargaining.**

**During the reporting period, there were no pending or completed legal actions related to anti-competitive behavior, violations of antitrust laws, or breaches of monopoly legislation.**

### SONGWON Employee<sup>‡</sup> Demographics

- 88% are men
- 12% are women
- 65% from Asia
- 30% from Europe/Middle East/ India
- 5% from North & South America

<sup>‡</sup> permanent employees

## Social Responsibility

**In our position as an industry leader, our responsibility extends well beyond simply reducing our environmental footprint. At SONGWON, by supporting vulnerable and less privileged members of our communities, we strive to make a positive contribution to humanity. Corporate social responsibility is an ongoing commitment for us and an obligation we take very seriously.**

Translating commitment into action, SONGWON supports a diverse range of socio-economic, educational and health initiatives that address some of the wider issues that affect us as global citizens.

### In 2025 SONGWON:

- Sponsored the efforts of various healthcare initiatives, such as the Blue Cross Medical Cooperative in Korea, which provides access to free medical treatment for those who are unable to afford it themselves. According to the World Health Organization, more than half the world's population has no access to basic healthcare.
- Also supported ChildFund Korea, the oldest and largest children's welfare organization in Korea. With its programs and projects, all aligned with the UN Convention on the Rights of the Child, the organization addresses critical issues such as climate change, social challenges and humanitarian needs to ensure the protection and well-being of all children.

## Local Community & Community Relations

The local communities around SONGWON are made up of a variety of interconnected groups, including employees, partners, suppliers, neighbors as well as schools and universities, all of which help shape the local environment. The unity and identity of each

community are influenced by a range of factors, including goals, resources, needs, risks, and social values such as safety and security.

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**In 2025, SONGWON established a Community Engagement Policy, which sets specific goals for community contribution activities.**

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Supporting humanity has always been deeply embedded in SONGWON's core values and those of our employees. Guided by these values, every member of our global team is aware of their responsibility to actively engage with the communities where we live and work. In line with this, we continuously seek meaningful ways to extend SONGWON's support and give back as part of our broader organizational commitment.

To fulfill its responsibility to the local community, SONGWON established a Community Engagement Policy this year, which sets specific goals for community contribution activities. The policy extends to community stakeholders beyond SONGWON's direct business activities and includes mid- to long-term quantitative objectives that guide our engagement efforts.

## Prioritizing Human Rights

The international community, represented by organizations such as the UN and OECD, advocates that corporate responsibility should extend beyond protecting individual human rights to include those within supply chains and urges companies to implement systems and policies that proactively prevent human rights violations.

SONGWON has made a public pledge to diligently abide by its Code of Conduct and to prioritize protecting the dignity and values of all stakeholders. Additionally, the organization has strengthened its human rights protection system to maintain a safe and inclusive organizational culture and ensure its employees are free from discrimination. In keeping with this, SONGWON's Labor & Human Rights Policy reinforces the company's commitment to safeguard

the dignity and rights of all stakeholders. Apart from emphasizing core values such as human dignity, freedom and well-being, the policy recognizes the inherent value of executives, employees and other stakeholders to the organization.

SONGWON supports international standards, including the Universal Declaration of Human Rights, the Human Rights and Labor Principles of the UN Global Compact (UNGC), the UN Guiding Principles on Business and Human Rights (UNGPR) and the International Labor Organization (ILO). In addition, we ensure that we remain fully compliant with the laws of the countries in which we operate.

### 2025 Labor & Human Rights Key Metrics:

- Recorded labor and human rights cases: zero
- TCAR: 0.37 No./hour; TCIR: 1.63 No./hour,
- Recorded cases of non-compliance = zero
- Supplier due diligence conducted (see Sustainable Sourcing pg. 93)
- Exclusion of child labor & conflict minerals (see Sustainable Sourcing pg. 93 & Code of Conduct pg., 106)
- SONGWON managed labor & human rights issues through its KPIs

## IT-Security and -infrastructure

**Ensuring a high level of IT safety and security are high priorities for SONGWON. By systematically reviewing our systems, networks and programs, we ensure a robust level of cybersecurity necessary to protect both our business and our stakeholders.**

Building on these efforts, SONGWON constantly seeks to strengthen its cyber resilience through practical testing and simulations. In 2025, a "Red Team Attack" on its Korean data center enabled the IT team to identify potential vulnerabilities and take steps to strengthen and reinforce defenses. Such proactive measures ensure that SONGWON is well-prepared at all times to address emerging threats and safeguard both operational continuity and the interests of its stakeholders.

In every country and region where SONGWON does business, we ensure compliance with IT data privacy-related laws and standards. To support this,

SONGWON has a privacy policy (see [Global Privacy Policy](#)) to meet respective laws and regulations. Furthermore, we continually review and expand SONGWON's internal information security policy as required to align with our sustainability goals and stakeholder expectations. These efforts highlight our commitment to ensuring the protection of personal data and information assets.

The Global IT team manages enterprise-wide IT security operations at SONGWON to maintain a strong IT security framework which supports the long-term sustainability of the organization's digital operations.

**To further enhance IT security awareness among employees and increase cybersecurity resilience, SONGWON conducts training and testing programs.**

### In 2025, the IT team:

- Delivered cybersecurity awareness training (regular phishing tests across all users as well as dedicated spear-phishing<sup>2</sup> simulations against executive managers)
- Organized personal information awareness training across the organization
- Conducted entity-specific (local) application penetration tests (penetration tests of applications from local vendors and mitigation of weak points detected)
- Arranged a "Red Team Attack" on its Korean data center to identify potential vulnerabilities and take steps to strengthen and reinforce defenses

<sup>1</sup> Red Teams are authorized specialists who simulate realistic attack scenarios to test a company's IT systems and security defenses.

<sup>2</sup> Spear-phishing is a targeted attack on a person (e.g. CEO, CFO, etc.) or a dedicated group (e.g. Executive Committee, Board of Directors etc.), often using personalized messages to trick recipients into divulging sensitive information.

SONGWON engages external IT experts, who play a vital role in maintaining and improving the organization's internal IT systems and reinforcing systematic IT security throughout the organization. Working alongside the Global IT team, these experts

execute attack simulations (including phishing, external penetration tests and Red Team Attacks), implement improvements to strengthen security and address any security vulnerabilities.

### Key Information Security Commitments at SONGWON:

- Safeguarding the confidentiality and accessibility of SONGWON's information assets with advanced security measures to prevent unauthorized access, cyberattacks and data breaches.
- Ensuring compliance with all legal and regulatory requirements for information security.
- Leveraging innovative technologies that enhance operational efficiency and future-proof SONGWON's IT landscape.
- Increasing employees' awareness of the importance of information security to prevent, detect and respond to incidents.
- Assessing, monitoring and auditing risks relating to information protection at SONGWON on a regular basis, including internal audits of IT General Controls with external consultants and external audits as required by local or global regulations.

## Supply Chain

**SONGWON has internalized its commitment to social responsibility through its Sustainable Procurement Policy, which is a core element of our broader strategic ESG framework. This policy ensures compliance with all applicable laws and regulations, upholds human rights, minimizes social and economic impacts and promotes environmental protection across our supply chain.**

SONGWON's policies and procurement procedures are all specifically designed to address a range of risks, including those associated with human rights and upstream social and environmental issues. Furthermore, we have invested considerable resources into strengthening our human rights compliance systems to ensure a safe and healthy environment for both our employees and those involved in our supply chains.

For us, long-term supply chain stability can only be achieved by selecting suppliers who align with our commitment to environmental and social responsibility. Therefore, we carefully review the sustainability performance of suppliers by looking closely at key factors such as labor laws, environmental health and safety (EH&S), human rights and business ethics. Not only does this approach strengthen the resilience of our supply chain, but it also reaffirms SONGWON's corporate responsibility.

In 2025, we continued our rigorous supplier evaluations, focusing on the top 80% of suppliers actively working with us. The assessments take into account environmental and social responsibility, including ISO certifications, ESG indicators, health & safety, CO<sub>2</sub> emissions and overall delivery performance. Based on these evaluations, we assign supplier ratings, which are used to guide our supplier selection for the following year. In this way, we ensure that we maintain strong, sustainable partnerships in our supply chain aligned with our sustainability objectives. Suppliers with poor performance are noted for an annual review and those with unsatisfactory ratings are excluded from future contracts.

At SONGWON, we endeavor to ensure that our supply chain always adheres to the legal and ethical standards of each country or region, particularly those concerning social responsibility. These standards are outlined in SONGWON's Sustainable Procurement

Policy, established in 2024 and Ethical Code of Conduct, which further demonstrates our commitment to these principles for the benefit of our stakeholders.

Reinforcing our commitment to upholding high ethical standards across our entire supply chain, SONGWON's Ethical Code of Conduct outlines key principles, including compliance with local laws (e.g., wage regulations), the prohibition of child labor and maintaining a strict policy against discrimination. SONGWON remains strongly committed to avoiding any products or services linked to modern slavery, forced or child labor within our value chain.

Consistent with our ethical standards, all suppliers entering into contracts with SONGWON are expected to abide by our Supply Chain Ethical Code of Conduct. To formalize this commitment, each supplier must sign an agreement to confirm that they understand and will follow the code. In 2025, the number of suppliers that have signed SONGWON's Ethical Code of Conduct increased to reach 89.3%.

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To date, 89.3% of our suppliers have signed our Ethical Code of Conduct.

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To strengthen partnerships with local suppliers, SONGWON conducts periodic on-site audits and visits and provides support to enhance their sustainability practices. Furthermore, with our regular annual evaluations and the supplier audits, conducted twice a year, we ensure fair wages, safe working conditions and equitable treatment of workers within our supply chain. These efforts support our ongoing dedication to maintaining ethical labor practices and high standards across our operations.

In 2025, we took proactive steps to effectively manage and reduce CO<sub>2</sub> emissions by actively engaging with our suppliers on CO<sub>2</sub> emissions management and offering awareness training and guidance upon request. We also continued to closely collaborate with suppliers to obtain CO<sub>2</sub> emissions data and in 2025, the number of suppliers providing this information increased. These efforts built on our proactive approach to understanding and managing CO<sub>2</sub> within our supply chain and will serve as a foundation for our future Scope 3 disclosures.

The range of mechanisms we have in place at SONGWON, such as supplier appraisals, audits and a request for compliance with the Ethical Code of Conduct, ensures transparency within our supply chain and effectively supports us to achieve our social responsibility goals. ■

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To support sustainable sourcing and eliminate the use of conflict minerals, SONGWON is a member of the Responsible Minerals Initiative (RMI).

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**Exclusion of Conflict Minerals:**

To ensure strict compliance with regulations prohibiting the trade or processing of conflict minerals, SONGWON conducted CSR audits of key suppliers in 2025. These audits focused on excluding minerals such as tantalum, tungsten, tin, and gold sourced from conflict zones, in accordance with international laws.



## Employee overview

GRI Disclosures	SASB Categories		Unit	2022	2023	2024	2025	
2-7	Employee Status	<b>Total</b>	<b>persons</b>	<b>994</b>	<b>977</b>	<b>971</b>	<b>974</b>	
		By entity	Korea	persons	643	626	623	616
			Switzerland	persons	54	53	53	56
			Germany	persons	41	36	31	34
			USA	persons	40	47	47	51
			India	persons	149	151	151	150
			UAE	persons	46	45	47	49
			Japan	persons	10	8	9	9
			PRC	persons	11	11	10	9
		By gender	Male	persons	880	865	856	852
			Female	persons	114	112	115	122
		By age group	Under 30	persons	100	97	96	93
			30 to under 50	persons	677	658	629	643
			50 and over	persons	217	222	246	238
		By contract type: Permanent	Subtotal	persons	977	968	959	961
			Male	persons	868	857	849	845
			Female	persons	109	111	110	116
By contract type: Temporary	Subtotal	persons	17	9	12	13		
	Male	persons	12	8	7	7		
	Female	persons	5	1	5	6		

GRI Disclosures	SASB Categories		Unit	2022	2023	2024	2025	
401-1	Employee New Hires	<b>Total</b>	<b>persons</b>	<b>67</b>	<b>89</b>	<b>57</b>	<b>96</b>	
		By gender	Male	persons	54	72	46	72
			Female	persons	13	17	11	24
			Male Ratio	%	81%	81%	81%	75%
			Female Ratio	%	19%	19%	19%	25%
		By age group	Under 30	persons	36	48	34	29
			30 to under 50	persons	23	35	20	45
50 and over	persons		8	3	3	22		
401-1	Employee Turnover	<b>Total</b>	<b>persons</b>	<b>87</b>	<b>120</b>	<b>64</b>	<b>53</b>	
		By type	Voluntary	persons	72	93	39	34
			Involuntary	persons	15	27	25	19
		Total turnover rate	%	9%	12%	7%	6%	
		Voluntary turnover rate	%	7%	10%	4%	4%	
		Permanent employee in the corresponding year (Denominator)	persons	977	968	959	961	

## Employee diversity

GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025	
405-1	Top Executive position	<b>Total persons</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	
		Male persons	4	4	4	4	
		Female persons	0	0	0	0	
		Male Ratio %	100%	100%	100%	100%	
		Female Ratio %	0%	0%	0%	0%	
		By age group	Under 30 persons	0	0	0	0
			30 to under 50 persons	1	1	0	1
			50 and over persons	3	3	4	3
		Senior management position	<b>Total persons</b>	<b>41</b>	<b>44</b>	<b>9</b>	<b>46</b>
			Male persons	32	34	9	39
			Female persons	9	10	0	7
			Male Ratio %	78%	77%	100%	85%
	Female Ratio %		22%	23%	0%	15%	
	By age group		Under 30 persons	0	0	0	0
			30 to under 50 persons	20	20	0	14
			50 and over persons	21	24	9	32
	Mid-level management position		<b>Total persons</b>	<b>71</b>	<b>69</b>	<b>59</b>	<b>61</b>
			Male persons	49	49	45	36
			Female persons	22	20	14	25
			Male Ratio %	69%	71%	76%	59%
		Female Ratio %	31%	29%	24%	41%	
		By age group	Under 30 persons	0	1	0	2
			30 to under 50 persons	45	41	33	38
			50 and over persons	26	27	26	21
		Staff position	<b>Total persons</b>	<b>878</b>	<b>860</b>	<b>899</b>	<b>863</b>
			Male persons	795	778	798	773
			Female persons	83	82	101	90
Male Ratio %			91%	90%	89%	90%	
Female Ratio %	9%		10%	11%	10%		
By age group	Under 30 persons		100	96	96	91	
	30 to under 50 persons		611	596	596	590	
	50 and over persons		167	168	207	182	
Employees with disabilities	persons		7	7	7	11	



## Labor and Human Rights

GRI Disclosures	SASB Categories		Unit	2022	2023	2024	2025
403-4 407-1		Number of meetings conducted to discuss labor and human rights	no.	4	4	4	4
2-30	Work Council*	Number of work council members	persons			22	22
2-30		Number of eligible work council members	persons			22	22
2-30		Work council membership rate	%		First reporting from 2024	100%	100%
-	Grievance channel	Number of grievances received	no.			0	0
		Number of grievances resolved	no.			0	0
		Percentage of grievances handled through the channel	%			0	0
407-1 408-1 409-1	Cases of child/forced labor		no.	0	0	0	0

\* The work council holds regular labor-management meetings every 3 months.

## Health and Safety

GRI Disclosures	SASB Categories		Unit	2022	2023	2024	2025
403-9	Rate of Recordable Accidents (TCAR) – employees & contractors <sup>d</sup>	Based on 200'000 Working hours	Number	0	1	3	5
			Number/h	0.00	0.07	0.22	0.37
		Based on 1'000'000 Working hours	Number	0	1	3	5
			Number/h	0.00	0.35	1.09	1.85
	RT-CH-320a.1 Rate of re- cordable inci- dents (TCIR) – employees & contractors <sup>e</sup>	Based on 200'000 Working hours	Number	4	6	29	22
			Number/h	0.27	0.43	2.10	1.63
		Based on 1'000'000 Working hours	Number	4	6	29	22
			Number/h	1.34	2.13	10.52	8.13
	Lost Time Injured Rate (LTIR) - employees & contractors <sup>f</sup>	Based on 200'000 Working hours	Number	8	72	7	7
			Number/h	0.53	5.11	0.51	0.52
		Based on 1'000'000 Working hours	Number	8	72	7	7
			Number/h	2.67	25.54	2.54	2.59
RT-CH-320a.1 Rate of Fatalities – employees & contractors <sup>g</sup>		Number	0	0	0	0	
	Based on 200'000 Working hours	Number/h	0.00	0.00	0.00	0,00	
	Working Hours – employees & contractors (denominator)	Number of hours worked		2,991,337	2,818,595	2,757,503	2,706,608

<sup>d</sup> Rate of recordable accidents (TCAR)  
TCAR (Total Case Accident Rate) = Number of recordable accidents \* (200,000 or 1,000,000) / total working hours (includes all workers in SONGWON's 7 manufacturing sites : Ulsan, Maeam, Suwon, Panoli, Greiz, Houston, Ab.D plant)

<sup>e</sup> Rate of recordable incidents (TCIR)  
TCIR (Total Case Incident Rate) = Number recordable incidents \* (200,000 or 1,000,000) / total working hours (includes all workers in SONGWON's 7 manufacturing sites : Ulsan, Maeam, Suwon, Panoli, Greiz, Houston, Ab.D plant).

<sup>f</sup> Lost time injured Rate (LTIR)  
LTIR (Lost-Time Injury Rate) = Number of lost days \* (200,000 or 1,000,000) / total working hours (includes all workers in SONGWON's 7 manufacturing sites : Ulsan, Maeam, Suwon, Panoli, Greiz, Houston, Ab.D plant)

<sup>g</sup> Rate of Fatalities = Number of fatalities \* 200,000/total working hours (includes all workers in SONGWON's 7 manufacturing sites : Ulsan, Maeam, Suwon, Panoli, Greiz, Houston, Ab.D plant)

## Operational Safety, Emergency Preparedness &amp; Response

GRI Disclosures	SASB	Categories	Unit	2022	2023	2024	2025
403-9	RT-CH-540a.2	Transport incidents	Number of transport incidents for all modes (e.g., road, rail, ship)	no.	First reporting from 2025		0

## Employee wage

GRI Disclosures	SASB	Categories	Unit	2022	2023	2024	2025
		Direct employees <sup>h</sup> covered by a living wage benchmarking analysis <sup>i</sup>	%	100	100	100	100
		Direct employees paid below living wage <sup>d</sup>	%	0	0	0	0
202-1		All employees paid below living wage, including direct employees, individual contractors and dispatched workers <sup>i,j</sup>	%	0	0	0	0
		Average wage gap for direct employees paid below living wage against a living wage benchmark <sup>d</sup>	%	0	0	0	0

<sup>h</sup> Direct employees include full-time employees and laboratory interns directly employed by SONGWON.

<sup>i</sup> In case of living wage (Data boundaries : Only applicable for SWDM-KR\_Ulsan, Maeam, Suwon plant, Seoul, Busan offices)

<sup>j</sup> When SONGWON makes contract with a subcontractor, letter of agreement includes compliance matters related to compliance with local related laws relevant to living wage, labor standard, industrial health&safety etc., thereby ensuring that the subcontractor complies with the relevant laws. And in case of dispatched workers, there are no dispatched workers in Korea.)

## Information Security

GRI Disclosures	SASB	Categories	Unit	2022	2023	2024	2025
418-1		Total substantiated complaints received from outside parties and substantiated by the organization	no.	0	0	0	0
		Complaints received concerning breaches of customer privacy	no.	0	0	0	0
		Complaints from regulatory bodies	no.	0	0	0	0
		Total identified leaks, thefts, or losses of customer data	no.	0	0	0	0

## Annual Compensation

GRI Disclosures	SASB	Categories	Unit	2022	2023	2024	2025
–		Ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees <sup>k</sup>	%	168	156	165	156

<sup>k</sup> Applicable only direct employees except for Executives & Directors. (Data boundaries : Only applicable for SWDM-KR\_Ulsan, Maeam, Suwon plant, Seoul, Busan offices)

## Supply Chain Management

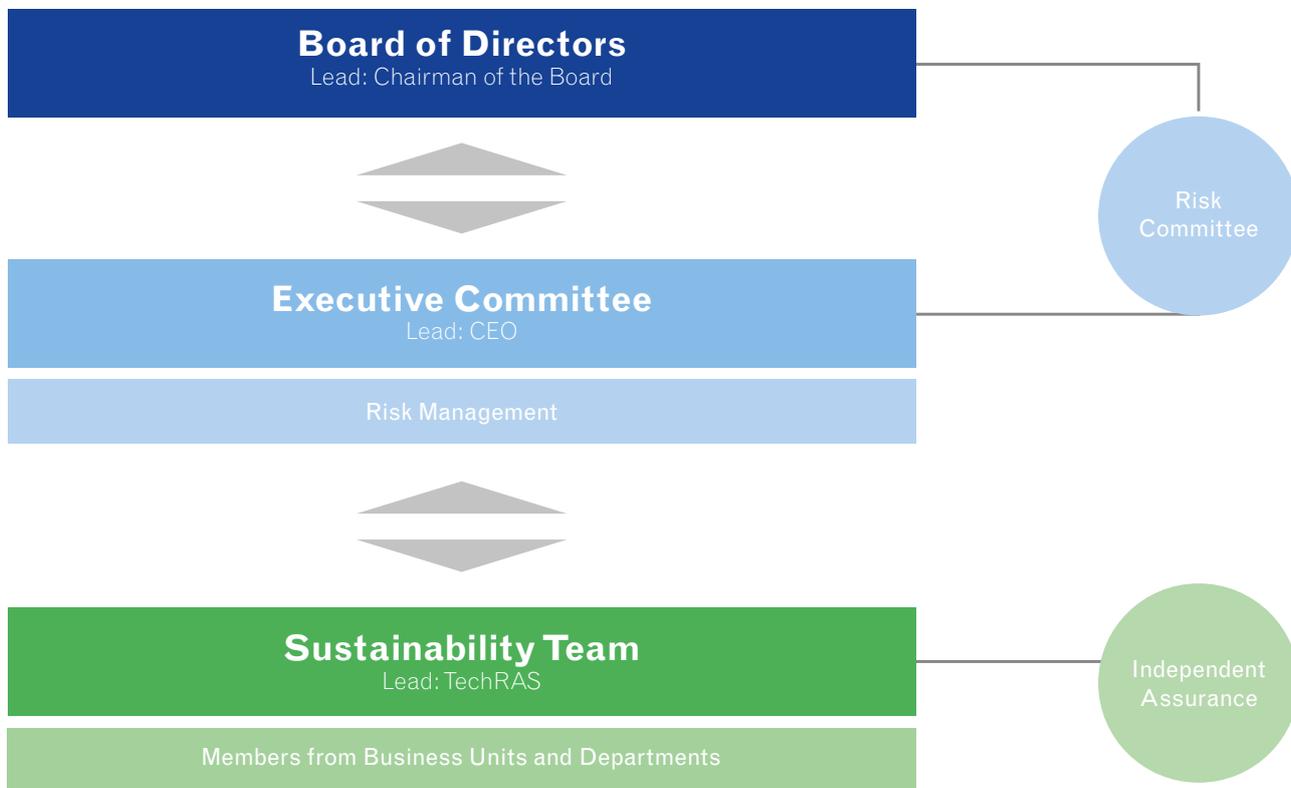
GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025
–	Buyers who received training on sustainable practices	Number			11	11
		Rate	First reporting from 2024		69%	65%
–	Total number of buyers (denominator)	Number			16	17
308-1	Targeted suppliers with ISO14001 registered	Number	68	31	40	36
		Rate	83%	86%	91%	92%
–	Grievance channel for suppliers	Number of grievances received from suppliers	First reporting from 2024		0	0
		Number of grievances resolved		0	0	
		Percentage of grievances handled through the channel		0	0	

## Customer Health & Safety

GRI Disclosures	SASB Categories	Unit	2022	2023	2024	2025	
	Customer complaints, justified, related to customer health and safety	Number	71	101	100	127	
416-1	Customer requests for technical advice	Number	299	311	296	267	
416-2	Incidents of non-compliance with regulation and/or voluntary codes concerning the health and safety impacts of products and services	Incidents of non-compliance with regulations resulting in a fine or penalty	Number	0	0	0	0
		Incidents of non-compliance with regulations resulting in a warning	Number	0	0	0	0

# GOVERNANCE

SONGWON has a clear Sustainability Governance Structure. The Board of Directors serves as the highest authority on sustainability matters, with the Chief Executive Officer providing strategic oversight. The Executive Committee (ECM) responsible for decision-making and guiding the company’s economic, environmental and social impacts. The Leader, Technology, Regulatory Affairs & Sustainability (TechRAS) heads the Sustainability Team, which coordinates activities across business units and departments to ensure a unified approach to sustainability priorities and challenges.



Within this well-established sustainability framework, we strive to enhance the sustainability profile of SONGWON's product portfolio, conserve natural resources, minimize waste, reduce greenhouse gas (GHG) emissions and create a safe, inclusive and engaging workplace.

To ensure these efforts deliver tangible results, we track progress through clearly defined key performance indicators (KPIs) and through comprehensive monitoring and reporting across all levels of the organization. This is done in full compliance with international standards and strict internal policies. SONGWON's commitment to governance and accountability is further reflected in the positive assessments and consistently strong ratings we receive from leading agencies, like EcoVadis.

## Governance structure

Recognizing how vitally important Governance is, SONGWON has acted decisively and taken proactive steps to reinforce its operations. In addition to creating a well-structured Governance framework, these measures also include implementing a comprehensive sustainability strategy, obtaining independent limited assurance for the company's critical performance metrics and establishing a strong risk management system. Collectively, they serve to strengthen SONGWON's resilience to market volatility and the challenges presented by climate change.

SONGWON's Board of Directors (BoD) oversees the strategic direction of the Group and ensures that sound governance procedures are in place. The Board supervises the decisions made by the Executive Committee (ECM) and is closely involved in managing the Group's economic, environmental and social impacts, including the approval and implementation of the sustainability strategy, overseeing investments and ensuring accurate reporting.

SONGWON's ECM plays a pivotal role in shaping the Group's strategic direction, sustainability initiatives, policies, governance, implementation and reporting. In addition to identifying and managing risks and opportunities, the ECM oversees daily business activities and ensures that high standards of company-wide governance practices are clearly understood and consistently adhered to.

- The members of the highest governance body, proposed to the Shareholders for election, are nominated based on criteria such as impartiality, freedom from external influence or conflicts of interest, performance history, ethical behavior, leadership and expertise. These criteria contribute to fostering a diverse and well-balanced Board.
- The highest governance body delegates responsibility for managing the company's impacts to the members of SONGWON's ECM: the Group CEO, Group CFO, Leader of Operations and Leader of Group Commercial.
- The Board's scope of responsibility comprises reviewing and approving reported information, including the organization's material topics, based on a proposal submitted by the Sustainability Management Team, which is subsequently approved by the ECM.

- In the event of a conflict of interest, the concerned governing body member will refrain from voting on matters related to the conflict, ensuring the highest standards of corporate governance are maintained.
- SONGWON's management consistently promotes effective communication across the organization and the smooth flow of information is facilitated by SONGWON's streamlined structure. and the smooth flow of information is. Any potential critical concerns, whether internal or external, can be raised with the ECM and any such matters are addressed during its regular meetings.

Sustainability will remain a top priority, particularly with respect to the environmental, health and safety aspects of the chemical business. As governments continue to implement and update regulations, such as emissions reduction goals and reporting standards, these developments present new challenges that the highest governance bodies must constantly address. In response, close collaboration with internal and external experts represents one of SONGWON's key measures to enhance the collective knowledge, skills and experience of the highest governance body in sustainable development.

The BoD and ECM have taken note of the newly introduced IFRS Sustainability Standards and their adoption by the Korea Sustainability Standards Board (KSSB). Committed to meeting these requirements, SONGWON is actively reviewing the regulatory landscape to identify reporting obligations across all jurisdictions in which it operates. In addition, the Sustainability Team has also implemented reporting initiatives to ensure compliance with upcoming deadlines, which relevant authorities are expected to communicate soon.

## Regular ESG Reporting in Sustainability Governance Structure

### Establishing a Regular ESG Reporting System Based on Governance

Starting in 2025, SONGWON has significantly strengthened its sustainability governance framework. Moving beyond the mere annual disclosure of results, we have established a virtuous cycle that links 'Mid-to-Long-term ESG Goals' to 'Annual Major Goals' and 'Quarterly Progress Reviews.'

The cores of this system are Transparency and Agility. Under a governance structure that flows from the Executive Committee (ECM) to the Board of Directors (BoD), our Sustainability Team derives quarterly performances. These are then benchmarked against our goals to provide systematic monitoring and immediate feedback.

### Performance Management: An Action-Oriented Process

Regular ESG reporting at SONGWON is more than just data collection. We drive meaningful change through a dedicated three-step process:

- **Goal Setting:** We establish challenging yet achievable annual core targets that are directly aligned with our mid-to-long-term strategies.
- **Quarterly Monitoring:** We maintain constant oversight of our progress by managing quarterly quantitative performance for key indicators such as GHG emissions and energy consumption.
- **Action Plan & Progress:** We focus on the "Action" behind the numbers. By identifying potential risks in missing targets early and reporting the status of specific action plans, we empower the management team to make swift, informed decisions.

### Key Performance Indicators (6 Major Goals)

To uphold the fundamental values of environment and safety, SONGWON has selected 6 major goals. We track our performance in these areas every quarter based on rigorous internal standards.

Category	Key Management Focus
GHG Emission	Managing direct (Scope 1) and indirect (Scope 2) emissions to achieve Net-Zero.
Energy	Improving energy efficiency and expanding the transition to renewable energy.
Water	Enhancing water use efficiency and managing water-related risks.
Waste	Reducing waste generation and maximizing the resource recycling rate.
Pollutants	Maintaining strict internal control of water and air pollutant concentrations, exceeding legal requirements.
Health & Safety	Implementing H&S management systems and monitoring incident rates to achieve "Zero" safety accidents.

### Future Commitment: A Promise for a Sustainable Future

Through this regular reporting system initiated this year, SONGWON will continue to demonstrate ESG management through "Action," not just "Declarations." Guided by the principle that "What gets measured, gets managed," we pledge to share transparent and accurate performance results with all our stakeholders.

### 2025 ESG Agenda in ECM & BoD (Appendix)

Committee Name	Date held	Agenda	Approval Status
BoD (Board of Director Meeting)	20-Mar-25	ESG goals 2025 to 2030	Approved
	16-Dec-25	ESG materiality assessment for 2026	Approved
		Q3 performance against ESG 2025 goals	Report
ECM (Executive Committee Meeting)	19-Mar-25	ESG goals 2025 to 2030	Approved
	8-Jul-25	Update on ESG actions for 2025	Report
	11-Nov-25	Q3 performance against ESG 2025 goals	Report

Note: Topics for climate changes, other environmental topics (water, waste, pollutants), health & safety are covered during ESG agenda.

### Stakeholders

At SONGWON, we define our stakeholders as customers, employees, shareholders/investors, business partners and suppliers. Other relevant stakeholder groups include the local communities where SONGWON operates, creditors, regulatory bodies, trade associations, decision-makers and opinion leaders. Stakeholders are selected based on their relevance to SONGWON's corporate strategy and sector, considering both the extent of their impact on the organization and in relation to how SONGWON's activities impact them.

At SONGWON, prioritizing accountability and transparency is fundamental to building trust with our stakeholders and we actively consider their input and perspectives to guide our decisions. By regularly engaging in transparent and collaborative dialogue with stakeholders, we can better understand their challenges while strengthening long-term relationships. Furthermore, their feedback helps us identify areas for improvement and align our actions with their expectations.



In 2025, to enhance stakeholder communication and risk management, KPIs were expanded to address energy consumption, environmental impacts, sustainable sales, product hazard profiles and transport safety.

Stakeholder involvement is paramount to SONGWON's success. To effectively implement our sustainability strategy in a significant way, we rely on contributions from all SONGWON's stakeholders. To achieve this, we use various communication channels for each stakeholder group. This approach enables us to promptly address their concerns and meet their expectations.

Stakeholder communication is fostered through regular contact and exchange. Stakeholder engagement activities are primarily initiated at the top level (Board/ECM, BU leaders, site management) to identify current and potential impacts, as well as to determine appropriate prevention measures or joint solutions. All levels are involved in the follow-up

process. We also make sure that stakeholders have access to clear and accessible information through appropriate communication channels, such as product declarations.

Stakeholder feedback that has been gathered through methods such as online questionnaires and requests for low-emission products is systematically recorded and integrated into decision-making processes, including product Life Cycle Assessments (LCAs). In all business and communication activities, we actively promote SONGWON's values of respect, which encompass human rights and foster positive business relationships.

### Stakeholder engagement channels

Stakeholder Groups		Topics	Channels
Internal	Employees	Health and safety, human rights, career development, work conditions, job security, information security	Daily interaction, meetings, intranet, employee newsletter, training, performance reviews, whistleblowing channel <sup>1</sup>
	Customers	Health and safety, human rights, requests, new requirements, products, developments, strategy	Personal contact, website, newsletter, events, surveys, handbooks, emails/calls, webinars
	Suppliers	Health and safety, human rights, due diligence, targets, products, developments, declaration	Direct contact, online, meetings, surveys, assessments, training, calls
External	Shareholders/ Investors	Strategy, performance, ESG	Financial reporting, meetings, annual reports, website, calls
	Industry Associations	Industry developments/issues, regulations, standards, legislation, partnerships	Memberships, conferences, meetings, projects

<sup>1</sup> Via the following channels listed below and either anonymously or not, whistleblowers can report matters to:  
 1) their immediate supervisor  
 2) the responsible Business Unit Leader, Division Leader, or General/Country Manager  
 3) the Group's Chief Executive Officer  
 4) the designated Whistleblowing Officers  
 a) Korea: Whistleblowing Grievance Committee (see Committee counselor contact information)  
 b) Global: Whistleblowing Officers (see Section 7 of the Whistleblowing policy)

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The management conducted a comprehensive ESG materiality assessment on climate change risks at the end of 2023. The outcomes were incorporated into key performance indicators (KPIs) for both 2024 and 2025 and are effectively managed by SONGWON's Leader, TechRAS.

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## Materiality Assessment

At the end of 2023, SONGWON conducted a comprehensive ESG materiality assessment using a methodology developed by a workgroup under the guidance of the Executive Committee. The assessment applied the concept of double materiality, considering both the impact of ESG factors on the organization (financial materiality) and SONGWON's impact on these factors (impact materiality), in compliance with GRI and in preparation for KSSB\* reporting. In 2024, the BoD reviewed the material topics and confirmed that they remained unchanged. These topics remained unchanged and continued to guide SONGWON's ESG strategy and reporting in 2025.

**1. The workgroup identified relevant ESG topics by:**

- evaluating reporting standards
- benchmarking industry peers
- considering SONGWON's specific priorities

**2. These topics were then classified and a list of their impacts was compiled based on:**

- Nature: E&S or financial
- Occurrence: actual or potential
- Implications: positive or negative

**3. This extensive list of impacts was shared with the Executive Committee and 2 external experts, who graded each topic:**

- E&S impacts were graded based on their scale, scope, remediability and likelihood.
- Financial impacts were graded based on their scale, likelihood and time horizon.

**4. These evaluations identified 4 critical ESG impacts and their associated topics, which were also confirmed again as material for SONGWON in 2025.**

By applying its materiality assessment approach, SONGWON seeks to gain a deeper understanding of stakeholders' concerns and expectations. It incorporates these insights into its business strategy

and uses them to improve performance as well as enhance environmental and social value across its operations.

\* Korea Sustainability Standards Board

### Materiality Assessment

Topics	Impacts	Type	Characteristic	Level
GHG emission management	Contribute towards meeting the NDC* goals and the Paris Agreement by reducing GHG emissions on entire value chain	E&S	Positive	●●○
	Increased GHG emission and worsening of climate change if Net Zero strategy is not implemented and managed appropriately	E&S	Negative	●●○
	If carbon emissions are not managed appropriately, sales revenue may decrease due to lack of customer confidence and capital raising may not be made easy due to negative impressions from stakeholders (ex. deal reduction, contract withdrawal)	Financial	Risk	●●●
Investment of green product and technology	Promote green consumption and contribute towards green society by expanding investment in eco-friendly technology and products	E&S	Risk	●●●
	Increase in the cost of R&D to meet the demand for green products	Financial	Positive	●●●
Minimization of environmental impact across product life cycle	Reduced carbon footprint across product life cycle by conducting life cycle assessment (LCA) on SONGWON's products and monitoring the results	E&S	Positive	●●●
	Increase in sales revenue and capital inflow due to the expansion of market share of SONGWON's LCA-implemented products	Financial	Opportunity	●●○
Occupational health and safety risk management	If the culture of safety is not appropriately addressed then the burden of public healthcare system and the community accident rate may increase	E&S	Negative	●○○
	Decrease in sales revenue and net profit, caused by lower labor productivity and production volume	Financial	Risk	●●○

●●● High   ●●○ Medium   ●○○ Low

\* NDC (Nationally Determined Contribution): A target set by a country to reduce greenhouse gas emissions and support the objectives of the Paris Agreement.

## Risk Management

In the face of a rapidly shifting business landscape, we understand that addressing risks with proactive and decisive actions is essential to achieving our long-term vision and earning stakeholders' trust and confidence by meeting their expectations.

The numerous challenges of the past few years, including supply chain disruptions and heightened geopolitical tensions, have underscored the importance of anticipating and evaluating a broad range of risks and systematically integrating them into SONGWON's top-level strategies. This is essential not only for mitigating or minimizing SONGWON's exposure to risks but also for ensuring that we are always well-positioned to capitalize on valuable emerging opportunities. The BoD is actively involved in identifying and assessing these risks and opportunities, as well as in developing and implementing strategies to manage them.

Assessing exposure to climate-related risks and opportunities within a defined timeframe is essential for driving the shift to a low-carbon economy, in line

with the Paris Agreement and the United Nations' Sustainable Development Goals (SDGs). To manage these risks, SONGWON continues to prioritize reducing its carbon footprint while developing more sustainable products that support the circular economy.

Moreover, the potential impacts of risks related to regulatory changes (e.g., product registrations, substance bans, etc.), market uncertainties (e.g., volatile demand, rising costs, etc.) and maintaining SONGWON's reputation (e.g., governance, operations, etc.) underline the necessity for our continued vigilance. Establishing a robust and well-developed risk management framework, in addition to formulating SONGWON's strategy, provides an essential foundation for our future initiatives. By systematically identifying, assessing and mitigating risks, we can strategically position SONGWON for sustainable growth while protecting our operations in a highly complex and evolving business landscape.

## Ethics

**Acting responsibly, ethically and in compliance with the law to uphold a culture of mutual responsibility is fundamental to how we do business. At SONGWON, we are committed to cultivating a responsible culture and implementing policies that empower our people to align their actions with our core values.**

Our dedication to 'always doing the right thing' is the guiding principle behind our actions and it directs us to act with the utmost responsibility and integrity. Human welfare is a priority at SONGWON as we seek new opportunities and strive for excellence and collaborative success with our stakeholders. In addition to this, we aim to continually reinforce ethical behavior, improve our processes, policies and compliance tools, as well as enable employees to make sound decisions. It is important to us that our people feel proud to work for a global organization that upholds high standards of integrity and is committed to safeguarding its employees, assets and reputation.

SONGWON's [Code of Conduct](#) is fully aligned with the organization's core values and professional, customer-focused approach. It not only lays out our business principles clearly but also provides guidance on how every member of SONGWON's global team should apply them.

As part of its commitment to fostering a culture of good corporate practice, SONGWON also has a whistleblower policy that allows individuals to report concerns regarding improper activities in the workplace (e.g., human rights problems such as bullying, discrimination, sexual harassment, etc.) or breaches of the Code and protects them from retaliation.

### The Code is regularly updated to address the following areas:

- Corporate values
- Health and Safety
- Environment
- Equal opportunities
- Fair trading
- Money laundering
- Trade control regulations
- Insider trading
- Bribery and corruption
- Gifts and favors
- Expenses and claims
- Intellectual property rights
- Use of company property
- Alcohol, controlled substances and weapons
- Code breaches
- Communication

## Compliance

In 2025, no inquiries, reports, or complaints were received and no cases were reported of human rights violations, bribery, discrimination, or other violations of personal rights during the reporting period. There were also no lawsuits or fines resulting from anti-competitive practices, in relation to SONGWON's products and services. ■

### Compliance

<b>Ethics and integrity</b>	No cases
<b>Discrimination and harassment</b>	No cases
<b>Human rights</b>	No cases
<b>Bribery and corruption</b>	No cases
<b>Anti-competitive practice</b>	No cases
<b>Environmental laws/regulations</b>	No cases

GRI Disclosures	SASB Categories		Unit	2022	2023	2024	2025		
2-9	Board of Directors	Composition	Total	persons	4	4	4	4	
			By type	Inside Director	persons	3	3	3	3
				Outside Director	persons	1	1	1	1
			By gender	Male	persons	4	4	4	4
				Female	persons	0	0	0	0
			2-9	Board of Directors	Operation	Number of board meetings	no.	9	7
Number of agenda	Resolution	no.				9	6	7	11
	Report	no.				3	5	5	2

GRI Disclosures	SASB Categories		Unit	2022	2023	2024	2025	
205-2	Ethics training <sup>a</sup>	Total employees trained on ethics	Number	994	977	971	974	
			%	100%	100%	100%	100%	
		Total ECM members trained on ethics	Number	4	4	4	4	
			%	100%	100%	100%	100%	
		Total BoD members trained on ethics	Number	4	4	4	4	
			%	100%	100%	100%	100%	
205-1	Risk assessment	Percentage of fully owned sites for which an internal audit/risk assessment on ethics issues	Number	4	7	7	7	
			%	57%	100%	100%	100%	
205-3	Whistle-blowing channel and corruption	Cases reported through whistle-blowing channel	Substantiated cases	Number	0	0	0	0
			Unsubstantiated cases	Number	0	0	0	0
		Total confirmed incidents of corruption	Number	0	0	0	0	
206-1	Legal Actions	Total number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation	Number	0	0	0	0	
205-2	Employee training – fair trading <sup>b</sup>	Number of employees who completed the training	Number	994	977	971	974	

<sup>a</sup> Employee Code of Conduct training for ethics topic.

<sup>b</sup> SONGWON conducts training for employee's Code of Conduct which incorporates the content of fair trading.

# APPENDIX

SDGs	Metrics and Disclosure	Report
Climate Action	Energy consumption within the organization	Sustainability, Environment
	GHG emissions (Scope1 & Scope2) within the organization	
	Carbon intensity	
	Energy intensity	
	Air emissions	
	New suppliers that were screened using environmental criteria	
	Renewable energy consumption	
	Grid electricity	
	Self-generated energy	
	Ratio of recycled water compared to total water consumption	
	Volatile Organic Compounds (VOCs)	
	Hazardous Air Pollutants (HAPs)	
	Green sales	
	Product Design for Use-phase Efficiency	
<ul style="list-style-type: none"> <li>▪ Clean Water and Sanitation</li> <li>▪ Life below water</li> <li>▪ Life on land</li> </ul> <p><b>Metrics and Disclosure:</b></p> <ul style="list-style-type: none"> <li>▪ Locations with High or Extremely High Baseline Water Stress as a percentage of the total water withdrawn</li> <li>▪ Locations with High or Extremely High Baseline Water Stress as a percentage of the total water consumed</li> <li>▪ Water recycle</li> <li>▪ Number of Third-party approved environmental certifications</li> <li>▪ Number of environmental regulation violations</li> <li>▪ Amount of fines for environmental regulation violations</li> <li>▪ Number of employees who completed the environmental training</li> <li>▪ Pollutions (TOC, BOD, SS)</li> <li>▪ Hazardous chemicals use</li> </ul>	Water consumption	
	Water withdrawal	
	Water discharge	
	Management of water discharge-related impacts	
	Product End-of-Life	
	New suppliers that were screened using environmental criteria	
	Significant spills	
	Waste management	
	Transport incident	

SDGs	Metrics and Disclosure	Report
Responsible consumption and production  <b>Metrics and Disclosure:</b> <ul style="list-style-type: none"> <li>■ Green purchasing</li> <li>■ Genetically Modified Organisms</li> </ul>	Materials use management	
	Waste management	
	Product use	
	Product End-of-Life	
	Customer requests for technical advice	
	New suppliers that were screened using environmental criteria	
Industry, Innovation and Infrastructure	Product Use	
	Product End-of-Life	
	Customer requests for technical advice	
	New suppliers that were screened using environmental criteria	
	Products life cycle assessment (LCA) and improvement (GHG-reduction etc.)	
Sustainable cities and communities	Customer complaints, justified, related to customer health and safety	Sustainability, Society, Governance structure
	Customer requests for technical advice	
	Incidents of non-compliance concerning the health and safety impacts of products and services	
	Total substantiated complaints received concerning breaches of customer privacy	
	Total identified leaks, thefts, or losses of customer data	
Good health and well-being	Incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	
	Work-related injuries	
	Number of hours worked	
	Revenue from products that contain GHS Category 1 and 2 Health and Environmental Hazardous Substances that have undergone a risk assessment	
	Revenue from products that contain GHS Category 1 and 2 Health and Environmental Hazardous Substances that have undergone a risk assessment	
Decent Work and Economic Growth  <b>Metrics and Disclosure:</b> <ul style="list-style-type: none"> <li>■ Employee Status By entity, By age group, By contract type</li> <li>■ Employee New Hires By age group</li> <li>■ Employee Turnover</li> <li>■ Board of Directors</li> </ul>	Management and employee joint councils or meetings to discuss labor and human rights issues	Sustainability, Society, Governance structure
	Employees that were entitled to parental leave, by gender	
	Parental leave	
	Diversity of governance bodies and employees	
	Work-related injuries	
	Ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees	

# APPENDIX

SDGs	Metrics and Disclosure	Report
<p>Reduced inequalities</p> <p><b>Metrics and Disclosure:</b></p> <ul style="list-style-type: none"> <li>■ Employee Diversity Top Executive position, Senior management position, Mid-level management position, Staff position</li> <li>■ Grievance channel</li> </ul>	<p>Management and employee joint councils or meetings to discuss labor and human rights issues</p> <p>Parental leave</p> <p>Training hours per employee</p> <p>Cases of child/forced labor</p> <p>Communication and training about anti-corruption policies and procedures</p> <p>Operations assessed for risks related to corruption</p> <p>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</p> <p>New suppliers that were screened using environmental criteria</p> <p>Ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees</p>	
<p>Gender equality</p> <p><b>Metrics and Disclosure:</b></p> <ul style="list-style-type: none"> <li>■ Employee Status By gender</li> <li>■ Employee New Hires By gender</li> </ul>	<p>Parental leave</p> <p>Diversity of governance bodies and employees</p>	
<p>Quality education</p> <p><b>Metrics and Disclosure:</b></p> <ul style="list-style-type: none"> <li>■ Total BOD members trained on ethics</li> <li>■ Employee training - fair trading</li> </ul>	<p>Communication and training about anti-corruption policies and procedures</p>	
<p>No poverty</p>	<p>Direct employees covered by a living wage benchmarking analysis</p> <p>Direct employees paid below living wage</p> <p>All employees paid below living wage, including direct employees, individual contractors and dispatched workers</p> <p>Average wage gap for direct employees paid below living wage against a living wage benchmark</p>	
<p>Partnerships for the Goals</p>	<p>Partnerships, Memberships</p> <p>Sustainability Standards, Ratings</p>	<p>Labels, Standards, Certifications, Partnerships, Memberships</p>



# GRI CONTENT INDEX

	<p>For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the English version of the report.</p>
Statement of use	SONGWON has reported in accordance with the GRI Standards for the period January 1 <sup>st</sup> , 2025 - December 31 <sup>st</sup> , 2025.
Applicable GRI sector standard(s)	No existing GRI Sector Standards are applicable to SONGWON
GRI 1 used	GRI 1: Foundation 2021
GRI Content Index	The GRI Content Index includes the General Disclosures (GRI 2) and the Material Topics (GRI 3) and Reasons for Omissions for disclosures and requirements that the organization cannot comply with.
Reporting Principles	SONGWON confirms the application of the Reporting Principles: Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability context, Timeliness, Verifiability.
Content Index Service	Reporting year 2025: Content Index Service Essential Reporting year 2024: Content Index Service Essential Reporting year 2023: Content Index Service Essential

## GRI 2 GENERAL DISCLOSURES 2021

GRI Disclosures	Page	Comments	Omissions		
			Requirement(s) Omitted	Reason	Explanation
Disclosure 2-1	Organizational details	19-30			
Disclosure 2-2	Entities included in the organization's sustainability reporting	74-76			
Disclosure 2-3	Reporting period, frequency and contact point	74 253-255			
Disclosure 2-4	Restatements of information	86			
Disclosure 2-5	External assurance	74, 140-147	Limited assurance, based on ISAE3000		
Disclosure 2-6	Activities, value chain and other business relationships	75-84			
Disclosure 2-7	Employees	62-67 108-109 114-116			

## GRI 2 GENERAL DISCLOSURES 2021

GRI Disclosures	Page	Comments	Omissions		
			Requirement(s) Omitted	Reason	Explanation
Disclosure 2-8	Workers who are not employees	114 117-118			
Disclosure 2-9	Governance structure and composition	120-121 150-155			
Disclosure 2-10	Nomination and selection of the highest governance body	120-121 150-152			
Disclosure 2-11	Chair of the highest governance body	120-121 150-152	See Governance Structure and the company website*		
Disclosure 2-12	Role of the highest governance body in overseeing the management of impacts	120-121 150-155			
Disclosure 2-13	Delegation of responsibility for managing impacts	120-121 150-155			
Disclosure 2-14	Role of the highest governance body in sustainability reporting	120-121 153-155			
Disclosure 2-15	Conflicts of interest	120-121 154	In 2025, there were no cases of conflicts resulting from cross-memberships, cross-shareholding, or control by related parties		
Disclosure 2-16	Communication of critical concerns	109 153-154	In 2025, no critical concerns about the organization's potential and actual negative impacts on stakeholders, business conduct, or business relations have been communicated to the highest governance body.		

\* [www.songwon.com/investors/corporate-governance/board-of-directors](http://www.songwon.com/investors/corporate-governance/board-of-directors)

**GRI 2 GENERAL DISCLOSURES 2021**

GRI Disclosures	Page	Comments	Omissions			
			Requirement(s) Omitted	Reason	Explanation	
Disclosure 2-17	Collective knowledge of the highest governance body	121				
Disclosure 2-18	Evaluation of the performance of the highest governance body	148	In 2025, neither a dependent nor an independent evaluation of the highest governance body has been carried out.	Disclosure 2-18, c.	Information unavailable/incomplete	Formal evaluations of the highest governance body by a 3 <sup>rd</sup> party are not conducted and are therefore not reportable. SONGWON continually reviews governance processes to enable periodic evaluation; results will be reported in future sustainability reports.
Disclosure 2-19	Remuneration policies	109, 147		Disclosure 2-19 a. i-v	Confidentiality constraints	This information is confidential and subject to legal prohibition such as data protection and privacy laws.
Disclosure 2-20	Process to determine remuneration	109, 148		Disclosure 2-20 a. i-iii and b.	Confidentiality constraints	This information is confidential and subject to legal prohibition such as data protection and privacy laws.
Disclosure 2-21	Annual total compensation ratio	118	This is only applicable for SWDM-KR. See pg. 118	Disclosure 2-2, a, b and c	Confidentiality constraints	This information is confidential and subject to legal prohibition such as data protection and privacy laws.
Disclosure 2-22	Statement on Sustainable Development Strategy	70, 76				
Disclosure 2-23	Policy commitments	75, 109, 112-113, 149	<a href="http://songwon.com/code-of-conduct">Code of Conduct</a> songwon.com/ code-of-conduct <a href="http://songwon.com/esg-policies">ESG policies</a> songwon.com/ esg-policies			
Disclosure 2-24	Embedding policy commitments	92-93, 96, 106-107, 109, 146, 149				
Disclosure 2-25	Processes to remediate negative impacts	127, 146-150				

## GRI 2 GENERAL DISCLOSURES 2021

GRI Disclosures	Page	Comments	Omissions		
			Requirement(s) Omitted	Reason	Explanation
Disclosure 2-26	Mechanisms for seeking advice and raising concerns	63, 109, 124, 149-150			
Disclosure 2-27	Compliance with laws and regulations	60-61, 79, 88, 90-128	In 2025: No cases of non-compliance.		
Disclosure 2-28	Membership associations	234			
Disclosure 2-29	Approach to stakeholder engagement	123-124, 150-153			
Disclosure 2-30	Collective bargaining agreements	109			

## GRI 3 MATERIAL TOPICS 2021

GRI Disclosures	Page	Comments	Omissions		
			Requirement(s) Omitted	Reason	Explanation
Disclosure 3-1	Process to determine material topics	123-126	The double materiality assessment is conducted in the following order: 1) identification of industry-specific ESG issues, 2) identification of environmental and social impacts of each issue, and 3) assessment of impacts, leading to the final selection of material issues.		
Disclosure 3-2	List of material topics	126	2025 material topics: • GHG emission management • Investment of green product and technology • Minimization of environmental impact across product life-cycle • Occupational health and safety risk management		

GRI Disclosures		Page	Comments	Omissions
<b>GHG emission management</b>				
<b>GRI 3: Material Topics 2021</b>				
3-3	Management of material topics	75-76, 87-88, 93, 112-113, 121-122		
<b>GRI 302: Energy 2016</b>				
302-1	Energy consumption within the organization	98		
<b>GRI 305: Emissions 2016</b>				
305-1	Direct (Scope 1) GHG emissions	99		
305-2	Energy indirect (Scope 2) GHG emissions	99		
305-4	GHG emissions intensity	99		
<b>Investment of green product and technology</b>				
<b>GRI 3: Material Topics 2021</b>				
3-3	Management of material topics	79-83, 93-96, 122		
<b>GRI 301: Materials 2016</b>				
301-1	Materials used by weight or volume	88, 104		
<b>Minimization of environmental impact across product lifecycle</b>				
<b>GRI 3: Material Topics 2021</b>				
3-3	Management of material topics	81-83, 92-94, 122		
<b>GRI 303: Water and Effluents 2018</b>				
303-1	Interactions with water as a shared resource	100		
303-3	Water withdrawal	100		
303-4	Water discharge	101		
303-5	Water consumption	100		
<b>GRI 305: Emissions 2016</b>				
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	102		
<b>GRI 306: Waste 2020</b>				
306-3	Waste generated	101-102		
306-4	Waste diverted from disposal	101-102		
306-5	Waste directed to disposal	101-102		
<b>GRI 308: Supplier Environmental Assessment 2016</b>				
308-1	New suppliers that were screened using environmental criteria	119		
<b>Occupational health and safety risk management</b>				
<b>GRI 3: Material Topics 2021</b>				
3-3	Management of material topics	92-97, 106-109, 117-119, 122		
<b>GRI 403: Occupational Health and Safety 2018</b>				
403-4	Worker participation, consultation, and communication on occupational health and safety	117		
403-9	Work-related injuries	117		
<b>GRI 404: Training and Education 2016</b>				
404-1	Average hours of training per year per employee	116		





## INDEPENDENT ASSURANCE OPINION STATEMENT

### To the Board of Songwon Industrial Co., Ltd.

83, Jangsaengpo-ro, Nam-gu 44781, Ulsan, Republic of Korea

### Holds Statement No.: SRA 745794

The British Standards Institution (BSI) has conducted a limited assurance engagement on the sustainability information (described in the "Scope") in the specific sustainability performance information (ESG Data template\_Quantitative\_FY25 Consolidated) for Songwon Industrial Group for the financial year 2025.

### Scope

The scope of engagement agreed upon with Songwon includes the following:

The assurance covers the information of the following subject matters in the specific sustainability performance information for Songwon Industrial Group for the financial year 2025. The selected information is reported in accordance with GRI Standards, SASB Chemical Standards and Organization-specific indicators. The details of 104 ESG KPIs subject matters and their boundaries within the scope is described in Appendix A.

### Opinion Statement

We have conducted a limited assurance engagement on the sustainability information described in the "Scope" above Sustainability Information. The limited assurance is compared to the reasonable assurance, and provides a lower level of assurance than the reasonable assurance. As a result, the procedure for collecting evidence, such as the nature, scope and sampling of the procedure carried out by the assurer, is planned at a lower level than that of the reasonable assurance, and may not be aware of the important points that may be identified through the reasonable assurance. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Information is not prepared, in all material respects and assurer has found no findings that would determine that the information and data contained were improperly described in accordance with the criteria used by Songwon in view of the importance of the information to be verified.

### Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised). Our work was designed to gather evidence on which to base our conclusion. As part of its independent assurance, the assurer has used the methodology developed to collect relevant evidence to comply with the verification criteria and to reduce errors in the reporting, and has performed the following activities.

- a top level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staffs on organization's approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- document review of relevant systems, policies, and procedures where available

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- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- visit of the Ulsan HQ of Songwon to confirm the data collection processes, record management practices.

### Responsibility

Songwon is responsible for the preparation and fair presentation of the sustainability information and report in accordance with the agreed criteria and is responsible for designing and implementing an internal control system related to the content of the report and maintaining it to ensure that there are no significant errors due to forgery or alteration or distortion.

British Standards Institution (BSI) is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described. We have conducted review the information presented by Songwon according to expert judgment, and prepared assurance opinion based on the assurance procedure and conclusion performed. We assume that all information provided by Songwon is true, accurate, and complete. We shall not bear any responsibility to a third party other than Songwon regarding the work performed by the assurer and the conclusions presented in this opinion.

### Independence, Quality Control and Competence

British Standards Institution (BSI) is a leading global standards and assessment body founded in 1901 and an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services and complied with the other ethical requirements of BSI. BSI Group Korea implements a comprehensive system that meets the accreditation requirements of ISO 14065 (General principles and requirements for bodies validating and verifying environmental information) and ISO/IEC 17021 (Requirements for bodies providing audit and certification of management systems), which complies with the Code of Ethics requirements of ISQM1 (International Standard on Quality Management 1) and IESBA (Certified Public Accountant of International Ethics Standards Board for Accountants). No member of the assurance team has a business relationship with Songwon Industrial Group. The Assurer has conducted this verification independently, and there has been no conflict of interest. The Assurer applies Quality Control of BSI scheme and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. All assurers who participated in the assurance have qualifications as an ISAE3000 assurer, have wide assurance experience and in-depth understanding of the BSI Group's assurance standard methodology.

Issue Date: 19/02/2026

For and on behalf of British Standards Institution (BSI):



Jungwoo Lee, Lead Assurer of BSI Korea



SeongHwan Lim, Managing Director of BSI Korea

BSI Group Korea, Republic of Korea, 29, Insa-dong 5-gil, Jongno-gu, Seoul

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Appendix A: [Data of subject matters within the scope]



No	KPIs and disclosures	GRI	GRI Details	SASB	SASB Details
1	Employee Status (Total, By entity, By gender, By age group, By contract type)	2-7	Employees	-	-
2	Board of Directors (Composition, Operation)	2-9	Governance structure and composition	-	-
3	Number of work council members, Number of eligible work council members, Work council membership rate <b>(Only Korean Entity)</b>	2-30	Collective bargaining agreements	-	-
4	Direct employees covered by a living wage benchmarking analysis, direct employees paid below living wage, all employees paid below living wage, including direct employees, individual contractors and dispatched workers, Average wage gap for direct employees paid below living wage against a living wage benchmark <b>(Only Korean Entity)</b>	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	-
5	Percentage of sites for which an internal audit/risk assessment on ethics issues	205-1	Operations assessed for risks related to corruption	-	-
6	Number of employees trained on ethics, Total ECM, BoD members trained on ethics,	205-2	Communication and training about anti-corruption policies and procedures	-	-
7	Total Cases reported through whistleblowing channel, Total confirmed incidents of corruption	205-3	Confirmed incidents of corruption and actions taken	-	-
8	Total Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	-
9	Renewable, Non-Renewable Materials <b>(Only Korean Entity)</b>	301-1	Materials used by weight or volume	-	-

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No	KPIs and disclosures	GRI	GRI Details	SASB	SASB Details
10	Direct Energy, Indirect Energy, Renewable energy consumption, Grid electricity, Self-generated energy	302-1	Energy consumption within the organization	RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable energy, (4) total self-generated energy
11	Energy intensity	302-3	Energy intensity ratio for the organization	-	-
12	Water withdrawal (Municipal water, Groundwater, Rainwater, Surface water), Water withdrawn from locations with High or Extremely High Baseline Water Stress	303-1 303-3	Interactions with water as a shared resource, Water withdrawal	RT-CH-140a.1	(1) Total water withdrawn, (2) percentage of each in regions with High or Extremely High Baseline Water Stress
13	Water discharge	303-4	Water discharge	-	-
14	Water consumption (Municipal water, Groundwater, Rainwater, Surface water) Water consumed from locations with High or Extremely High Baseline Water Stress	303-1 303-5	Interactions with water as a shared resource, Water consumption	RT-CH-140a.1	(2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress
15	Direct emissions (Scope 1) Global scope 1 emissions covered under emissions-limiting regulations	305-1	Direct (Scope 1) GHG emissions	RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations
16	Indirect emissions (Scope 2)	305-2	Energy indirect (Scope 2) GHG emissions	-	-
17	Carbon Intensity	305-4	GHG emissions intensity	-	-
18	Nitrogen Oxides (NOx), Sulfur Oxides (SOx) Emissions	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	RT-CH-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O), (2) SOx
19	Total amount of hazardous waste (Recycling, Landfill, External Incineration, Internal Incineration)	306-3 306-4 306-5	Waste diverted from disposal Waste directed to disposal	RT-CH-150a.1	(1) Amount of hazardous waste generated
20	Total amount of non-hazardous waste (Recycling, Landfill, External Incineration, Internal Incineration)	306-3 306-4 306-5	Waste diverted from disposal Waste directed to disposal	-	-
21	Targeted suppliers with ISO14001 registered	308-1	New suppliers that were screened using environmental criteria		...making excellence a habit™



No	KPIs and disclosures	GRI	GRI Details	SASB	SASB Details
22	New employee hires and employee turnover	401-1	New Employee Hires and Employee Turnover	-	-
23	Employees that were entitled to parental leave by gender, Employees that took parental leave by gender, Employees that returned to work in the reporting period after parental leave ended, Employees that returned to work after parental leave and ended that were still employed 12 months after their return to work, Return to work rate of employees that took parental leave, Retention rate of employees that took parental leave by gender	401-3	Parental leave	-	-
24	Number of meetings to discuss labor and human rights issues <b>(Only Korean Entity)</b>	403-4 407-1	Worker participation, consultation, and communication on occupational health and safety Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	-
25	Number & Rate of Recordable Accidents (TCAR)–employees & contractors, Number & Rate of Injuries (TCIR, TRIR) – employees & contractors, Lost day & Lost day rate (LDR, LTIR) due to accidents and incidents – employees & contractors, Number & Rate of Fatalities – employees & contractors	403-9	Work-related injuries	RT-CH-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees
26	Total training hours – all topics, Training hours per person – all topics, Total training hours – labor and human rights topics, Average training hours – labor and human rights topic	404-1	Average hours of training per year per employee	-	-

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No	KPIs and disclosures	GRI	GRI Details	SASB	SASB Details
27	Employee Diversity - Top Executive position, Senior management position, Mid-level management position, Staff position	405-1	Diversity of governance bodies and employees	-	-
28	Cases of child/forced labor	407-1 408-1 409-1	Operations and suppliers at significant risk for incidents of child labour	-	-
29	Customer requests for technical advice	416-1	Assessment of the health and safety impacts of product and service categories	-	-
30	Incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	-
31	Substantiated complaints concerning breaches of customer privacy and losses of customer data Total substantiated complaints received concerning breaches of customer privacy, Total identified leaks, thefts, or losses of customer data	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	-
32	Total Organic Carbon (TOC), Biochemical Oxygen Demand (BOD) and Suspended Solids (SS)	-	-	-	-
33	Hazardous chemicals	-	-	-	-
34	Ratio of green purchasing compared to total purchase amount, Green purchasing amount, By type (renewable raw material, PE bag), Total purchase amount ( <b>Only Korean Entity</b> )	-	-	-	-
35	Product Use	-	-	-	-
36	Water recycle (Total), Ratio of recycled water compared to total water consumption)	-	-	-	-
37	Customer complaints, justified, related to customer health and safety	-	-	-	-

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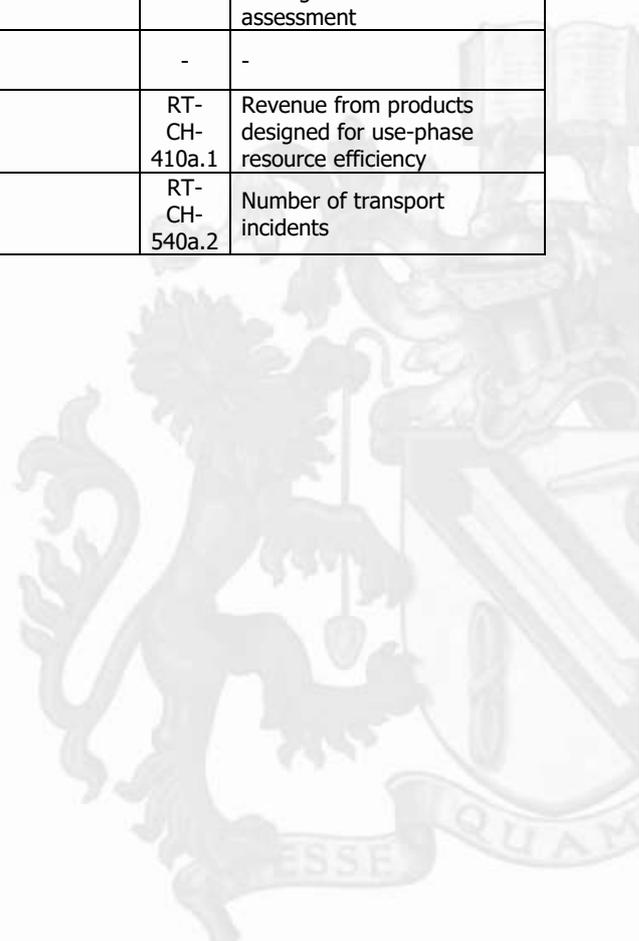


No	KPIs and disclosures	GRI	GRI Details	SASB	SASB Details
38	Grievance channel for Labor and Human Rights	-	-	-	-
39	Employees with disabilities	-	-	-	-
40	Product End-of-Life	-	-	-	-
41	Genetically Modified Organism	-	-	RT-CH-410c.1	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human or environmental impact
42	Number of Third-party approved environmental certifications	-	-	-	-
43	Number of environmental regulation violations, Amount of fines for environmental regulation violations	-	-	-	-
44	Number of employees who completed the training (Environmental)	-	-	-	-
45	Ratio of the annual total compensation for the highest paid individual, to the median annual total compensation for all employees <b>(Only Korean Entity)</b>	-	-	-	-
46	Buyers who received training on sustainable practices, Total number of buyers, Grievance channel for suppliers	-	-	-	-
47	Total volume of spills (oil, fuel, waste, and chemicals)	-	-	-	-
48	Working Hours – employees & contractors	-	-	-	-
49	Air quality - VOCs, HAPs	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	RT-CH-120a.1	Air emissions of the following pollutants:(3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)

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50	Risk assessment	-	-	RT-CH-410b.1	(1) Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment
51	Green sales	-	-	-	-
52	Product Design for Use-phase Efficiency	-	-	RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency
53	Transport incidents	-	-	RT-CH-540a.2	Number of transport incidents



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# 04





# Corporate Governance

# CORPORATE GOVERNANCE

## Dedicated to transparency & accountability

Ensuring sound and accountable corporate governance forms the essential foundation for responsible management and secures lasting business success. Since its foundation, SONGWON has upheld the highest levels of transparency and accountability that extend beyond mere compliance with statutory requirements.

Over the years, we have built a solid reputation as a globally operating company with strong ethical principles that conducts its business in full compliance with legal requirements. At SONGWON, we are proud to be known as a market leader that makes valuable contributions to both the industry and the communities in which we operate.

As an organization committed to responsible governance and guided by integrity, we have embedded these principles into our daily operations worldwide. We make transparency a priority when communicating the organization's financial and business performance and this enables us to earn and maintain the trust of our employees, customers, shareholders and all other stakeholders. Furthermore, it also ensures that SONGWON remains a robust and accountable organization that is well-positioned to achieve its targets, meet stakeholder needs and deliver long-term competitive returns for shareholders.

SONGWON's core values: entrepreneurship, collaboration, value in people and excellence are at the core of our approach to corporate governance. They shape our business operations, all our interactions with stakeholders as well as how we create value and plan for the future. SONGWON's leadership applies them not only to its daily decision making but also to its long-term planning and developing the strategic vision for the organization.

Embedded across all levels of the organization, corporate governance is a shared responsibility at SONGWON practiced by our highly committed and talented global team. Our people measure their contribution to SONGWON's success not just in terms of business growth, but also through their ability to meet high standards of accountability and deliver value to all our stakeholders.

SONGWON's Code of Conduct sets out guidelines, policies and practices that support us to conduct our daily business responsibly. Additionally, SONGWON's vision and mission statements, together with our core values, form the foundation for everything we do and guide all our actions as individuals and as an organization.

Ensuring full compliance with all the relevant external standards and regulations is a top priority for SONGWON's leadership. Most importantly, the Management strives to minimize risks by upholding consistent standards and implementing responsible business practices throughout the entire organization. To support this, SONGWON has sound policies and procedures in place for monitoring potential risks, together with the ICFR\* framework.

This ongoing process has already further strengthened the Group's ability to identify potential risks and supports continuous improvement at SONGWON. For example, to fulfill the requirements set out by ICFR, SONGWON has a whistleblower policy, which is a part of the CFA (Controlling, Finance & Administration) manual. At SONGWON, this corporate policy is maintained by Global HR. All of SONGWON's policies, e.g. ESG policies that serve to reinforce the principles of an 'open, fair and clean' corporate culture throughout the organization are continually implemented and updated on an ongoing basis by the Executive Committee and approved by the Board.

## Annual Shareholders' Meeting

Each year, all SONGWON shareholders are invited to attend the Annual Shareholders' Meeting, where important decisions are made on matters concerning SONGWON Industrial Co., Ltd. and the Group. Traditionally, it focuses on the annual report and financial accounts, but it also offers shareholders the opportunity to raise any questions they may have related to the meeting's agenda. In accordance with the mechanisms provided by Korean law, company directors are required to organize a shareholders' meeting and also to propose resolutions submitted by the shareholders.

This year, SONGWON's Annual General Meeting was held on March 21<sup>st</sup>, 2025, at the Group's Headquarters in Ulsan, Korea. During the meeting, the Annual Report for the financial year 2024 was adopted, as well as the proposal for the distribution of profits.

\* Internal Control Over Financial Reporting



\* from March 18, 2022

## The Board of Directors & Executive Committee

SONGWON Industrial Group's structure comprises the Board of Directors and Executive Committee.

- The Board of Directors consists of 3 executive members and 1 non-executive member, which is equivalent to 3 internal directors and 1 outside director in line with Korean regulations.
- During the year, the members of the Board usually attend 4 face-to-face meetings, but if not possible, then meetings are organized via video call. In 2025, 4 Board meetings took place (2 face-to-face and 2 video calls).
- SONGWON's Executive Committee comprises 4 members, all of whom hold key managerial positions within the Group. The Committee normally meets in person once every quarter and also holds frequent teleconferences and video calls, as well as communicating regularly via email. This year, 3 face-to-face meetings took place.
- The Executive Committee manages SONGWON's daily business while maintaining and ensuring

sound company-wide governance practices. In addition to developing and implementing policies, the Committee makes all the operational decisions based on the Group's overall strategy. This includes the allocation of resources, investments and HR issues except for specific decisions reserved under the Korean Company Act for the Board. The Executive Committee is also responsible for handling any matters related to the Korean Company Act. Should any such instances arise, it prepares the necessary proposals for submission to the Board for final approval.

- At SONGWON, the responsibilities of the Chairman of the Board and CEO are separated. All the responsibilities concerning business operations decisions are managed by the Executive Committee, while the Board handles the decision-making process related to SONGWON's strategy and investment. This clear division of responsibilities between the Board and the Executive Committee strengthens the Group's corporate governance by ensuring greater transparency, controls and accountability. In line with continuous improvement, SONGWON's leadership seeks to implement the Board's activities with a clearly defined scope of responsibility that differs from the activities of the Executive Committee.

SONGWON's Board of Directors oversees the strategic direction of the Group and ensures that effective governance procedures are implemented. The Executive Committee is the governing body responsible for making decisions relating to economic, environmental and social impacts. All of these decisions are supervised by the Board. In addition, the Executive Committee plays a crucial role in identifying and managing risks and opportunities.

As SONGWON's highest governance body, the Executive Committee is responsible for reviewing the adequacy of the organization's internal controls to ensure the quality of the organization's sustainability reporting. SONGWON's Audit Committee\* oversees financial reporting, ensures regulatory compliance and monitors internal controls. Additionally, identifying, evaluating and mitigating potential risks across the organization is carried out by the Risk Committee at SONGWON. (see pg. 120, Sustainability Governance Structure).

### Criteria:

At SONGWON, the directors (excl. the executive members) proposed to the shareholders for election are chosen based on the following criteria:

- performance history
- ethical behavior
- leadership & expertise
- attitude towards rules & regulations
- expertise in the area of responsibility
- independence & impartiality

These criteria help to ensure diversity on the Board with individuals from various backgrounds offering different perspectives. In 2025, SONGWON's Board of Directors comprised individuals representing 2 different nationalities with experience and knowledge from a wide range of industries. Each year, the Board of Directors reviews the outcomes of its decisions and actions to evaluate their effectiveness and value for SONGWON. As the highest governing bodies, the Board and Executive Committee oversee all aspects

and decisions related to Environmental, Social and Governance (ESG) at SONGWON to ensure alignment with global sustainability standards.

This year, SONGWON established a reporting process for major ESG goals, including the status of planned actions and performance, with updates provided quarterly to the Executive Committee and twice a year to the Board of Directors. It not only strengthens ESG management within SONGWON's governance structures but also provides an official channel for both critical actions and issues to be raised and discussed by the ECM. Furthermore, the process also ensures a consistent flow of information to management and that any decisions are documented in the ECM and Board minutes. In future, all capital expenditure proposals related to ESG goals will be submitted through the same reporting and decision-making channel.

## Chairman of the Board, Chief Executive Officer (CEO) & Executive Management

The Chairman of the Board is a Non-Executive Director who is elected at SONGWON's Annual Shareholders' Meeting. The CEO is an Executive Director who manages the Group in accordance with the Board of Directors' instructions. As Chair of the Executive Committee, the CEO exercises ongoing control of the Group and acts in line with the division of responsibilities between the CEO and the Board of Directors, as approved by the Board.

## Remuneration

For SONGWON's highest governance body members, senior managers and executives, remuneration (incl. departure arrangements) is aligned with the Group's overall performance and takes into consideration the social, economic and environmental results.

## External auditors

KPMG was designated to SONGWON by Korean FSS\* for 2025, 2026 and 2027. Both the Board and the Executive Committee collaborate closely with the external auditors to ensure they remain up-to-date and well-informed on relevant issues related to the accounts, reporting procedures and management of the Group's assets.

\* as per the Korean Commercial Code (KCC)

## Corporate governance framework

We understand that building a robust, high-performing and responsible organization is only possible when we successfully encourage direct and respectful communication at all levels and foster a corporate culture built upon honesty, tolerance and integrity. We also recognize that corporate culture influences people's behavior within an organization. For this reason, continually making sure that we keep our employees up-to-date and well-informed is a priority for us. In line with this, SONGWON's leadership regularly shares information with employees on the organization's operations, activities and strategic objectives.

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SONGWON's Vision and Mission statements reflect the organization's strong commitment to upholding high levels of integrity and ethical standards across its global operations.

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Furthermore, SONGWON's Board and upper management prioritize regularly communicating the importance of responsible behavior and ensuring that ethical business conduct is always at the forefront of all day-to-day activities. To support this, both SONGWON's Vision and Mission statements are clearly communicated to all employees and also published on the company's website to make them available to our stakeholders worldwide.

SONGWON has developed a complete set of policies relating to all of its business activities. Accessible to every employee, these policies reflect our commitment to high ethical standards and compliance with applicable laws in the regions in which we operate. SONGWON dedicates substantial effort to keeping its Code of Conduct aligned with internationally agreed standards and regularly updated. In coordination with the HR team, SONGWON established a Community Engagement Policy in 2025 to strengthen communication with stakeholders regarding community

engagement activities. The policy was communicated directly to employees and published on the company's website.

SONGWON's Code of Conduct is promoted through internal communication and training across the entire organization and is also available for download on the company's website. The Code explains how to apply principles aligned with SONGWON's core values and its safe, responsible and ethical culture. It provides practical guidance on complying with laws and regulations, including interactions with colleagues, customers and communities.

Every employee receives a copy of the Code of Conduct upon joining the company and employees' knowledge is tested annually to ensure ongoing awareness. The Code also governs the handling of information, confidentiality and data security, the prevention of money laundering, bribery and corruption and the separation of personal and business interests. Through a robust monitoring process, SONGWON's Management ensures that any breaches are detected and addressed promptly. In 2025, no breaches were reported (see: [www.songwon.com/investors/corporate-governance/code-of-conduct](http://www.songwon.com/investors/corporate-governance/code-of-conduct)).

SONGWON's leadership believes in fostering a collaborative approach to management where each individual, including senior management, is easily approachable, always open to engaging in dialogue and ready to advise as well as offer guidance. Creating an environment of openness and clarity where people are treated fairly and encouraged to contribute is a priority. In keeping with this, questions and even discussions are both welcome and encouraged across the organization. Although no punishment culture exists at SONGWON, every employee is very aware of the zero-tolerance policy for any breach of standards or any improper, unethical behavior.

Consistent with our commitment to maintaining a culture of honesty and integrity, SONGWON's whistleblower policy and framework provide all stakeholders with a method of reporting<sup>2</sup> (incl. anonymously) any actual or suspected misconduct within the organization. The policy also protects whistleblowers from any repercussions or breaches of their confidentiality. All concerns reported are treated with the utmost discretion and handled as swiftly as possible to ensure that issues are resolved quickly or any necessary changes within the organization are implemented appropriately.

\* Financial Supervisory Service in Korea

In 2025, no whistleblower claims were reported and there were also no incidents that breached SONGWON's principles (e.g. corruption, anti-trust, or discrimination). However, if there had been an incident, then the most appropriate form of communication and/or consultation method would have been applied immediately based on the nature of the issue at hand. SONGWON had no monetary or non-monetary fines for non-compliance with laws and regulations to report in 2025.

## Internal control

Internal control is a fundamental aspect of SONGWON's corporate culture. Each year, the organization works to continually strengthen and improve its Internal Control Over Financial Reporting (ICFR) to monitor all of the Group's activities. In doing so, SONGWON ensures that its rules of business engagement, which include compliance with external legislation and regulations as well as internal guidelines and control documentation, are diligently adhered to.

Another important aspect of internal control is identifying risks and ensuring they are managed effectively. The Management's main goal is to minimize SONGWON's exposure to risk as much as possible while capitalizing on valuable opportunities at the same time. To support this, SONGWON is structured so that it meets the requirements for effective internal control, with all its working methods characterized by organizational transparency and a clear division of responsibilities. To ensure true and fair consolidated financial reporting can be achieved, the Management has the necessary financial and business reporting systems in place, secured under the implemented ICFR.

Using well-established procedures, internal group reports are compiled each month and then presented in a document that also includes extensive analysis. There are a number of people from different Group departments and various company levels involved in preparing the quarterly and annual financial reporting. The management team, the Executive Committee and the Board of Directors carefully review the summarized results and approve them.

If ever a conflict of interest should arise, the governing body member concerned abstains from voting on the issues relating to the conflict of interest to make sure that the highest levels of corporate governance are always upheld. SONGWON is not aware of any conflicts of interest in 2025, or of any which could have potentially occurred during the year.

At SONGWON, the management is fully aware that corruption in any form can severely impact sustainable economic and social development, with significant consequences, particularly for poorer communities. As the organization expands its reach, it becomes more exposed to environments where corruption is well-known to exist. To address this, SONGWON is regularly updating its policies and processes and remains open and responsive to any improvements that stakeholders and authorities may suggest and consider necessary. ■

<sup>2</sup> External 3<sup>rd</sup> party concerns can be reported directly to the Executive Committee.

## SONGWON strengthens corporate governance by:



optimizing communication to further enhance the interaction between the Board, Executive Committee and the various function leaders.



enhancing the Board's knowledge and understanding of the relevant impacts of SONGWON's activities on a regular basis. For example, each business and function is invited to present and discuss its strategies and actions with the Board.



focusing its efforts on improving and strengthening the Internal Control Systems at every level and entity within the Group.



conducting regular reviews of its existing policies to ensure that they are always up-to-date and introducing new policies when necessary.



participating actively in various associations and organizations to strengthen its ability to monitor key issues (incl. ESG), identify potential risks and opportunities and ensure that SONGWON is always well-positioned to respond accordingly at an early stage.



supporting and continually improving engagement between senior management and employees at all levels through, e.g. Town Hall meetings which are organized when needed. Each Executive Team member also holds regular dialogue sessions with their teams. Such meetings provide an opportunity for SONGWON's leadership to share information with employees on the Group's financial results, business activities and strategy as well as emphasize SONGWON's expectations concerning ethical business conduct, sustainability and EH&S, etc.



evaluating the effectiveness of management-employee communications, identifying areas for improvement and following up on any issues or concerns raised by employees.



05



# Financial Statements

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**Consolidated statements of financial position**

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**Consolidated statements of comprehensive income**

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**Consolidated statements of changes in equity**

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**Consolidated statements of cash flows**

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## INTRODUCTION TO THE CONSOLIDATED FINANCIAL STATEMENTS

On the following pages (164–167), consolidated financial statements for the year 2025 are presented. The financial statements disclosed are prepared according to International Financial Reporting Standards as adopted by the Republic of Korea ("K-IFRS") and represent the statements submitted for approval to the Annual General Shareholders' Meeting on March 19, 2026, in Ulsan, Korea.

While the management of the Group is responsible for the preparation and presentation of the financial statements, the Group's independent auditor is responsible for expressing an opinion on these financial statements. The report on the consolidated financial statements – issued by our Group auditor, KPMG Samjong Accounting Corp. – can be found on pages (161–163).

# INDEPENDENT AUDITOR'S REPORT



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## Independent Auditors' Report

### Based on a report originally issued in Korean

To the Board of Directors and Shareholders of

Songwon Industrial Co., LTD.

#### Opinion

We have audited the consolidated financial statements of Songwon Industrial Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policy and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

#### Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing ("KSAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to audits of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

Key audit matter is such matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2025. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

#### Appropriateness of Revenue Cut-off for Export Sales

As described in Note 1 to the consolidated financial statements, the Group is principally engaged in the manufacture and sale of polymer stabilizers, tin intermediates, PVC stabilizers and specialty chemical products. The Group recognizes revenue when control of goods is transferred to customers in accordance with contracts with customers.

For sales to customers located in the United States, Japan and Europe, the timing of transfer of control may vary depending on the terms and conditions of transactions and contractual terms with customers. As the Group is a listed company with various stakeholders and revenue is a key performance indicator of the Group, there is a higher inherent risk that revenue may be recognized before the conditions for revenue recognition are satisfied. We identified the appropriateness of revenue cut-off for sales to customers located in the United States, Japan and Europe as a key audit matter due to the possibility of intentional adjustments or potential errors in revenue recognition.

In addressing this key audit matter, we performed the following audit procedures, among others:

- Obtained an understanding of the Group's accounting policies for revenue recognition related to sales to customers located in the United States, Japan and Europe
- Obtained an understanding and evaluated the design of the Group's internal controls over revenue cut-off;
- Selected samples of sales transactions occurring during a certain period before the reporting date and performed inspection of supporting documents to assess the appropriateness of the transaction terms and the timing of revenue recognition.



### Other Matters

The consolidated financial statements of the Group as of and for the year ended December 31, 2024 were audited by another auditor, whose report dated February 28, 2025 expressed an unmodified opinion on those statements.

As described in the Note 36 to the consolidated financial statements as of and for the year ended December 31, 2025, the consolidated financial statements have been translated into United States dollars solely for the convenience of the reader. We have audited the translation and, in our opinion, the consolidated financial statements expressed in Korean Won have been translated into dollars on the basis set forth in Note 36 to the consolidated financial statements.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with K-IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Hwang, Hyun-dong.

*KPMG Samjory Accounting Corp.*

Seoul, Korea

February 27, 2026

This report is effective as of February 27, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION<sup>1</sup>

As of December 31, 2025 and 2024

<b>Assets</b>	Notes	<b>2025</b> million KRW	2024 million KRW
Current assets		634,032	654,244
Cash and cash equivalents	5, 33	112,669	113,481
Trade and other receivables	6, 31, 33	156,463	162,040
Other current financial assets	7, 21, 33	10,500	8,665
Other current assets	8	11,291	15,506
Inventories	9, 24	341,676	353,485
Income tax receivables	28	1,433	1,067
Non-current assets		513,280	525,949
Investments accounted for using the equity method	10, 31	10,463	9,202
Property, plant and equipment	4.2.2, 11, 24, 25	426,216	430,699
Investment properties	4.2.2, 12, 24, 25	3,436	3,442
Intangible assets	4.2.2, 13, 14, 24	14,474	15,844
Right-of-use assets	4.2.2, 15	34,685	35,523
Other non-current financial assets	7, 31, 33	3,065	12,113
Other non-current assets	22	13,950	11,435
Deferred tax assets	28	6,991	7,691
<b>Total assets</b>		<b>1,147,312</b>	<b>1,180,193</b>
<b>Equity and liabilities</b>			
Total liabilities		387,202	424,083
Current liabilities		291,387	329,649
Interest-bearing loans and borrowings	17, 24, 25, 32, 33	143,820	149,034
Trade and other payables	18, 31, 32, 33	129,891	142,364
Current lease liabilities	15, 32, 33	3,209	3,914
Other current financial liabilities	20, 21, 32, 33	3,352	3,310
Other current liabilities	19	4,344	6,984
Income tax payable	28	6,771	24,043
Non-current liabilities		95,815	94,434
Interest-bearing loans and borrowings	17, 24, 25, 32, 33	–	2,250
Pension liability	22	5,045	4,575
Other long-term employee-related liabilities	23	21,666	14,650
Non-current lease liabilities	15, 32, 33	33,277	31,991
Other non-current financial liabilities	20, 32, 33	781	1,471
Other non-current liabilities		354	374
Deferred tax liabilities	28	34,692	39,123
Equity		760,110	756,110
<i>Equity attributable to owners of the parent</i>		<i>760,110</i>	<i>756,110</i>
Issued capital	16.1	12,000	12,000
Capital surplus	16.2	20,482	20,482
Reserves	16.3	31,623	30,903
Retained earnings	16.3	668,818	669,322
Other components of equity	16.5	27,187	23,403
<b>Total equity and liabilities</b>		<b>1,147,312</b>	<b>1,180,193</b>

<sup>1</sup> Refer to Note 36 for supplementary information in USD.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME<sup>2</sup>

for the years ended December 31, 2025 and 2024

	Notes	2025 million KRW	2024 million KRW
Sales	4.1, 4.2, 31	1,039,162	1,070,200
Cost of sales	26.5, 31	-896,671	-893,292
<b>Gross profit</b>		<b>142,491</b>	<b>176,908</b>
Selling and administration costs	26.2, 26.5, 31	-120,646	-114,094
Operating profit		21,845	62,814
Other income	26.3	1,068	2,853
Other expenses	26.4, 26.5	-4,400	-4,173
Share of result from investments accounted for using the equity method	10	1,144	1,186
Finance income	27.1, 27.3	37,210	53,146
Finance expenses	27.2, 27.3	-50,296	-51,584
Profit before tax		6,571	64,242
Income tax expenses	28	-4,234	-19,154
<b>Profit for the period</b>		<b>2,337</b>	<b>45,088</b>
Other comprehensive income / (expense), net of taxes			
<i>Net other comprehensive income / (expense) to be reclassified to profit or loss in subsequent periods</i>		3,773	18,813
Exchange differences on translation of foreign operations	16.5	3,773	18,813
<i>Net other comprehensive income / (expense) not to be reclassified to profit or loss</i>		5,090	-7,383
Gain on valuation of financial assets at FVOCI	16.5	11	–
Re-measurement gain / (loss) on defined benefit plans	16.5, 22	5,079	-7,383
Total other comprehensive income / (expense), net of taxes		8,863	11,430
<b>Total comprehensive income</b>		<b>11,200</b>	<b>56,518</b>
Earnings per share		KRW	KRW
Basic and diluted earnings per share	29	97	1,879

<sup>2</sup> Refer to Note 36 for supplementary information in USD.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY<sup>3</sup>

for the years ended December 31, 2024 and 2025

	Issued capital	Capital surplus	Reserves	Retained earnings	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Total equity
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
As of January 1, 2024	12,000	20,482	30,303	638,217	-701	5,291	705,592
Profit for the period	–	–	–	45,088	–	–	45,088
Other comprehensive income	–	–	–	-7,383	–	18,813	11,430
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>37,705</b>	<b>–</b>	<b>18,813</b>	<b>56,518</b>
Dividends	–	–	–	-6,000	–	–	-6,000
Appropriation to reserves	–	–	600	-600	–	–	–
As of December 31, 2024	12,000	20,482	30,903	669,322	-701	24,104	756,110
As of January 1, 2025	12,000	20,482	30,903	669,322	-701	24,104	756,110
Profit for the period	–	–	–	2,337	–	–	2,337
Other comprehensive income	–	–	–	5,079	11	3,773	8,863
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7,416</b>	<b>11</b>	<b>3,773</b>	<b>11,200</b>
Dividends	–	–	–	-7,200	–	–	-7,200
Appropriation to reserves	–	–	720	-720	–	–	–
As of December 31, 2025	12,000	20,482	31,623	668,818	-690	27,877	760,110

<sup>3</sup> Refer to Note 36 for supplementary information in USD.

**CONSOLIDATED STATEMENTS OF CASH FLOWS<sup>4</sup>**

for the years ended December 31, 2025 and 2024

	Notes	2025 million KRW	2024 million KRW
Profit for the period		2,337	45,088
Total adjustments	30	70,593	76,385
Changes in operating assets and liabilities	30	5,679	-36,327
Interest received		1,654	2,295
Payments of income tax		-26,725	-6,774
Net cash flows provided by operating activities		53,538	80,667
Proceeds from sale of property, plant and equipment	11, 30	40	5
Purchases of property, plant and equipment	11	-30,677	-21,396
Purchases of intangible assets	13	-589	-2,360
Dividends received from investments using the equity method	10	–	549
(Purchases) / proceeds from sale of other financial assets, net		5,832	3,494
Net cash flows used in investing activities		-25,394	-19,708
Proceeds from borrowings	17, 30	252,038	271,459
Repayments of borrowings	17, 30	-260,633	-291,048
Payment of lease liabilities	17, 30	-5,051	-3,789
Proceeds from / (repayments of) other financial liabilities, net	17, 30	-503	-872
Interest paid		-5,658	-6,227
Dividends paid	16	-7,200	-6,000
Net cash flows used in financing activities		-27,007	-36,477
Increase / (decrease) in cash and cash equivalents		1,137	24,482
Net foreign exchange differences		-1,949	-9,585
Cash and cash equivalents as of January 1	5	113,481	98,584
Cash and cash equivalents as of December 31	5	112,669	113,481

<sup>4</sup> Refer to Note 36 for supplementary information in USD.

# 1. CORPORATE INFORMATION

## 1.1. THE GROUP

SONGWON Industrial Group (the "Group") consists of the parent company, Songwon Industrial Co., Ltd. (the "Company") and its consolidated subsidiaries as listed below. The Company was incorporated on December 15, 1965, under the law of the Republic of Korea to engage in the manufacture and commercial sale of polymer stabilizers, tin intermediates, PVC stabilizers and specialty chemicals, among others. The Company's main manufacturing plants are located in Korea in Ulsan, Maeam, Suwon and in India in Ankleshwar.

The Company has listed its common shares on the Korea Exchange since June 1977, pursuant to the Korean Securities and Exchange Act.

## 1.2. SCOPE OF CONSOLIDATION

### 1.2.1. CHANGE IN THE SCOPE OF CONSOLIDATION

As of December 31, 2025, the scope of consolidation for the consolidated financial statements encompasses 14 entities (2024: 14 entities). Additionally, one entity is classified as a joint venture (2024: one entity) and accounted for using the equity method.

The Group's material subsidiaries and joint ventures at 31 December 2025 are set out below.

Consolidated entities	Location	Status	2025	2024	
			December 31	December 31	
			Interest	Status	Interest
Songwon Industrial Co., Ltd.	Korea	Parent		Parent	
Songwon International-Japan K.K.	Japan	Subsidiary	100%	Subsidiary	100%
Songwon Specialty Chemicals-India Pvt. Ltd.	India	Subsidiary	100%	Subsidiary	100%
Songwon International-Americas Inc.	USA	Subsidiary	100%	Subsidiary	100%
Songwon International AG	Switzerland	Subsidiary	100%	Subsidiary	100%
Songwon ATG GmbH	Germany	Subsidiary	100%	Subsidiary	100%
Songwon International Middle East FZE	UAE	Subsidiary	100%	Subsidiary	100%
Songwon Polysys Additives-Sole Proprietorship LLC	UAE	Subsidiary	100%	Subsidiary	100%
<b>Entity accounted for using the equity method (joint venture)</b>					
Songwon Baifu Chemicals (Tangshan) Co., Ltd.	China	Joint venture	30%	Joint venture	30%

## 1.2.2. SUMMARIZED STATEMENTS OF FINANCIAL POSITION AND COMPREHENSIVE INCOME OF SUBSIDIARIES

The summarized statements of financial position and comprehensive income of material subsidiaries are as follows:

	<b>Total assets</b>	<b>Total liabilities</b>	<b>Total equity</b>	<b>Total revenue</b>	<b>Net income</b>	<b>Total comp. income</b>
<b>2025</b> as of December 31	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
Songwon International – Japan K.K.	46,728	35,403	11,325	107,245	1,615	1,615
Songwon Specialty Chemicals-India Pvt. Ltd.	59,417	9,315	50,102	39,311	10,664	10,686
Songwon International – Americas Inc.	139,286	94,147	45,139	231,579	-707	-707
Songwon International AG	132,470	94,075	38,395	284,779	1,844	1,883
Songwon-ATG GmbH	8,467	4,351	4,116	10,106	755	755
Songwon International – Middle East FZE	11,381	8,545	2,836	37,821	1,185	1,185
Songwon Polysys Additives – Sole Proprietorship LLC	33,056	7,900	25,156	25,816	1,137	1,137
<b>2024</b> as of December 31						
Songwon International – Japan K.K.	40,560	29,737	10,823	93,782	1,260	1,260
Songwon Specialty Chemicals-India Pvt. Ltd.	59,577	10,575	49,002	33,379	6,259	6,258
Songwon International – Americas Inc.	139,435	92,398	47,037	254,541	2,809	2,809
Songwon International AG	131,655	94,113	37,542	282,210	7,477	7,499
Songwon-ATG GmbH	8,718	3,768	4,950	8,692	314	314
Songwon International – Middle East FZE	13,174	9,608	3,566	47,072	1,760	1,760
Songwon Polysys Additives – Sole Proprietorship LLC	33,602	7,001	26,601	28,479	1,843	1,843

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 2.1. BASIS OF PREPARATION

The Group prepares statutory financial statements in the Korean language in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("K-IFRS") enacted by the *Act on External Audit of Stock Companies*.

The consolidated financial statements have been prepared on a historical cost basis unless otherwise stated. The consolidated financial statements are presented in Korean won (KRW) and all values are rounded to the nearest million, except when otherwise indicated.

The accompanying consolidated financial statements have been translated into English from Korean financial statements. In the event of any differences in interpreting the financial statements or the independent auditor's report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

### 2.2. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as of December 31, 2025. Subsidiaries are all entities over which the Group has control. The Group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date when control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

There are no non-controlling interests in the results and equity of any of the subsidiaries.

### 2.3. INTEREST IN JOINT VENTURES

Interests in joint ventures are accounted for using the equity method. The interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the joint venture's result. Dividends are recognized as a reduction in the carrying amount of interest in joint ventures.

### 2.4. FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the underlying spot rate. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

## Group Companies

The results and financial position of foreign operations are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that statement of financial position,
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

Resulting differences are recognized within equity and reclassified to profit or loss as part of the gain or loss on sale when the foreign operation is sold.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

## 2.5. BUSINESS COMBINATIONS AND GOODWILL

### Business combinations

Business combinations are accounted for using the acquisition method. The identifiable assets acquired and liabilities assumed are recognized at their acquisition-date fair values. Acquisition-related costs are expensed as incurred. The Group reviews the classification and designation of acquired financial instruments at the acquisition date in accordance with contractual terms and economic circumstances.

### Goodwill

Goodwill represents the excess of the consideration transferred over the Group's share of the net identifiable assets acquired. Goodwill is carried at cost less accumulated impairment losses and is not amortized. It is allocated to the cash-generating units expected to benefit from the acquisition and is tested for impairment at least annually. When a business or part of a cash-generating unit is disposed of, the associated goodwill is included in the gain or loss on disposal, determined based on the relative values of the disposed operation and the portion retained.

## 2.6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. As far as the recognition criteria are met, such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects. Other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Land	No depreciation
Buildings	18–54 years
Structures	6–39 years
Machinery	10–20 years
Other	1–39 years

Residual values and useful lives are reviewed annually and adjusted accordingly if expectations differ from previous estimates.

The gain or loss arising from the derecognition of property, plant, or equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset.

## 2.7. INTANGIBLE ASSETS

Separately acquired intangible assets are initially measured at historical cost, whilst intangible assets acquired in a business combination are initially recognized at fair value (deemed cost). Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses.

Intangible assets with finite useful lives are amortized using the straight-line method to allocate costs over their estimated useful lives as follows:

Software	3–10 years
Industrial rights	10 years

The amortization periods and the methods are reviewed at least at the end of each reporting period. The amortization expense is recognized in the income statement under cost of sales and selling and administration costs in the expense category that is consistent with the underlying function of the intangible assets.

Intangible assets with indefinite useful lives are tested for impairment annually. The assessment of indefinite life is reviewed annually.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

## 2.8. INVESTMENT PROPERTY

The Group classifies the property to earn rentals or for capital appreciation, as investment properties. As investment properties are accounted for using a cost model, the same accounting policies applied to property, plant and equipment are used for their accounting treatment, except for their classification and presentation.

## 2.9. LEASES

Assets and liabilities arising from a lease where the Group is a lessee are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that are based on an index or a rate, initially measured using the index or
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the group under residual value guarantees,
- the exercise price of a purchase option if the group is reasonably certain to exercise that option,

- lease payments to be made under an extension option if the group is reasonably certain to exercise the option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period.

Right-of-use assets are measured at cost, comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

## Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or to not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Factors that are normally the most relevant in this assessment are: significant penalties, significant leasehold improvements with significant remaining value as well as the costs and business disruptions required to replace the leased asset. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

## Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below 5,000 USD).

## 2.10. IMPAIRMENT OF NON-FINANCIAL ASSETS

Generally, the Group assesses at each reporting date whether there is any indication that non-financial assets may be impaired. If such indication exists, the Group estimates the recoverable amount, defined as the higher of:

- Fair value less costs of disposal, and
- Value in use (present value of future cash flows expected from the asset).

If the carrying amount exceeds the recoverable amount, an impairment loss is recognized in profit or loss.

## Property, plant and equipment

PPE is tested for impairment when indicators exist (e.g., significant decline in market value, adverse changes in technology or regulations, or underperformance). Impairment losses are allocated to reduce the carrying amount of assets in the cash-generating unit (CGU) on a pro-rata basis.

## Intangible assets

Intangible assets with finite useful lives are tested for impairment when indicators exist. Intangible assets with indefinite useful lives (e.g., memberships) are tested annually and whenever indicators arise.

## Goodwill

Goodwill is tested for impairment at least annually and whenever indicators exist. The impairment test compares the CGU's carrying amount (including goodwill) with its recoverable amount. Impairment losses on goodwill are not reversed.

## 2.11. INVENTORIES

Inventories are valued at the lower of the acquisition or production cost and net realizable value, cost being generally determined on the basis of a weighted average. Production costs comprise of direct material and labor and applicable manufacturing overheads, including depreciation charges based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## 2.12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statements of financial position comprise cash at banks, as well as on-hand and short-term deposits with a maturity of three months or less.

## 2.13. PROVISIONS

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

## Greenhouse gas emissions

The Group participates in emission trading schemes and receives free emission rights annually. Under the net liability approach, a provision is recognized only when actual emissions exceed the rights granted and still held. Emission costs are recorded as other operating expenses.

Purchased emission rights are recognized at cost and treated as reimbursement rights, matched against emission liabilities and subsequently measured at fair value. Changes in fair value are recognized in profit or loss.

## 2.14. PENSIONS AND OTHER LONG-TERM EMPLOYMENT BENEFITS

### Pensions

The Group operates three defined benefit pension plans in Korea, Switzerland, and India. Obligations are measured using the projected unit credit method.

Re-measurements, including actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding net interest), are recognized immediately in other comprehensive income (OCI) and reflected in equity. These amounts are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss at the earlier of:

- the date of plan amendment or curtailment, or
- the date the Group recognizes restructuring-related costs.

### Other long-term employment benefits

The parent company provides a bonus plan (including gold awards) and additional vacation entitlement for long-service employees. These benefits are accounted for similarly to defined benefit plans, except that re-measurements are recognized immediately in profit or loss.

## 2.15. TAXES

### Current income tax

Current income tax is calculated on taxable profit for the year using tax rates enacted or substantively enacted at the reporting date. It is recognized in profit or loss unless it relates to items in OCI or equity. Current tax assets and liabilities are offset only when a legal right of set-off exists.

### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases, using tax rates that are enacted or substantively enacted at the reporting date. Deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available to utilize deductible temporary differences. For investments in subsidiaries and joint ventures, deferred tax liabilities are recognized only when the reversal of the temporary difference is foreseeable.

Deferred tax is recognized in profit or loss, except for items recognized in other comprehensive income or directly in equity, where the tax effect is also recognized in OCI or equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

## 2.16. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group manufactures and sells antioxidants, stabilizers, and polyurethane products. Revenue is recognized when control of goods or services is transferred to the customer at the agreed transaction price.

## Sales of goods

Revenue from product sales is recognized at a point in time, typically upon delivery, when control passes to the customer.

## Sale of services

Transportation services provided in connection with product sales represent a separate performance obligation. The transaction price is allocated based on stand-alone selling prices. Revenue for transportation services is recognized over time, as the customer simultaneously receives and consumes the benefits.

## 2.17. FINANCIAL ASSETS

Financial assets are classified and measured in accordance with IFRS 9 based on the Group's business model and the contractual cash flow characteristics:

### Trade and Other Receivables

Measured at amortized cost, as they are held to collect contractual cash flows that represent solely payments of principal and interest (SPPI). Impairment is assessed using the expected credit loss (ECL) model.

### Other Financial Assets

- **At amortized cost:** Deposits and similar items held to collect contractual cash flows that meet the SPPI criterion
- **At fair value through profit or loss (FVTPL):**
  - Derivatives used for risk management that do not qualify for hedge accounting
  - Other financial instruments with contractual cash flows that do not meet the SPPI criterion
- **At fair value through other comprehensive income (OCI):** The Group holds an equity investment for which it has made an irrevocable election to present subsequent changes in fair value in OCI.

### Recognition and Measurement

Financial assets are initially recognized at fair value plus transaction costs (except for FVTPL assets, which are recognized at fair value without transaction costs). Subsequent measurement depends on classification as described above:

- **Amortized Cost:** Financial assets at amortized cost are measured using the effective interest method, which allocates interest income over the relevant period. They are presented net of expected credit loss allowances.
- **FVTPL:** Financial assets classified as FVTPL are measured at fair value at each reporting date. All changes in fair value are recognized immediately in profit or loss under financial income or expense.
- **FVOCI (Equity Instruments):** Measured at fair value, with changes recognized in OCI. No recycling to profit or loss upon disposal. Dividends from this investment are recognized in profit or loss unless they clearly represent a recovery of part of the cost of the investment.

## Derecognition

Financial assets are derecognized when the contractual rights to cash flows expire or are transferred and the Group has transferred substantially all risks and rewards.

## Impairment of financial assets

The Group applies the expected credit loss model to financial assets measured at amortized cost and FVOCI debt instruments in accordance with IFRS 9.

### Trade and Other Receivables

The Group uses the simplified approach for calculating ECLs on trade receivables and contract assets. Under this approach, lifetime expected credit losses are recognized from initial recognition. ECLs are estimated using a provision matrix based on historical default rates, adjusted for current and forward-looking information on macroeconomic factors.

### Equity instruments at FVOCI

Equity investments classified as FVOCI are not subject to impairment under the ECL model. Changes in fair value are recognized in OCI and are not recycled to profit or loss upon disposal.

### Other Financial Assets

For other financial assets at amortized cost (e.g., deposits), the Group applies the general approach, recognizing:

- 12-month ECLs if credit risk has not increased significantly since initial recognition.
- Lifetime ECLs if credit risk has increased significantly.

### Measurement of ECL

ECLs represent the present value of all cash shortfalls over the expected life of the financial asset. The Group considers reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions.

### Recognition

Loss allowances for ECLs are recognized in profit or loss and reduce the carrying amount of financial assets measured at amortized cost. For FVOCI debt instruments, the allowance is recognized in OCI without reducing the carrying amount.

## 2.18. FINANCIAL LIABILITIES

Financial liabilities are classified and measured in accordance with IFRS 9. They are initially recognized at fair value, net of transaction costs, and subsequently measured as follows:

### Non-Derivative Financial Liabilities

This category includes trade and other payables, interest-bearing loans and borrowings, deposits received, and accruals. These liabilities are measured at amortized cost using the effective interest method. Any difference between initial recognition and the settlement amount is amortized over the term of the liability.

## Derivatives

The Group uses derivatives such as foreign exchange contracts, currency swaps, and currency and interest rate swaps for risk management purposes. These instruments are measured at FVTPL. All changes in fair value are recognized immediately in profit or loss under financial income or expense.

## Derecognition

Financial liabilities are derecognized when the obligation is discharged, cancelled, or expires. An exchange of debt instruments with substantially different terms is accounted for as an extinguishment of the original liability and recognition of a new liability.

## Offsetting of financial instruments

Financial assets and liabilities are presented on a net basis in the consolidated statement of financial position only when the Group has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

## 2.19. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement assumes the transaction occurs in the principal market or, if none exists, the most advantageous market to which the Group has access.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximizing the use of observable inputs and minimizing the use of unobservable inputs.

Fair values are categorized into a three-level hierarchy based on the inputs used:

- **Level 1:** Quoted prices in active markets for identical assets or liabilities
- **Level 2:** Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly
- **Level 3:** Unobservable inputs for the asset or liability

For financial instruments measured at fair value, the Group determines fair value at each reporting date using market prices (Level 1), valuation models based on observable market data (Level 2), or internal models with unobservable inputs (Level 3). Transfers between levels are recognized at the end of the reporting period in which they occur.

## 2.20. GOVERNMENT GRANTS

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to the grant and that the grant will be received.

**Grants related to income:** Grants intended to compensate for specific expenses are recognized in profit or loss on a systematic basis over the periods in which the related costs are incurred.

**Grants related to assets:** Grants related to the acquisition or construction of assets are deducted from the carrying amount of the related asset. The effect is recognized through reduced depreciation expense over the asset's useful life.

## 2.21. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Group has applied the following new and amended standards issued under Korean International Financial Reporting Standards (K-IFRS) that are effective for annual periods beginning on or after 1 January 2025:

### Lack of Exchangeability (Amendments to K-IFRS 1021)

These amendments clarify how to determine the exchange rate when a currency cannot be exchanged into another currency. The amendments provide guidance on assessing exchangeability and determining the spot exchange rate when exchangeability is lacking. The application of these amendments did not have a material impact on the Group's consolidated financial statements.

### Other amendments effective in 2025

The Financial Services Commission (FSC) and the Korean Accounting Standards Board (KASB) issued other narrow-scope amendments to K-IFRS standards effective from 1 January 2025. These include minor amendments to K-IFRS 1007, K-IFRS 1039, and K-IFRS 1001 related to disclosure and classification requirements. These amendments did not have a significant effect on the Group's accounting policies or reported amounts.

## 2.22. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group has not early adopted any standards, amendments, or interpretations that have been issued but are not yet effective under K-IFRS. The Group is currently assessing the potential impact of these future changes, which are not expected to have a material effect on the consolidated financial statements.

### 3. MATERIAL JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements and estimates that affect the reported amounts. These estimates are based on assumptions about future events and conditions and are reviewed on an ongoing basis. Actual results may differ from these estimates. The areas involving significant judgement or estimation uncertainty, which could result in material adjustments within the next financial year, are outlined below.

Notes	Description	Nature of estimation
11, 12, 13, 14, 15	Impairment of non-financial assets	<p>The Group determines the recoverable amount of cash-generating units primarily using a value in use calculation based on discounted future cash flows. This assessment requires significant management judgement and estimation, particularly regarding:</p> <ul style="list-style-type: none"> <li>▪ Future cash flows: Derived from financial forecasts for a period of three to five years, excluding restructuring activities not yet committed and material future investments.</li> <li>▪ Discount rate (WACC): Reflecting current market assessments of the time value of money and risks specific to the CGU.</li> <li>▪ Terminal growth rate: Applied to extrapolate cash flows beyond the forecast period.</li> </ul> <p>These assumptions are inherently uncertain and changes in key inputs—especially discount rates, growth rates, or expected cash flows—could result in material differences in the recoverable amount and potential impairment charges.</p>
22, 23	Pension and other employment benefits	<p>The measurement of defined benefit obligations and similar long-term employee benefits is based on actuarial valuations using the projected unit credit method. These valuations require significant assumptions, including:</p> <ul style="list-style-type: none"> <li>▪ Discount rate: Based on high-quality corporate bond yields or government bonds in the respective currency and jurisdiction.</li> <li>▪ Future salary and pension increases: Reflecting expected inflation and career progression.</li> <li>▪ Mortality and demographic assumptions: Based on relevant population statistics and plan experience.</li> </ul> <p>Due to the complexity and long-term nature of these obligations, the defined benefit liability is highly sensitive to changes in these assumptions. Any variation in discount rates, salary growth, or life expectancy can materially affect the present value of the obligation and the related expense.</p>
28.1, 28.2	Income tax / deferred tax assets	<p>The Group operates in multiple jurisdictions and is subject to complex tax regulations. Significant judgement is required in:</p> <ul style="list-style-type: none"> <li>▪ Uncertain tax positions: Assessing whether tax treatments will be accepted by tax authorities, based on interpretation of laws and past practices.</li> <li>▪ Recognition of deferred tax assets: Determining the extent to which unused tax losses and deductible temporary differences can be utilized. This involves estimating future taxable profits, the timing of their realization, and considering feasible tax planning strategies.</li> </ul> <p>These assessments are inherently uncertain and changes in assumptions regarding future profitability or tax regulations could materially affect the amount of deferred tax assets recognized and the Group's effective tax rate.</p>

<b>32.3</b>	Leases – determination of lease term and incremental borrowing rate	<p>The determination of the lease term requires significant judgement. Management assesses whether it is reasonably certain to exercise extension or termination options by considering economic incentives such as penalties, leasehold improvements, and business disruption costs. This assessment is revisited only when a significant event or change in circumstances occurs within the Group's control.</p> <p>Additionally, because the interest rate implicit in the lease cannot be readily determined, the Group uses its IBR to discount lease payments. The IBR reflects the rate the Group would pay to borrow funds over a similar term and with similar security in a comparable economic environment.</p>
<b>33</b>	Fair values of financial instruments	<p>Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using commonly known valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing estimated fair values. These judgements include consideration of inputs and assessment of credit risks.</p>

## 4. SEGMENT INFORMATION

The Group is organized into two main reporting segments "Industrial Chemicals" and "Performance Chemicals". The segments are defined based on SONGWON's product portfolio and its respective product families.

- Industrial Chemicals**  
 Industrial Chemicals operating segment mainly includes the product lines "Polymer Stabilizers", "Fuel and Lubricant Additives" and "Coatings".
- Performance Chemicals**  
 Performance Chemicals operating segment mainly includes the product lines "Thermoplastic Polyurethanes / Solution Polyurethanes", "Tin Intermediates / PVC Stabilizers and Plasticizers" and "Specialty Chemicals".

The Chief Operating Decision Makers (CODM) at SONGWON, leaders of respective divisions, monitor the sales and operating profits or losses of their operating segments separately for the purpose of making decisions about resource allocation and performance assessment. However, certain income and expense positions such as other income / expenses, finance income / expenses and income tax expenses are managed on a Group basis and therefore not allocated to operating segments. The Group does not disclose a measure of total assets and liabilities for each reportable segment as such amounts are not reported to the CODM.

There are no inter-company transactions between the two operating segments.

### 4.1. REPORTED KEY FIGURES

The following key figures are presented each month to the CODM. For the segment reporting, the same accounting policies and methods of computation as applied in the most recent annual financial statement are used.

Description	For the twelve months ended December 31					
	2025		2024		2025	
	2025	2024	2025	2024	2025	2024
	Industrial Chemicals		Performance Chemicals		Total	
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
Sales	752,925	798,719	286,237	271,481	1,039,162	1,070,200
Operating profit	21,711	52,115	134	10,699	21,845	62,814

As of December 31, 2025, the balance of contract liabilities not recognized as sales at the end of the reporting period amounted to 3,264 million KRW (operating advances: 2,000 million KRW, deferred sales: 1,264 million KRW). As of December 31, 2024, the balance of contract liabilities not recognized as sales was 4,610 million KRW (operating advances: 2,734 million KRW, deferred sales: 1,876 million KRW).

## 4.2. GEOGRAPHIC INFORMATION

### 4.2.1. SALES

The sales information below is based on the location of the customer. Korea is disclosed separately due to the size of the Korean market whereas all other countries have been summarized into regions.

	<b>2025</b>	2024
	million KRW	million KRW
Korea	172,207	184,781
Rest of Asia	318,562	303,069
Europe	254,233	251,154
North and South America	239,140	259,982
Middle East and Africa	55,020	71,214
<b>Total sales</b>	<b>1,039,162</b>	<b>1,070,200</b>

During the reporting period as of December 31, 2025, there is one customer referring to the reporting segment "Industrial Chemicals" that accounted for more than 10% of the Group's total sales with the total amount of revenues of 111,028 million KRW (as of December 31, 2024: 124,907 million KRW).

### 4.2.2. NON-CURRENT ASSETS

Non-current assets information presented below consists of property, plant and equipment, right-of-use assets, investment properties and intangible assets.

	<b>2025</b>	2024
	million KRW	million KRW
Korea	386,137	401,686
Rest of Asia	22,828	24,374
Europe	7,135	7,161
North and South America	43,645	31,885
Middle East and Africa	19,066	20,402
<b>Total</b>	<b>478,811</b>	<b>485,508</b>

## 5. CASH AND CASH EQUIVALENTS

<b>Description</b>	<b>2025</b>	2024
	December 31 million KRW	December 31 million KRW
Cash on hand	48	76
Bank accounts	75,757	69,349
Time deposits (< 3 months)	36,864	44,056
<b>Total</b>	<b>112,669</b>	<b>113,481</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for various periods from one day to three months, depending on the Group's immediate cash requirements, and earn interest at the respective short-term deposit rates.

As of December 31, 2025, time deposits included restricted cash of 876 million KRW (December 31, 2024: 143 million KRW).

## 6. TRADE AND OTHER RECEIVABLES

Description	<b>2025</b>	2024
	December 31 million KRW	December 31 million KRW
Trade and notes receivables	153,863	158,663
Allowances for trade and notes receivables	-1,305	-1,201
Other accounts receivables	3,792	4,445
Allowances for other accounts receivables	-7	-7
Accrued income	120	140
<b>Total</b>	<b>156,463</b>	<b>162,040</b>

Other accounts receivables include customs duty refunds, rental income receivables and others.

Changes in the allowance for doubtful accounts for trade and other receivables are as follows:

	million KRW
January 1, 2024	-1,388
Charge for the period	-105
Utilized	24
Unused amounts reversed	261
<b>December 31, 2024</b>	<b>-1,208</b>
January 1, 2025	-1,208
Charge for the period	-204
Unused amounts reversed	100
<b>December 31, 2025</b>	<b>-1,312</b>

The aging analysis of trade and other receivables is as follows:

	Total	Current	Days past due			
			≤ 90	91-120	121-180	> 180
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
<b>December 31, 2025</b>	<b>157,775</b>	150,691	6,124	23	144	793
December 31, 2024	<b>163,248</b>	155,802	6,858	-	-	588

Refer to note 32.2 on credit risk of trade receivables.

## 7. OTHER FINANCIAL ASSETS

Description	2025		2024	
	December 31		December 31	
	Current	Non-current	Current	Non-current
	million KRW	million KRW	million KRW	million KRW
Financial instruments at amortized cost	4,300	387	2,705	684
Financial instruments at FVtPL (note 21)	713	–	2,606	–
Other financial instruments at FVtPL	5,015	795	2,541	9,953
Guarantee and other deposits at amortized cost	472	1,850	813	1,443
Guarantee and other deposits at amortized cost (related parties) (note 31)	–	33	–	33
<b>Total</b>	<b>10,500</b>	<b>3,065</b>	<b>8,665</b>	<b>12,113</b>

As of December 31, 2025, financial instruments at amortized cost included restricted cash of 5 million KRW (December 31, 2024: 5 million KRW) as well as pledged bank deposits of 637 million KRW (December 31, 2024: 1,601 million KRW).

### 7.1. EQUITY INSTRUMENTS AT FVOCI

Description	2025				2024			
	December 31				December 31			
	Number of shares	% to equity	Cost	Fair value	Number of shares	% to equity	Cost	Fair value
		million KRW	million KRW			million KRW	million KRW	
Ulsan Broadcasting Corporation	180,000	3.00%	900	–	180,000	3.00%	900	–
<b>Total</b>			<b>900</b>	<b>–</b>			<b>900</b>	<b>–</b>

## 8. OTHER CURRENT ASSETS

<b>Description</b>	<b>2025</b>	2024
	December 31 million KRW	December 31 million KRW
Advance payments	1,027	1,085
Prepaid expenses	5,775	5,573
VAT refundables	4,489	8,848
<b>Total</b>	<b>11,291</b>	<b>15,506</b>

## 9. INVENTORIES

Description	2025 December 31			2024 December 31		
	Acquisition	Allowance	Net Value	Acquisition	Allowance	Net Value
	million KRW			million KRW		
Raw materials and supplies	66,244	-417	65,827	63,503	-742	62,761
Work in progress	1,184	-37	1,147	1,184	-34	1,150
Finished and semi-finished goods	219,053	-5,616	213,437	217,704	-7,316	210,388
Goods in transit	58,936	–	58,936	76,711	–	76,711
Consignment stocks	2,329	–	2,329	2,475	–	2,475
Total inventories at the lower of cost and net realizable value	347,746	-6,070	341,676	361,577	-8,092	353,485

The Group recognized inventory allowance expenses of 1,718 million KRW (2024: 4,718 million KRW) and reversed inventory allowance recognized in prior periods of 3,740 million KRW (2024: 2,804 million KRW).

For the year ended 2025, the Group recognized impairment losses of 2,813 million KRW within inventories (2024: 1,668 million KRW).

## 10. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

The Group has a 30% interest in Songwon Baifu Chemicals (Tangshan) Co., Ltd., classified as a jointly controlled entity that primarily engages in the production of thioesters. Determination was driven by the contractually agreed sharing of control with regard to relevant activities, requiring unanimous consent of the control-sharing parties.

The summarized statements of financial position and comprehensive income of the joint venture (accounted for using the equity method) are as follows:

<b>Statement of financial position</b>	<b>Cash and cash equivalents</b>	<b>Total current assets</b>	<b>Total non-current assets</b>	<b>Current financial liabilities</b>	<b>Total current liabilities</b>	<b>Total non-current liabilities</b>	<b>Equity</b>	<b>Carrying amount</b>
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
December 31, 2024	1,951	13,354	20,966	2,856	3,601	45	30,674	9,202
December 31, 2025	3,267	13,450	24,828	2,726	3,350	50	34,878	10,463

<b>Statement of comprehensive income</b>	<b>Revenue</b>	<b>Depreciation &amp; Amortization</b>	<b>Interest income</b>	<b>Interest expense</b>	<b>Profit before tax</b>	<b>Income tax expenses</b>	<b>Profit for the period</b>	<b>Other comp. income</b>	<b>Total comp. income</b>
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
December 31, 2024	39,886	-206	122	-3	5,304	-1,350	3,954	1,447	5,401
December 31, 2025	49,275	-220	2	-18	5,109	-1,297	3,812	390	4,202

The changes in the investments accounted for using the equity method are summarized as follows:

	<b>2025</b>	2024
	December 31	December 31
	million KRW	million KRW
January	9,202	8,131
Charge for the period	-	-549
Share of result from equity method revaluation	1,144	1,186
Exchange rate effects	117	434
December	10,463	9,202

## 11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Structures	Machinery	Other	Construction in progress	Total
	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
<b>Acquisition cost</b>							
As of January 1, 2024	149,656	102,965	79,202	523,539	19,691	7,615	882,668
Additions	–	244	714	1,948	581	22,789	26,276
Disposals	–	-136	-472	-6,010	-831	–	-7,449
Reclassifications	–	601	5,240	15,911	975	-22,776	-49
Net exchange differences	–	3,063	–	4,529	645	169	8,406
As of December 31, 2024	149,656	106,737	84,684	539,917	21,061	7,797	909,852
As of January 1, 2025	149,656	106,737	84,684	539,917	21,061	7,797	909,852
Additions	–	621	210	3,215	720	27,871	32,637
Disposals	–	-687	-1,437	-3,923	-782	–	-6,829
Reclassifications	–	11,886	2,294	14,738	1,662	-30,580	–
Net exchange differences	–	-895	–	-1,088	-29	15	-1,997
As of December 31, 2025	149,656	117,662	85,751	552,859	22,632	5,103	933,663
<b>Accumulated depreciation and impairment</b>							
As of January 1, 2024	–	-36,956	-50,437	-344,529	-15,425	–	-447,347
Depreciation charge	–	-3,608	-4,293	-25,044	-1,406	–	-34,351
Disposals	–	50	363	4,845	801	–	6,059
Net exchange differences	–	-815	–	-2,281	-418	–	-3,514
As of December 31, 2024	–	-41,329	-54,367	-367,009	-16,448	–	-479,153
As of January 1, 2025	–	-41,329	-54,367	-367,009	-16,448	–	-479,153
Depreciation charge	–	-3,814	-4,391	-25,309	-1,255	–	-34,769
Disposals	–	657	1,201	3,440	752	–	6,050
Net exchange differences	–	246	–	197	-18	–	425
As of December 31, 2025	–	-44,240	-57,557	-388,681	-16,969	–	-507,447
<b>Net book value</b>							
As of December 31, 2025	149,656	73,422	28,194	164,178	5,663	5,103	426,216
As of December 31, 2024	149,656	65,408	30,317	172,908	4,613	7,797	430,699

Refer to notes 24 and 25 for details on contractual commitments to purchase property, plant and equipment as well as pledged assets.

## 12. INVESTMENT PROPERTIES

<b>Acquisition cost</b>	<b>Land</b> million KRW	<b>Buildings</b> million KRW	<b>Total</b> million KRW
As of January 1, 2024	3,277	494	3,771
Net exchange differences	1	2	3
As of December 31, 2024	3,278	496	3,774
Net exchange differences	–	-2	-2
As of December 31, 2025	3,278	494	3,772

<b>Accumulated depreciation</b>			
As of January 1, 2024	–	-323	-323
Depreciation charge	–	-6	-6
Net exchange differences	–	-3	-3
As of December 31, 2024	–	-332	-332
Depreciation charge	–	-6	-6
Net exchange differences	–	2	2
As of December 31, 2025	–	-336	-336

<b>Net book value</b>			
As of December 31, 2025	3,278	158	3,436
As of December 31, 2024	3,278	164	3,442

<b>Description</b>	<b>2025</b> million KRW	<b>2024</b> million KRW
Rental income	16	14
Operational expenses	-36	-36

The Company owns an office building in Busan which is sub-leased. The fair value of the office building and land amounts to 7,596 million KRW as of December 31, 2025 (2024: 7,534 million KRW). In addition, Songwon International – Japan K.K. owns an object that is subleased. The fair value of the building and land is 40 million KRW (2024: 25 million KRW). The fair value of investment properties is calculated based on the valuation of an independent rating agency taking into consideration the location and category of the investment property being valued. It is classified as Level 3 based on the valuation technique of the fair value hierarchy.

Disclosure of pledged assets can be found in note 25.

## 13. INTANGIBLE ASSETS

	<b>Industrial rights</b>	<b>Software</b>	<b>Memberships</b>	<b>Goodwill</b>	<b>Construction in progress</b>	<b>Total</b>
<b>Acquisition cost</b>	million KRW	million KRW	million KRW	million KRW	million KRW	million KRW
As of January 1, 2024	8,050	3,861	831	46,902	6,722	66,366
Additions	2	1,634	–	–	724	2,360
Disposals	–	-71	–	–	-21	-92
Reclassifications	529	6,387	–	–	-6,916	–
Net exchange differences	–	138	–	5,461	–	5,599
As of December 31, 2024	8,581	11,949	831	52,363	509	74,233
As of January 1, 2025	8,581	11,949	831	52,363	509	74,233
Additions	106	–	–	–	483	589
Disposals	-18	-6	–	–	-119	-143
Reclassifications	197	2	–	–	-199	–
Net exchange differences	–	37	–	-590	–	-553
As of December 31, 2025	8,866	11,982	831	51,773	674	74,126
<b>Accumulated amortization and impairment</b>						
As of January 1, 2024	-4,692	-3,179	–	-43,706	–	-51,577
Amortization charge	-642	-977	–	–	–	-1,619
Disposals	–	71	–	–	–	71
Net exchange differences	–	-137	–	-5,127	–	-5,264
As of December 31, 2024	-5,334	-4,222	–	-48,833	–	-58,389
As of January 1, 2025	-5,334	-4,222	–	-48,833	–	-58,389
Amortization charge	-621	-958	–	–	–	-1,579
Disposals	8	6	–	–	–	14
Net exchange differences	–	-39	–	341	–	302
As of December 31, 2025	-5,947	-5,213	–	-48,492	–	-59,652
<b>Net book value</b>						
As of December 31, 2025	2,919	6,769	831	3,281	674	14,474
As of December 31, 2024	3,247	7,727	831	3,530	509	15,844

For further details on impairment tests, refer to note 14.

## 14. IMPAIRMENT TESTING

The Group performs annual impairment tests for goodwill and intangible assets with indefinite useful lives, as required by K-IFRS. As of 31 December 2025, the Group identified one cash-generating unit (CGU) subject to testing:

- CGU "SWDM-IN" – includes goodwill of 3,281 million KRW

### Methodology

The recoverable amounts was determined using the value in use approach based on a discounted cash flow model. Cash flow projections cover a five-year period based on the approved budget for 2026 and strategic plans for 2027–2030. Cash flows beyond the forecast period were extrapolated using terminal growth rates.

### Key Assumptions

#### Assumption

Discount rate	14.04%
Terminal growth rate	2.75%

The discount rate applied to the cash flow projection is based on the CGU's weighted average cost of capital, reflecting current market assessments of the time value of money and risks specific to the CGU. The terminal growth rate used to extrapolate cash flows beyond the forecast period are based on long-term inflation expectations for the relevant countries in which the CGUs operates. Growth assumptions for the five-year forecast period are derived from the Group's approved budget for 2026 and strategic plans for 2027–2030, which incorporate management's best estimates of market conditions and business performance.

### Results

No impairment losses were recognized in 2025 and no reasonably possible changes in key assumptions would neutralize headroom.

## 15. RIGHT-OF-USE ASSETS AND LEASES

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	Right-of-use assets:				
	Buildings	Structures	Machinery	Other	Total
	million KRW	million KRW	million KRW	million KRW	million KRW
<b>Acquisition cost</b>					
As of January 1, 2024	24,634	673	1,501	1,688	28,496
Additions	14,791	410	–	1,137	16,338
Disposals	-271	-654	–	–	-925
Modification of contract, net	548	245	–	-17	776
Net exchange differences	4,301	2	176	189	4,668
As of December 31, 2024	44,003	676	1,677	2,997	49,353
As of January 1, 2025	44,003	676	1,677	2,997	49,353
Additions	10	682	–	1,633	2,325
Disposals	-34	-656	–	-16	-706
Modification of contract, net	-3,409	2	–	-1	-3,408
Net exchange differences	353	–	-91	83	345
As of December 31, 2025	40,923	704	1,586	4,696	47,909
<b>Accumulated depreciation</b>					
As of January 1, 2024	-8,178	-183	-676	-1,080	-10,117
Depreciation charge	-2,277	-657	-162	-343	-3,439
Disposals	271	654	–	–	925
Modification of contract, net	–	–	–	12	12
Net exchange differences	-1,003	-3	-92	-113	-1,211
As of December 31, 2024	-11,187	-189	-930	-1,524	-13,830
As of January 1, 2025	-11,187	-189	-930	-1,524	-13,830
Depreciation charge	-3,048	-663	-165	-615	-4,491
Disposals	34	656	–	16	706
Modification of contract, net	4,629	–	–	–	4,629
Net exchange differences	-215	–	49	-72	-238
As of December 31, 2025	-9,787	-196	-1,046	-2,195	-13,224
<b>Net book value</b>					
As of December 31, 2025	31,136	508	540	2,501	34,685
As of December 31, 2024	32,816	487	747	1,473	35,523

The Group recognized rent expenses from short-term leases of 320 million KRW (2024: 212 million KRW), leases of low-value assets of 85 million KRW (2024: 81 million KRW) and variable lease payments of 59 million KRW (2024: 46 million KRW) in the consolidated statements of comprehensive income.

In 2025, two significant reassessments of building lease terms were conducted. These resulted in a net decrease of the right-of-use assets and corresponding lease liabilities by 6,468 million KRW, and a separate increase of both by 5,000 million KRW. All other lease modifications and reassessments during the period were not material (2024: no material modifications or reassessments).

Set out below are the carrying amounts of lease liabilities and the movements during the period:

<b>Description</b>	<b>2025</b>	2024
	million KRW	million KRW
As of January 1	35,905	18,444
Additions	2,325	16,338
Modifications	1,221	788
Net exchange differences	815	3,386
Accretion of interest	1,271	738
Payments	-5,051	-3,789
As of December 31	36,486	35,905

The maturity analysis of lease liabilities is disclosed in note 32.3.

## 16. ISSUED CAPITAL AND RESERVES

### 16.1. SHARE CAPITAL

In accordance with the Articles of Incorporation, the Company is authorized to issue 100,000,000 shares of common stock with a par value of 500 KRW per share. As of 31 December 2025 and 2024, 24,000,000 shares of common stock were issued and outstanding, with a carrying value of 12,000 million KRW. Ordinary shares carry one vote per share and entitle holders to dividends when declared.

### 16.2. CAPITAL SURPLUS

As of 31 December, capital surplus comprises:

Description	2025	2024
	December 31 million KRW	December 31 million KRW
Paid-in capital in excess of par value	20,065	20,065
Gain on disposal of treasury stock	4,296	4,296
Loss on change in non-controlling interest due to interest acquisition	-3,879	-3,879
<b>Total</b>	<b>20,482</b>	<b>20,482</b>

### 16.3. RESERVES

Description	2025	2024
	December 31 million KRW	December 31 million KRW
Legal reserve	5,808	5,088
Asset revaluation surplus	25,815	25,815
<b>Total</b>	<b>31,623</b>	<b>30,903</b>

#### Legal reserves

In accordance with the Korean Commercial Code, at least 10% of cash dividends must be appropriated to a legal reserve until it equals 50% of paid-in capital. The legal reserve may not be used for dividends but may offset a deficit or be transferred to capital.

#### Asset revaluation reserve

As at 31 December 2025 and 2024, reserves include KRW 25,815 million (net of tax) from the revaluation of property, plant and equipment in accordance with the Korean Asset Revaluation Act. These reserves are not distributable but may be used to offset losses or be capitalized.

## 16.4. DIVIDENDS

Dividends approved by the shareholders are as follows:

Description	2025	2024
	December 31	December 31
Subject to the year	2024	2023
Dividends on ordinary shares in KRW	7,200,000,000	6,000,000,000
Number of shares	24,000,000	24,000,000
Dividends per share in KRW	300	250

## 16.5. ACCUMULATED OTHER COMPREHENSIVE INCOME

Accumulated other comprehensive income, net of tax, as of 31 December is as follows:

Description	2025	2024
	December 31 million KRW	December 31 million KRW
Re-measurement of defined benefit plans	-13,053	-18,132
Fair value reserve of financial assets at FVOCI	-690	-701
Foreign currency translation reserve	27,877	24,104
<b>Total</b>	<b>27,187</b>	<b>23,403</b>

Details of other comprehensive income for the year ended December 31, 2025, and 2024, are as follows:

Description	2025	2024
	million KRW	million KRW
Pre-tax amounts		
Gain / (losses) on valuation of financial assets FVOCI	–	–
Exchange differences on translation of foreign operations	3,773	18,813
Re-measurement gains / (losses) on defined benefit plans	6,492	-9,541
<b>Pre-tax amounts total</b>	<b>10,265</b>	<b>9,272</b>
Tax effects on		
Gain / (losses) on valuation of financial assets FVOCI	11	–
Re-measurement gains / (losses) on defined benefit plans	-1,413	2,158
<b>Tax effects total</b>	<b>-1,402</b>	<b>2,158</b>
Net amounts		
Gain / (losses) on valuation of financial assets FVOCI	11	–
Exchange differences on translation of foreign operations	3,773	18,813
Re-measurement gains / (losses) on defined benefit plans	5,079	-7,383
<b>Net amounts total</b>	<b>8,863</b>	<b>11,430</b>

## 17. INTEREST-BEARING LOANS AND BORROWINGS

Description	2025	2024
	December 31 million KRW	December 31 million KRW
Long-term borrowings	–	2,250
Non-current interest-bearing loans and borrowings	–	2,250
Current portion of long-term borrowings	2,250	3,000
Short-term borrowings	141,570	146,034
Current interest-bearing loans and borrowings	143,820	149,034
Total	143,820	151,284

Details of long-term borrowings as of December 31, 2025, and 2024, are as follows:

Banks	Description	Maturity date	Annual interest rate (%)	2025	2024
				December 31 million KRW	December 31 million KRW
Korea Development Bank	General Loan	24.08.2026	4.48	2,250	5,250
Subtotal				2,250	5,250

Details of short-term borrowings as of December 31, 2025, and 2024, are as follows:

Banks	Description	Annual interest rate (%)	2025	2024
			December 31 million KRW	December 31 million KRW
Hana Bank	General & trade loan	2.71~3.65	25,387	24,471
Woori Bank	General & trade loan	2.76~3.28	42,460	41,092
Busan Bank	General & trade loan	2.75~3.56	17,838	12,850
Kyongnam Bank	General & trade loan	2.82~3.51	18,535	22,921
Korea Development Bank	General loan	3.83	18,000	25,000
NH Bank	General loan	3.68	5,000	5,000
Citibank Korea	General loan	3.65	14,349	14,700
Subtotal			141,570	146,034

## 18. TRADE AND OTHER PAYABLES

Description	2025	2024
	December 31	December 31
	million KRW	million KRW
Trade payables	93,238	108,976
Trade payables (related parties) (note 31)	2,058	2,601
Other accounts payables	2,069	2,160
Other accounts payables (related parties) (note 31)	7	7
Withholdings	2,204	2,058
Accrued expenses	30,302	26,544
Guarantee deposits	13	18
<b>Total</b>	<b>129,891</b>	<b>142,364</b>

Trade and other payables do not bear interest and usually become due within 30–60 days.

The Group participates in supplier financing arrangements where suppliers transfer accounts receivables, due from the consolidated entity, to financial institutions to receive early payment. Under this arrangement, the financial institution pays the Groups obligations to the supplier on behalf of the Group, and the Group subsequently settles the payment with the financial institution.

The Group has **not derecognized the original payables** because this arrangement does not result in the discharge or substantial modification of the original liability. The payment period is not significantly extended compared to the normal payment terms of other suppliers not participating in this program. Additionally, the company does not bear any additional interest. Consequently, since the nature and function of the financial liabilities are identical to other trade payables, the amounts subject to the arrangement have been included within the trade payables balance. All liabilities under the supplier financing arrangement are classified as **current liabilities** as of the end of the current and prior periods.

Additional information regarding the Groups trade and other payables is as follows, and there are no significant non-cash changes in the carrying amounts of financial liabilities corresponding to the supplier financing arrangement.

Classification	2025	2024
	December 31	December 31
	million KRW	million KRW
Carrying amount of financial liabilities subject to supplier financing arrangements	8,814	9,169
Carrying amount corresponding to portions already paid to the supplier by the finance provider	2,282	1,914
<b>Range of Payment Due Dates</b>		
Financial liabilities subject to the supplier financing arrangements	Within 90 days	Within 90 days
Comparable trade payables not subject to supplier financing arrangements	Within 90 days	Within 90 days

## 19. EMISSION RIGHTS AND EMISSION LIABILITIES

Details of the annual quantity of allocated emission allowances as of December 31, 2025, are as follows (Unit: Korean Allowance Unit – KAU):

	2025	2024	2023	2022	2021	Total
Allocated emission allowance	137,574	137,574	138,875	138,875	138,875	691,773

Estimated greenhouse gas emission 2025: 128,804 KAU

Changes in emission rights by compliance year as of December 31, 2025 are:

	KAU25		KAU24		KAU23	
	Quantity	Book value	Quantity	Book value	Quantity	Book value
	KAU	million KRW	KAU	million KRW	KAU	million KRW
Beginning	3,136	–	9,844	–	3,063	27
Allocation	137,574	–	137,574	–	138,875	–
Disposal	–	–	-628*	–	-3,282	-27
Delivery to government	–	–	-143,654	–	-128,812	–
Carryforward	–	–	-3,136	–	-9,844	–
Ending	140,710	–	–	–	–	–

\* During the twelve months ended December 31, 2025, the Group sold 628 units from its KAU24 balance.

Set out below are the carrying amount of emission liabilities recognized and movements during the period:

	2025	2024
As of January 1	–	–
Increase	–	–
Decrease	–	–
As of December 31	–	–

There are no emission rights provided as collateral as of December 31, 2025.

## 20. OTHER FINANCIAL LIABILITIES

Description	2025 December 31		2024 December 31	
	Current million KRW	Non-current million KRW	Current million KRW	Non-current million KRW
Derivative liabilities (note 21)	1,637	–	1,515	–
Deposits	1,436	781	1,471	1,471
Accrued interest expenses	279	–	324	–
<b>Total</b>	<b>3,352</b>	<b>781</b>	<b>3,310</b>	<b>1,471</b>

## 21. DERIVATIVES FINANCIAL INSTRUMENTS

Description	2025		2024	
	December 31		December 31	
	Assets	Liabilities	Assets	Liabilities
	million KRW		million KRW	
Forward exchange contracts	–	1,637	–	1,515
Currency swaps	713	–	2,606	–
<b>Total</b>	<b>713</b>	<b>1,637</b>	<b>2,606</b>	<b>1,515</b>

### 21.1. FORWARD EXCHANGE CONTRACTS

Details of forward exchange contracts which the Group entered into with financial institutions in order to hedge the risk of foreign exchange rate fluctuation of assets denominated in foreign currencies as of December 31, 2025, and 2024 are as follows:

				2025
				As of December 31
Contractual party	Position	Contract amount	Maturity dates	Contractual exchange rate (KRW)
Woori Bank	sell	EUR 9,800,000	30.01.2026 ~ 30.06.2026	KRW 1,551.10 ~ 1,670.60
Citibank Korea	sell	EUR 21,220,000	30.01.2026 ~ 30.06.2026	KRW 1,551.00 ~ 1,677.40
Busan Bank	sell	EUR 1,620,000	30.01.2025 ~ 31.03.2026	KRW 1,579.00

				2024
				As of December 31
Contractual party	Position	Contract amount	Maturity dates	Contractual exchange rate (KRW)
Woori Bank	sell	EUR 21,150,000	31.01.2025 – 30.06.2025	KRW 1,459.40 ~ 1,517.20
Citibank Korea	sell	EUR 12,950,000	13.01.2025 – 30.06.2025	KRW 1,459.30 ~ 1,504.00
Busan Bank	sell	EUR 4,840,000	27.01.2025 – 30.05.2025	KRW 1,459.80 ~ 1,499.00

## 21.2. CURRENCY SWAPS

To hedge the exchange rate risks, the Group has entered into the following currency swap contracts as of December 31, 2025, and 2024:

**2025**

As of December 31

<b>Contractual party</b>	<b>Target</b>	<b>Contract amount</b>	<b>Interest condition</b>	<b>Contract date</b>	<b>Maturity date</b>
Citibank Korea	Short-term borrowing	Receipt: 10,000 TUSD	USD SOFR + 0.8%	23.09.2025	23.09.2026
		Payment: 13,948 MKRW	KRW 3M CD + 0.8%		
Hana Bank	Short-term borrowing	Receipt: 10,000 TUSD	USD 3M SOFR + 1.0%	23.09.2025	23.09.2026
		Payment: 13,948 MKRW	KRW 3M CD + 0.8%		

**2024**

As of December 31

<b>Contractual party</b>	<b>Target</b>	<b>Contract amount</b>	<b>Interest condition</b>	<b>Contract date</b>	<b>Maturity date</b>
Citibank Korea	Short-term borrowing	Receipt: 10,000 TUSD	USD SOFR + 0.8%	24.09.2024	23.09.2025
		Payment: 13,360 MKRW	KRW 3M CD + 0.8%		
Hana Bank	Short-term borrowing	Receipt: 10,000 TUSD	USD 3M SOFR + 1.0%	24.09.2024	23.09.2025
		Payment: 13,370 MKRW	KRW 3M CD + 0.8%		

## 22. PENSION LIABILITY

<b>Pension plan</b>	<b>2025</b> million KRW	2024 million KRW
Net defined benefit liability (incl. in pension liability)	-5,046	-4,575
Swiss pension plan	-4,432	-4,513
Other	-614	-62
Net defined benefit asset (incl. in other non-current assets)	13,127	10,497
Korean pension plan	13,127	10,497

### 22.1. DEFINED BENEFIT OBLIGATION

Changes in the defined benefit obligation from material defined benefit plans:

	<b>Korean plan</b> million KRW	<b>Swiss plan</b> million KRW
Defined benefit obligation as of January 1, 2024	76,250	42,951
Pension cost charged to profit or loss		
Service costs	4,472	1,453
Interest costs	3,848	616
<i>Sub-total included in profit or loss</i>	<i>8,320</i>	<i>2,069</i>
Benefits paid	-8,724	-4,208
Re-measurement gains / (losses) in OCI		
Actuarial changes arising from changes in financial assumptions	3,423	2,800
Experience adjustments	4,422	1,552
<i>Sub-total included in OCI</i>	<i>7,845</i>	<i>4,352</i>
Employee contributions	-	954
Plan amendments	-	632
Plan settlements	-	-524
Exchange differences	-	2,737
Defined benefit obligation as of December 31, 2024	83,691	48,963
Pension cost charged to profit or loss		
Service costs	13,633	1,752
Interest costs	3,780	466
<i>Sub-total included in profit or loss</i>	<i>17,413</i>	<i>2,218</i>
Benefits paid	-12,634	-5,781
Re-measurement gains / (losses) in OCI		
Actuarial changes arising from changes in demographic assumptions	1,268	-1,964
Actuarial changes arising from changes in financial assumptions	-1,358	-297
Experience adjustments	-4,151	-930
<i>Sub-total included in OCI</i>	<i>-4,241</i>	<i>-3,191</i>
Employee contributions	-	1,167
Plan amendments	-	-89
Plan settlements	-	-
Exchange differences	-	5,444
Defined benefit obligation as of December 31, 2025	84,229	48,731
Weighted average duration 2024 (years)	10.50	12.71
Weighted average duration 2025 (years)	8.80	12.90

## 22.2. PLAN ASSETS

Changes in the fair value of plan assets:

	<b>Korean plan</b> million KRW	<b>Swiss plan</b> million KRW
Plan assets as of January 1, 2024	98,312	38,750
Pension cost charged to profit or loss		
Interest income	4,974	558
Administration expenses	-320	-17
<i>Sub-total included in profit or loss</i>	<i>4,654</i>	<i>541</i>
Benefits (paid) / received	-6,642	-4,208
Re-measurement gains / (losses) in OCI		
Return on plan assets (excluding amounts included in interest expenses)	-2,136	4,818
<i>Sub-total included in OCI</i>	<i>-2,136</i>	<i>4,818</i>
Employer contributions	-	1,154
Employee contributions	-	954
Exchange differences	-	2,441
Plan assets as of December 31, 2024	94,188	44,450
Pension cost charged to profit or loss		
Interest income	3,944	422
Administration expenses	-336	-33
<i>Sub-total included in profit or loss</i>	<i>3,608</i>	<i>389</i>
Benefits paid	-8,670	-5,781
Re-measurement gains / (losses) in OCI		
Return on plan assets (excluding amounts included in interest expenses)	1,230	-2,177
<i>Sub-total included in OCI</i>	<i>1,230</i>	<i>-2,177</i>
Employer contributions	7,000	1,344
Employee contributions	-	1,167
Exchange differences	-	4,907
Plan assets as of December 31, 2025	97,356	44,299

The Group expects to make a contribution in the following year at the amount comparable to the contribution made during the current reporting period.

The composition of plan assets as of December 31, 2025 and 2024 is as follows:

<b>Structure of plan assets:</b>	<b>Korean plan</b>		<b>Swiss plan</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
Equity	-	-	36%	31%
Debt instruments	-	-	16%	14%
Real estate	-	-	21%	26%
Investment funds	100%	100%	-	-
Alternative investments	-	-	22%	19%
Cash and cash equivalents	-	-	6%	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The category equity and debt instruments are quoted or daily traded. With few exceptions, there is no active market for plan assets in investment funds, real estate and alternative investments.

## 22.3. KEY ASSUMPTIONS

	Determining net benefit expense		Determining pension benefit obligation	
	2025	2024	2025 December 31	2024 December 31
<b>Discount rate</b>				
Korean plan	4.39%	5.13%	4.86%	4.66%
Swiss plan	1.30%	0.95%	1.30%	0.95%
<b>Future salary increases</b>				
Korean plan	3.76%	3.76%	3.76%	3.76%
Swiss plan	1.75%	1.75%	1.75%	1.75%

## 22.4. SENSITIVITY ANALYSIS

Discount rate	Sensitivity level		Impact on defined benefit obligation
	Change		million KRW
Korean plan	+1.00%		-6,241
	-1.00%		7,209
Swiss plan	+0.25%		-1,669
	-0.25%		1,596
<b>Salary increase</b>			
Korean plan	+1.00%		7,424
	-1.00%		-6,537
Swiss plan	+0.25%		158
	-0.25%		-154

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

## 23. OTHER LONG-TERM EMPLOYEE-RELATED LIABILITIES

Other long-term employee-related liabilities consist of the following:

Description	<b>2025</b>	2024
	December 31	December 31
	million KRW	million KRW
Other long-term employee benefits – Korea	20,258	13,252
Other long-term employee benefits – Others	1,407	1,197
Share-based payment-related liability	1	201
<b>Total other long-term employee-related liabilities</b>	<b>21,666</b>	<b>14,650</b>

### 23.1. OTHER LONG-TERM EMPLOYEE BENEFITS – KOREA

The parent company implements a bonus plan designed to compensate employees with a prescribed quantity of gold and entitle compensated vacation to long-term service employees. Accounting policies of the bonus plan are mostly the same as those of the defined benefit plan, except that all the past service costs and actuarial variances are recognized immediately in profit or loss.

Description	million KRW
As of January 1, 2024	8,777
Current service costs	731
Interest costs	409
Re-measurement losses	3,964
Total payment	-629
As of December 31, 2024	13,252
Current service costs	1,572
Interest costs	656
Re-measurement gains	6,056
Total payment	-1,278
As of December 31, 2025	20,258

Description	<b>2025</b>	2024
	December 31	December 31
Discount rate	5.00%	4.48%
Compensation increase	3.76%	5.17%
Compensation per day for vacation	KRW 262,080 - 645,840	KRW 95,471 – 236,167
Rate of increase in gold price	10.60%	8.33%
Gold price per 3.75 grams	KRW 833,000	KRW 527,000

### 23.2. OTHER LONG-TERM EMPLOYEE BENEFITS – OTHERS

The remaining other long-term employee benefits refer to legally established termination benefits of subsidiaries located in the United Arab Emirates of 1,247 million KRW (as of December 31, 2024: 1,048 million KRW) and expenses for the defined contribution plan of Songwon Specialty Chemicals India Pvt. Ltd. of 160 million KRW (as of December 31, 2024: 149 million KRW).

## 24. CONTINGENCIES AND COMMITMENTS

### 24.1. CONTINGENT LIABILITIES

As per December 31, 2025, the Group had contingent liabilities in respect to tax appeals. The currently estimated financial effect is 1,232 million KRW (December 2024: 664 million KRW).

### 24.2. OTHER LEASE COMMITMENTS

The Group has entered into short-term and low-value leases on certain buildings, vehicles, furniture and fixture. Future minimum short-term and low-value lease payments as of December 31, 2025 and December 31, 2024 are as follows:

Description	2025	2024
	December 31 million KRW	December 31 million KRW
Short-term lease commitments		
Within one year	-2	-2
<i>Total short-term lease commitments</i>	-2	-2
Low-value lease commitments		
Within one year	-64	-53
After one year but not more than five years	-11	-12
<i>Total low-value lease commitments</i>	-75	-65
<b>Total</b>	<b>-77</b>	<b>-67</b>

### 24.3. OTHER COMMITMENTS

As part of the ordinary business activities, the Group enters into various contractual commitments for the purchase of inventories, property, plant and equipment, intangible assets and investment properties. As of December 31, 2025, the Group entered into commitments to purchase property, plant and equipment, as well as raw materials amounting to 4,367 million KRW (December 31, 2024: 6,332 million KRW).

## 25. ASSETS PLEDGED AS COLLATERAL AND GUARANTEES

Details of property, plant and equipment and investment property pledged by the Group as collateral for interest-bearing loans and borrowings as of December 31, 2025 and December 31, 2024, presented in the maximum pledge amount, are as follows:

Pledged to	Pledged assets		2025	2024
			December 31	December 31
<i>Property, plant and equipment</i>				
<i>(Joint collateral in connection with long-term loan)</i>				
Busan Bank	Land, buildings and machinery	million KRW	30,000	30,000
Kyongnam Bank	Land, buildings and machinery	million KRW	18,000	18,000
<i>Property, plant and equipment and investment property</i>				
<i>(Collateral for other than long-term loan)</i>				
Woori Bank	Land, buildings and machinery	million KRW	120,000	120,000
Hana Bank	Land, buildings and machinery	million KRW	80,400	80,400
Korea Development Bank	Land, buildings, investment properties and machinery	million KRW	96,600	96,600
Busan Bank	Land, buildings and machinery	thousand USD	24,000	24,000
Total		million KRW	345,000	345,000
		thousand USD	24,000	24,000

### Payment guarantee to Seoul Guarantee Insurance Company

As of December 31, 2025, the Group held a deposit guarantee of KRW 237 million in relation to the potential repayment of government subsidies received under the greenhouse gas reduction project for companies participating in the emissions trading system, covering the period from April 2025 to December 2025.

As of December 31, 2024, the Group held deposit guarantees totaling KRW 562 million, comprising KRW 62 million for the period from May 2024 to March 2025 and KRW 500 million for the period from November 2023 to March 2025.

## 26. OPERATING PROFIT AND OTHER INCOME / EXPENSES

### 26.1. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of 5,576 million KRW (2024: 6,066 million KRW) are recorded in the consolidated statements of comprehensive income.

### 26.2. SELLING AND ADMINISTRATION EXPENSES

Description	2025	2024
	million KRW	million KRW
Sales-related costs	-26,943	-32,164
Personnel expenses	-59,952	-52,289
Travelling and entertainment	-6,157	-5,985
Depreciation and amortization	-3,153	-3,174
Administration expenses	-13,760	-13,247
IT expenses	-7,862	-5,630
Others	-2,819	-1,605
<b>Total</b>	<b>-120,646</b>	<b>-114,094</b>

### 26.3. OTHER EXPENSES

Description	2025	2024
	million KRW	million KRW
Miscellaneous expenses	-763	-2,323
Losses on disposal of property, plant and equipment	-2,098	-1,390
Taxes and dues	-1,539	-460
<b>Total</b>	<b>-4,400</b>	<b>-4,173</b>

### 26.4. EXPENSES CLASSIFIED BY NATURE

Description	2025	2024
	million KRW	million KRW
Purchased material	-571,190	-659,671
Inventory changes	-29,466	46,978
Freight and logistic costs	-30,209	-36,256
Energy costs	-54,739	-60,054
Personnel expenses	-165,369	-139,128
Depreciation and amortization	-42,841	-40,812
Other expenses	-127,903	-122,616
<b>Total</b>	<b>-1,021,717</b>	<b>-1,011,559</b>
Thereof recorded in cost of sales	-896,671	-880,026
Thereof recorded in selling and administration costs	-120,646	-91,480
Thereof recorded in other expenses	-4,400	-4,173
<b>Total</b>	<b>-1,021,717</b>	<b>-1,011,559</b>

## 27. FINANCE INCOME / EXPENSES

### 27.1. FINANCE INCOME

Description	2025	2024
	million KRW	million KRW
Foreign exchange gains	32,413	47,387
Gains from derivative instruments	2,448	3,169
Interest on loans and receivables	1,943	2,087
Gain on valuation of other financial assets FVtPL	406	503
<b>Total finance income</b>	<b>37,210</b>	<b>53,146</b>

### 27.2. FINANCE EXPENSES

Description	2025	2024
	million KRW	million KRW
Foreign exchange losses	-37,454	-39,954
Losses from derivative instruments	-4,723	-3,965
Interest on borrowings	-7,298	-7,375
Other	-821	-290
<b>Total finance expenses</b>	<b>-50,296</b>	<b>-51,584</b>

### 27.3. NET GAINS AND LOSSES OF FINANCIAL INSTRUMENT CLASSES

Description	2025	2024
	million KRW	million KRW
Financial assets at amortized cost	21,305	36,853
Financial assets at FVOCI	11	-
Financial liabilities at amortized cost	-32,147	-34,715
Financial assets / liabilities at FVtPL	-1,869	-293
<b>Total net losses of the classes of financial instruments</b>	<b>-12,700</b>	<b>1,845</b>

Net losses of financial instruments recognized in the consolidated statement of comprehensive income

Finance expense*	-49,921	-51,301
Finance income	37,210	53,146
<b>Total</b>	<b>-12,711</b>	<b>1,845</b>

Net gains / (losses) of financial instruments recognized in the consolidated statement of other comprehensive income

Financial assets at FVOCI	11	-
<b>Total</b>	<b>11</b>	<b>-</b>
<b>Total</b>	<b>-12,700</b>	<b>1,845</b>

\* Excluding bank charges

## 28. INCOME TAX EXPENSES

### 28.1. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Description	2025	2024
	million KRW	million KRW
Current income tax charge	-14,087	-24,598
Adjustments in respect of current income tax of previous year	4,879	7,418
<b>Total current income tax</b>	<b>-9,208</b>	<b>-17,180</b>
Deferred income taxes related to changes of temporary differences, net	-78	6,408
Deferred income taxes related to changes in tax rate	2,071	-8,382
Deferred income taxes related to tax loss carry forwards	2,981	-
<b>Total deferred income tax</b>	<b>4,974</b>	<b>-1,974</b>
<b>Income tax expenses</b>	<b>-4,234</b>	<b>-19,154</b>
Deferred income taxes recognized directly in other comprehensive income	-1,402	2,158
<b>Total income taxes recognized in comprehensive income</b>	<b>-5,636</b>	<b>-16,996</b>

Description	2025	2024
	million KRW	million KRW
<b>Accounting profit before income taxes</b>	<b>6,571</b>	<b>64,242</b>
At parent company's statutory income tax rate of 23.10% (2024: 22.20%)	-1,518	-14,261

*Increase in income tax expens resulting from:*

Adjustments in respect of current income tax of previous years	4,879	7,418
Non-temporary differences	-838	-489
Tax credits	-29	22
Non-deductible expenses	-2,948	-3,964
Effect of different tax rates in tax jurisdiction	-3,649	-7,963
Other	-131	83
<b>At the effective income tax rate of 64.43% (2024: 29.82%)</b>	<b>-4,234</b>	<b>-19,154</b>

## 28.2. DEFERRED TAX

Deferred tax relates to the following:

Description	Consolidated statements of financial position		Consolidated statements of comprehensive income	
	2025	2024	2025	2024
	December 31 million KRW	December 31 million KRW	December 31 million KRW	December 31 million KRW
Net pension obligation	-637	-1,001	1,777	-1,430
Other long-term employment benefits	4,752	2,961	1,791	903
Trade receivables	133	135	-2	17
Inventories	3,644	4,444	-800	1,936
Fixed assets	-11,704	-8,160	-3,544	-297
Right of use asset	246	-42	288	-42
Gain on revaluation of land	-28,011	-26,503	-1,508	-57
Other non-current financial assets	1,406	141	1,254	674
Other current financial assets	-409	-276	-133	3
Other current assets	-	308	-308	-287
Other non-current financial liabilities	-2	1	-1	7
Current lease liabilities	426	293	133	-2
Other current financial liabilities	1,116	955	161	243
Other current liabilities	241	274	-33	173
Intangible assets	-28	-215	187	-212
Investments in subsidiaries	-1,855	-4,747	-2,892	-4,214
Tax loss carry-forwards	2,981	-	2,981	-
Translation difference	-	-	-159	611
Deferred tax income			4,974	-1,974
Net deferred tax liabilities	-27,701	-31,432		

Reflected in the statements of financial positions as follows:

Deferred tax assets	6,991	7,691
Deferred tax liabilities	-34,692	-39,123

Reconciliation of deferred tax liabilities, net:

Description	2025	2024
	million KRW	million KRW
Opening balance as of January 1	-31,432	-31,005
Deferred tax recognized in statements of comprehensive income	4,974	-1,974
Deferred tax recognized in other comprehensive income (note 16.5)	-1,402	2,158
Translation differences	159	-611
Closing balance as of December 31	-27,701	-31,432

Expecting sufficient taxable income, the Group recognized deferred income tax assets to the extent of future taxable income. For the following deductible temporary differences, no deferred tax assets as of December 31, 2025 and 2024, were recognized.

Description	2025	2024
	million KRW	million KRW
Temporary differences related to investments in subsidiaries	12,932	13,473
Total	12,932	13,473

In the financial years 2025 and 2024, the Group recognized tax loss carry-forwards in the amount of 2,981 million KRW (2024: none). These tax loss carry-forwards can be utilized against future taxable profits and have no expiry date under the applicable tax legislation.

### 28.3. GLOBAL MINIMUM TAX

The Group has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in various jurisdictions where it is active. In some of the jurisdictions in which the Group is active, qualified domestic top-up taxes are in place. Further, the Company as parent must pay additional top-up taxes on profits of subsidiaries taxes at less than the minimum tax rate of 15% (Income Inclusion Rule). Most of the subsidiaries have either passed the transition period exemption rules or their effective tax rate is 15% or more. Top-up tax recognized in the period ended December 31, 2025 is therefore limited to 54 million KRW (2024: 154 million KRW).

The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes.

## 29. EARNINGS PER SHARE

Description	2025	2024
	KRW	KRW
Net profit attributable to ordinary equity holders of the parent	2,337,243,064	45,088,472,239
Weighted average number of ordinary shares	24,000,000	24,000,000
Earnings per share (basic / diluted)	97	1,879

In 2025 and 2024, there were no potentially dilutive instruments outstanding.

## 30. CASH FLOW STATEMENT

Adjustments	Notes	2025	2024
		million KRW	million KRW
Depreciation and amortization	11, 12, 13, 15	40,845	39,415
Impairment of inventories	9	2,813	1,668
Losses on disposals of property, plant and equipment, net	11	739	1,385
Losses on disposal of intangible assets, net	13	129	21
Share of result from investments accounted using the equity method	10	-1,144	-1,186
Pension costs	22.3, 22.4	15,681	5,236
Finance income		-4,431	-3,810
Finance expenses		9,474	9,993
Income tax expenses	28	4,234	19,154
Other		2,253	4,509
<b>Total</b>		<b>70,593</b>	<b>76,385</b>

Changes in operating assets and liabilities	2025	2024
	million KRW	million KRW
Trade and other receivables	6,886	-533
Other current assets	4,185	-1,620
Other current financial assets	1,896	950
Inventories	15,653	-48,652
Trade and other payables	-12,427	13,055
Other current financial liabilities	-802	2,517
Other current liabilities	-2,586	1,612
Pension liabilities	-11,917	-2,868
Other long-term employment benefits	4,791	-788
<b>Total</b>	<b>5,679</b>	<b>-36,327</b>

Changes in liabilities arising from financing activities for the years ended December 31, 2025 and 2024, are as follows:

	<b>Current interest-bearing loans and borrowings</b>	<b>Non-current interest-bearing loans and borrowings</b>	<b>Other financial liabilities</b>
	million KRW	million KRW	million KRW
As of January 1, 2024	164,696	5,250	4,219
Cash flows	-19,589	-	-872
Foreign exchange movement	927	-	-81
Net losses on valuation of financial liabilities	-	-	1,515
Reclassifications	3,000	-3,000	-
As of December 31, 2024	149,034	2,250	4,781
Cash flows	-8,595	-	-503
Foreign exchange movement	1,131	-	-1,781
Net losses on valuation of financial liabilities	-	-	1,636
Reclassifications	2,250	-2,250	-
As of December 31, 2025	143,820	-	4,133

## 31. RELATED PARTY DISCLOSURES

The companies listed below have been identified as related parties:

Company name	Location	Relation with the Group	Remarks
Songwon Baifu Chemicals (Tangshan) Co., Ltd.	China	Joint Venture	Jointly controlled by Songwon Group Holding AG
Songwon Moolsan Co., Ltd.	Korea	Other	A company that has significant influence on the Group
Kyungshin Industrial Co., Ltd.	Korea	Other	A subsidiary of Songwon Moolsan Co., Ltd.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period and balances as per period end.

Related party	Description	2025	2024
		million KRW	million KRW
Songwon Moolsan Co., Ltd.	Selling and administration costs	-80	-80
Songwon Baifu Chemicals (Tangshan) Co., Ltd. (Joint venture)	Sales	304	432
	Cost of sales	-28,482	-24,129
Total	Sales	304	432
	Cost of sales	-28,482	-24,129
	Selling and administration costs	-80	-80

Related party	Description	2025	2024
		December 31 million KRW	December 31 million KRW
Songwon Moolsan Co., Ltd.	Other non-current financial assets	33	33
	Trade and other payables	7	7
Songwon Baifu Chemicals (Tangshan) Co., Ltd. (Joint venture)	Trade and other receivables	72	-
	Trade and other payables	2,058	2,601
Total	Other non-current financial assets	33	33
	Trade and other receivables	72	-
	Trade and other payables	2,065	2,608

### 31.1. THE ULTIMATE PARENT

Songwon Industrial Co., Ltd. is the ultimate parent based and listed in Korea.

## 31.2. TERMS AND CONDITIONS OF TRANSACTIONS WITH RELATED PARTIES

Outstanding balances of related parties at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended December 31, 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (December 31, 2024: none).

## 31.3. COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE GROUP

Description	2025	2024
	million KRW	million KRW
Short-term employee benefits	12,657	11,566
Post-employment benefits	705	426
Other long-term benefits	1,139	737
Share-based payments	-24	-111
<b>Total compensation paid to key management personnel</b>	<b>14,477</b>	<b>12,618</b>

## 31.4. OTHER RELATED PARTIES

Other related parties are Songwon Moolsan Co., Ltd. (Korea) which has significant influence on the Group due to the interest held in the share capital of the parent company of 23.88%. Further, the subsidiary of Songwon Moolsan Co., Ltd., Kyungshin Industrial Co., Ltd., which holds interest in the share capital of the parent company of 9.15%, is identified as a related party of the Group.

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to market, credit and liquidity risks. The Group's management mitigates these risks through comprehensive risk assessment and continuous monitoring processes designed to minimize their potential impact.

### 32.1. MARKET RISK

#### Interest rate risk

The Group is exposed to cash flow interest rate risk arising from interest-bearing loans and borrowings with floating interest rates. To manage these risks, the Group employs interest rate swap contracts and optimizes its financing structure by selecting the most favorable instruments, refinancing existing loans under improved conditions, or enhancing its credit rating. As of December 31, 2025, the Group's outstanding variable-rate borrowings amounted to KRW 54,698 million (December 31, 2024: KRW 106,730 million).

#### Interest rate sensitivity

The following table illustrates the sensitivity of profit before tax to reasonably possible changes in interest rates. The Group's exposure to fluctuations in market interest rates primarily arises from interest-bearing loans and borrowings, as well as bank deposits with floating interest rates. Assuming all other variables remain constant, the impact on profit before tax resulting from changes in floating-rate borrowings is as follows:

	<b>Increase / (decrease)</b> in %	<b>Effect on profit before tax</b> million KRW
<b>December 31, 2025</b>	1.00	-547
	-1.00	547
December 31, 2024	1.00	-570
	-1.00	570

#### Foreign currency risk

The Group is exposed to foreign exchange risk primarily through its operating activities, where transactions, recognized assets, and liabilities are denominated in currencies other than the functional currency. The most significant exposures relate to the US Dollar (USD), Euro (EUR), and Japanese Yen (JPY).

The objective of managing foreign currency risk is to reduce volatility in profit and cash flows arising from exchange rate fluctuations. To achieve this, the Group employs a combination of natural hedging and derivative instruments. For USD exposures, the Group aligns the collection terms of receivables with the payment terms of payables, leveraging the offset between export and import volumes. For any remaining USD exposure as well as for EUR and JPY exposures, the Group uses forward exchange contracts to mitigate risk.

## Foreign currency sensitivity

In accordance with IFRS 7, the Group performs a sensitivity analysis to estimate the impact of reasonably possible changes in exchange rates on profit before tax. The analysis covers the dominant foreign currencies: USD, EUR, and JPY. A 10% change in exchange rates has been assumed, based on recent market volatility and historical trends. The analysis incorporates all financial instruments denominated in foreign currencies and assumes that all other variables remain constant.

The following table presents the estimated effect of a 10% change in exchange rates on net profit for the year ended December 31, 2025 and year ended December 31, 2024:

Currency	2025 December 31		2024 December 31	
	10% increase million KRW	10% decrease million KRW	10% increase million KRW	10% decrease million KRW
USD	9,300	-9,300	6,961	-6,961
EUR	4,630	-4,630	3,449	-3,449
JPY	3,219	-3,219	2,642	-2,642
<b>Total</b>	<b>17,149</b>	<b>-17,149</b>	<b>13,052</b>	<b>-13,052</b>

The Group's exposure to foreign currency risk at the end of the reporting period was as follows:

Financial statement line item	2025 December 31			2024 December 31		
	USD million KRW	EUR million KRW	JPY million KRW	USD million KRW	EUR million KRW	JPY million KRW
Cash and cash equivalents	35,529	12,453	722	38,315	4,826	–
Trade and other receivables	122,897	59,433	32,008	126,963	60,697	26,947
Other current financial assets	7,950	16,722	–	12,207	6,335	–
<b>Total financial assets</b>	<b>166,375</b>	<b>88,608</b>	<b>32,730</b>	<b>177,485</b>	<b>71,858</b>	<b>26,947</b>
Trade and other payables	-71,939	-5,445	-539	-99,033	-513	-525
Interest-bearing loans and borrowings	–	-36,864	–	-5,891	-30,743	–
Other non-current financial liabilities	-1,435	–	–	-2,940	–	–
<b>Total financial liabilities</b>	<b>-73,374</b>	<b>-42,309</b>	<b>-539</b>	<b>-107,864</b>	<b>-31,256</b>	<b>-525</b>

## 32.2. CREDIT RISK

The Group is exposed to credit risk arising from its operating activities, primarily trade and other receivables, as well as from its investing activities, including bank deposits and cash equivalents.

To manage credit risk, the Group maintains a policy of conducting business only with customers that have a high credit rating, assessed based on their financial position, historical default experience, and other indicators of creditworthiness. If a customer's credit rating deteriorates, the Group applies an individual credit limit and implements enhanced monitoring procedures. In addition, the Group mitigates credit risk through ongoing management practices, including periodic reviews of all customers, to ensure that overall exposure remains at an insignificant level.

The maximum exposure to credit risk at the reporting date corresponds to the carrying amount of each class of financial assets, disclosed in note 33.

With respect to bank deposits and cash equivalents, the Group's exposure to credit risk is limited, as it maintains.

## 32.3. LIQUIDITY RISK

Liquidity risk is the risk that the Group may encounter difficulties in meeting its financial obligations as they fall due, particularly in periods of adverse economic conditions or financial market disruptions.

The Group manages liquidity risk through a structured strategy that considers the maturity profile of financial instruments, projected operating cash flows, and funding requirements. This includes maintaining a detailed schedule of financial assets and liabilities to ensure alignment of maturities.

To address unexpected liquidity shortfalls, the Group maintains committed credit facilities with banks, including overdraft arrangements. As of December 31, 2025, less than 50% of these facilities had been utilized. In line with business expansion, the Group actively manages funding schedules and regularly reviews its financing structure, maintaining an appropriate mix of short-term and long-term borrowings to ensure flexibility and stability in liquidity management.

Details of the Group's available short-term credit line facilities (excluding general loans) as of December 31, 2025 are as follows:

Description	Currency	Credit limit	Used	Unused
USANCE and L/C for import	thousand USD	16,100	3,468	12,632
D/A and D/P	thousand USD	104,000	18,397	85,603
	million KRW	12,000	3,535	8,465
Trade loans	million KRW	19,000	–	19,000
Secured loan of credit sales	million KRW	9,000	2,282	6,718
Other foreign currency guarantees	thousand USD	8,750	1,755	6,995
<b>Total</b>	million KRW	40,000	5,817	34,183
<b>Total</b>	thousand USD	128,850	23,620	105,230

The following table presents the contractual maturity profile of the Group's financial liabilities and lease liabilities, excluding derivative financial instruments, based on undiscounted cash flows as of December 31, 2025 and December 31, 2024

	<b>Less than a month</b>	<b>1 to 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
<b>2025</b>	million	million	million	million	million	million
As of December 31	KRW	KRW	KRW	KRW	KRW	KRW
Interest-bearing loans and borrowings	15,525	70,950	58,794	–	–	145,269
Trade and other payables	106,708	18,091	5,092	–	–	129,891
Lease liabilities	390	855	3,321	17,794	27,513	49,873
Other financial liabilities	173	92	1,450	781	–	2,496
<b>Total</b>	<b>122,796</b>	<b>89,988</b>	<b>68,657</b>	<b>18,575</b>	<b>27,513</b>	<b>327,529</b>

	<b>Less than a month</b>	<b>1 to 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
<b>2024</b>	million	million	million	million	million	million
As of December 31	KRW	KRW	KRW	KRW	KRW	KRW
Interest-bearing loans and borrowings	12,416	73,706	62,912	2,250	–	151,284
Trade and other payables	120,793	15,178	6,393	–	–	142,364
Lease liabilities	454	935	3,862	17,448	16,840	39,539
Other financial liabilities	222	88	1,485	1,471	–	3,266
<b>Total</b>	<b>133,885</b>	<b>89,907</b>	<b>74,652</b>	<b>21,169</b>	<b>16,840</b>	<b>336,453</b>

### 32.3.1. CAPITAL MANAGEMENT

The primary objective of capital management is to safeguard the Group's ability to continue as a going concern while delivering sustainable returns to shareholders through a balance of capital growth and distributions.

To achieve this objective, the Group monitors its capital structure, including the gearing ratio, to maintain an appropriate balance between risk and return. The Group also ensures a robust funding base to meet working capital requirements and support strategic investments. Where necessary, the Group may adjust its capital structure by modifying dividend payments, returning capital to shareholders, or issuing new shares, taking into account both short-term financial position and long-term operational and strategic objectives.

At the Group level, the debt-to-equity ratio is reviewed regularly. As of December 31, 2025, the ratio was 51% (December 31, 2024: 56%).

### 33. FAIRVALUES

The carrying amounts of the Group's financial assets and financial liabilities approximate their fair values. This is due to the short-term nature of these instruments or because they bear interest at market rates.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments,
- the present value of the estimated future cash flows based on observable yield curves, and
- the present value of future cash flows based on the forward exchange rates at the reporting date,

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Description	Valuation technique
Level 1	Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2	Other techniques for which all inputs which have a material effect on the recorded fair value are observable either directly or indirectly
Level 3	Techniques which use inputs that have a material effect on the recorded fair value that are not based on observable market data

As of December 31, 2025 and December 31, 2024, the Group held the following financial instruments carried at fair value on the statement of financial position:

		2025	Level 1	Level 2	Level 3
		As of December 31	Level 1	Level 2	Level 3
		million KRW	million KRW	million KRW	million KRW
<b>Financial assets</b>	Derivatives				
	Currency swaps	713	–	713	–
	Debt instruments				
	Exchange traded fund at FVtPL	5,810	–	5,810	–
<b>Total</b>	<b>6,523</b>	<b>–</b>	<b>6,523</b>	<b>–</b>	
<b>Financial liabilities</b>	Derivatives				
	Forward exchange contracts	1,637	–	1,637	–
	<b>Total</b>	<b>1,637</b>	<b>–</b>	<b>1,637</b>	<b>–</b>

2024 As of December 31		Level 1                      Level 2                      Level 3			
		million KRW	million KRW	million KRW	million KRW
<b>Financial assets</b>	Derivatives				
	Currency swaps	2,606	–	2,606	–
	Debt instruments				
	Exchange traded fund at FVtPL	12,494	–	12,494	–
<b>Total</b>		<b>15,100</b>	<b>–</b>	<b>15,100</b>	<b>–</b>
<b>Financial liabilities</b>	Derivatives				
	Forward exchange contracts	1,515	–	1,515	–
	<b>Total</b>	<b>1,515</b>	<b>–</b>	<b>1,515</b>	<b>–</b>

The fair values of forward exchange contracts are measured based on the difference between the current FX spot rate and the rate contractually agreed upon.

Currency swaps are measured by discounting the expected future cash flows using prevailing forward exchange rates and interest rate yield curves applicable to the respective currencies. These inputs are obtained from independently verifiable market sources at the reporting date.

The exchange traded fund at FVtPL is measured based on the amount that would be received upon cancellation at the reporting date (the “cancellation refund amount”) as provided by the counterparty. This amount reflects the present value of accumulated contributions and credited interest, net of any applicable charges. This valuation technique is consistent with market practices for similar instruments and there are no significant unobservable inputs used.

During the reporting periods ended December 31, 2025 and the year ended December 31, 2024, there were no significant transfers between Level 1 and Level 2 fair value measurements.

## 34. IMPACT OF GLOBAL ECONOMIC SITUATION ON CONSOLIDATED FINANCIAL STATEMENTS

The Group closely monitors the global situation and assesses the future impact of the Russian-Ukrainian war as well as other conflicts in various regions on the consolidated financial statements on a regular basis. For the financial year 2025, the following assessments were performed, amongst others:

### Indication of impairment on property, plant and equipment and intangible assets

The Group assessed whether there were any internal and external indicators of impairment of property, plant and equipment and intangible assets. For the year ended December 31, 2025, no impairment has been recognized on property, plant and equipment and intangible assets related to the Russian-Ukrainian war and other conflicts.

### Expected credit loss (ECL) of trade receivables and financial assets

In order to determine the impact of the global economic situation on the ECL model in accordance with K-IFRS 1109, the Group reassessed past events, current conditions and forecasts of future economic conditions. As of December 31, 2025, the Group identified the changes in risk indicators considering the nature of risk such as geographical location of debtors which has been reflected in the ECL model for the recognition of allowance on expected credit risks. Such parameter adjustments resulted in an increase in the allowance on ECL by 18 million KRW in the consolidated financial statements as of December 31, 2025 (2024: decrease by 173 million KRW).

## 35. EVENTS AFTER THE REPORTING PERIOD

No significant events occurred during the period from the reporting period end to the date on which the consolidated financial statements were issued.

## 36. PRIMARY FINANCIAL STATEMENTS IN USD

The Company operates primarily in KRW and its official accounting records are maintained in KRW. The US dollars amounts provided in the financial statements represent supplementary information solely for the convenience of the reader. All amounts in KRW are presented in US dollars at the rate of KRW 1,434.90 to USD 1, the exchange rate in effect on December 31, 2025. Such presentation is not in accordance with generally accepted accounting principles and should not be construed as a representation that the amounts in KRW shown could be readily converted, realized or settled in US dollars at this or at any other rate.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION IN USD

As of December 31, 2025, and 2024

	<b>2025</b>	2024
	thousand USD	thousand USD
<b>Assets</b>		
Current assets	441,865	455,951
Cash and cash equivalents	78,520	79,086
Trade and other receivables	109,041	112,928
Other current financial assets	7,318	6,039
Other current assets	7,869	10,806
Inventories	238,118	246,348
Income tax receivables	999	744
Non-current assets	357,711	366,541
Investments accounted for using the equity method	7,292	6,413
Property, plant and equipment	297,035	300,160
Investment properties	2,395	2,399
Intangible assets	10,087	11,042
Right-of-use assets	24,172	24,756
Other non-current financial assets	2,136	8,442
Other non-current assets	9,722	7,969
Deferred tax assets	4,872	5,360
<b>Total assets</b>	<b>799,576</b>	<b>822,492</b>
<b>Equity and liabilities</b>		
Total liabilities	269,848	295,550
Current liabilities	203,071	229,738
Interest-bearing loans and borrowings	100,230	103,864
Trade and other payables	90,523	99,215
Current lease liabilities	2,236	2,728
Other current financial liabilities	2,336	2,307
Other current liabilities	3,027	4,868
Income tax payable	4,719	16,756
Non-current liabilities	66,777	65,812
Interest-bearing loans and borrowings	–	1,568
Pension liability	3,516	3,188
Other long-term employee-related liabilities	15,102	10,210
Non-current lease liabilities	23,191	22,295
Other non-current financial liabilities	544	1,025
Other non-current liabilities	247	261
Deferred tax liabilities	24,177	27,265
Equity	529,728	526,942
<i>Equity attributable to owners of the parent</i>	<i>529,728</i>	<i>526,942</i>
Issued capital	8,363	8,363
Capital surplus	14,274	14,274
Reserves	22,039	21,537
Retained earnings	466,107	466,459
Other components of equity	18,945	16,309
<b>Total equity and liabilities</b>	<b>799,576</b>	<b>822,492</b>

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME IN USD

for the years ended December 31, 2025, and 2024

	<b>2025</b>	2024
	thousand USD	thousand USD
Sales	724,205	745,836
Cost of sales	-624,901	-622,547
<b>Gross profit</b>	<b>99,304</b>	<b>123,289</b>
Selling and administration costs	-84,080	-79,514
Operating profit	15,224	43,775
Other income	744	1,988
Other expenses	-3,066	-2,908
Share of result from investments accounted for using the equity method	797	827
Finance income	25,932	37,039
Finance expenses	-35,052	-35,950
Profit before tax	4,579	44,771
Income tax expenses	-2,951	-13,349
<b>Profit for the period</b>	<b>1,628</b>	<b>31,422</b>
Other comprehensive income / (expense), net of taxes		
<i>Net other comprehensive income / (expense) to be reclassified to profit or loss in subsequent periods</i>	<i>2,629</i>	<i>13,111</i>
Exchange differences on translation of foreign operations	2,629	13,111
<i>Net other comprehensive income / (expense) not to be reclassified to profit or loss</i>	<i>3,547</i>	<i>-5,146</i>
Gain on valuation of financial assets at FVOCI	7	–
Re-measurement gain / (loss) on defined benefit plans	3,540	-5,146
Total other comprehensive income / (expense), net of taxes	6,176	7,965
<b>Total comprehensive income</b>	<b>7,804</b>	<b>39,387</b>
Earnings per share	USD	USD
Basic and diluted earnings per share	0.07	1.31

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY IN USD

	Issued capital	Capital surplus	Reserves	Retained earnings	Other components of equity		Total equity
					Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	
	thous. USD	thous. USD	thous. USD	thous. USD	thous. USD	thous. USD	thous. USD
As of January 1, 2024	8,363	14,274	21,119	444,782	-489	3,687	491,736
Profit for the period	-	-	-	31,422	-	-	31,422
Other comprehensive income	-	-	-	-5,146	-	13,111	7,965
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,276</b>	<b>-</b>	<b>13,111</b>	<b>39,387</b>
Dividends	-	-	-	-4,181	-	-	-4,181
Appropriation to reserves	-	-	418	-418	-	-	-
As of December 31, 2024	8,363	14,274	21,537	466,459	-489	16,798	526,942
As of January 1, 2025	8,363	14,274	21,537	466,459	-489	16,798	526,942
Profit for the period	-	-	-	1,628	-	-	1,628
Other comprehensive income	-	-	-	3,540	7	2,629	6,176
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,168</b>	<b>7</b>	<b>2,629</b>	<b>7,804</b>
Dividends	-	-	-	-5,018	-	-	-5,018
Appropriation to reserves	-	-	502	-502	-	-	-
As of December 31, 2025	8,363	14,274	22,039	466,107	-482	19,427	529,728

## CONSOLIDATED STATEMENTS OF CASH FLOWS IN USD

for the years ended December 31, 2025, and 2024

	<b>2025</b>	2024
	thousand USD	thousand USD
Profit for the period	1,628	31,422
Total adjustments	49,197	53,234
Changes in operating assets and liabilities	3,958	-25,317
Interest received	1,153	1,599
Payments of income tax	-18,625	-4,721
<b>Net cash flows provided by operating activities</b>	<b>37,311</b>	<b>56,217</b>
Proceeds from sale of property, plant and equipment	28	3
Purchases of property, plant and equipment	-21,379	-14,911
Purchases of intangible assets	-410	-1,645
Dividends received from investments using the equity method	–	383
(Purchases) / proceeds from sale of other financial assets, net	4,064	2,435
<b>Net cash flows used in investing activities</b>	<b>-17,697</b>	<b>-13,735</b>
Proceeds from borrowings	175,648	189,183
Repayments of borrowings	-181,638	-202,835
Payment of lease liabilities	-3,520	-2,641
Proceeds from / (repayments of) other financial liabilities, net	-351	-608
Interest paid	-3,943	-4,340
Dividends paid	-5,018	-4,181
<b>Net cash flows used in financing activities</b>	<b>-18,822</b>	<b>-25,422</b>
Increase / (decrease) in cash and cash equivalents	792	17,060
Net foreign exchange differences	-1,358	-6,679
Cash and cash equivalents as of January 1	79,086	68,704
<b>Cash and cash equivalents as of December 31</b>	<b>78,520</b>	<b>79,086</b>





# Additional Information

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# SONGWON'S MEMBERSHIPS

## **ALIA**

Asian Lubricants Industry Association  
[www.asianlubricants.org](http://www.asianlubricants.org)

## **The Antwerp Declaration**

The Antwerp Declaration for a European Industrial Deal ([antwerp-declaration.eu](http://antwerp-declaration.eu))  
[www.antwerp-declaration.eu](http://www.antwerp-declaration.eu)

## **ATC**

Additive Technical Committee  
[www.atc-europe.org](http://www.atc-europe.org)

## **CEFIC**

European Chemical Industry Council  
[www.cefic.org](http://www.cefic.org)

## **CEPAD**

The European Alkylphenols and Derivatives Association  
<http://cepad.cefic.org>

## **ELISANA**

European Light Stabilisers and Antioxidants Association  
<https://elisana.cefic.org>

## **EPCA**

European Petrochemical Association  
[www.epca.eu](http://www.epca.eu)

## **FCA**

CEFIC Food Contact Additives Group  
<http://fca.cefic.org>

## **GOSC, Global Organotin Stewardship Council**

Consortia Management GmbH  
67550 Worms, Germany

## **GPCA**

Gulf Petrochemicals and Chemicals Association  
[www.gpca.org.ae](http://www.gpca.org.ae)

## **ILMA**

Independent Lubricant Manufacturers Association  
[www.ilma.org](http://www.ilma.org)

## **JHOSPA**

Japan Hygienic Olefin and Styrene Plastics Association  
[www.jhospa.gr.jp](http://www.jhospa.gr.jp)

## **JHPA**

Japan Hygienic PVC Association  
[www.jhpa.jp](http://www.jhpa.jp)

## **KCMA**

Korea Chemicals Management Association  
[www.kcma.or.kr](http://www.kcma.or.kr)

## **KEEA**

Korean Electric Engineers Association  
[www.keea.or.kr](http://www.keea.or.kr)

## **KEEF**

Korea Environmental Engineers Association  
[www.keef.or.kr](http://www.keef.or.kr)

## **KFSI**

Korea Fire Safety Institute  
[www.kfsi.or.kr](http://www.kfsi.or.kr)

## **KISA**

Korea Industrial Safety Association  
[www.safety.or.kr](http://www.safety.or.kr)

## **KITA**

Korea International Trade Association  
[www.kita.net](http://www.kita.net)

## **KLCA**

Korea Listed Companies Association  
[www.klca.or.kr](http://www.klca.or.kr)

## **KOEAA**

Korea Energy Engineers Association  
[www.koeaa.or.kr](http://www.koeaa.or.kr)

## **KSCIA**

Korea Specialty Chemical Industry Association  
[www.kscia.or.kr](http://www.kscia.or.kr)

## **LiSAO – REACH Consortium**

[www.reachcentrum.eu](http://www.reachcentrum.eu)

## **NLGI**

National Lubricating Grease Institute  
[www.nlgi.org](http://www.nlgi.org)

## **OrganoTin REACH Consortium**

[www.reachcentrum.eu](http://www.reachcentrum.eu)

## **OTR OrganoTin Consortium**

[www.reachcentrum.eu/consortia/organotin-reach-consortium/](http://www.reachcentrum.eu/consortia/organotin-reach-consortium/)

## **PCEP**

Polyolefin Circular Economy Platform  
<https://pcep.eu>

## **RMI**

Responsible Mineral Initiative  
<http://www.responsiblemineralsinitiative.org/>

## **SPE**

Society of Plastics Engineers  
[www.4spe.org](http://www.4spe.org)

## **STLE**

Society of Tribologists and Lubrication Engineers  
[www.stle.org](http://www.stle.org)

## **UEA**

Ulsan Environment Association  
[www.ulsanenv.or.kr](http://www.ulsanenv.or.kr)

# ABOUT THIS REPORT

The publication of this comprehensive report each year enables us to reaffirm SONGWON's strong commitment to transparency and to providing stakeholders with detailed insights into SONGWON's performance, as well as the challenges and opportunities that shape our organization, our industry, and all the regions and communities in which we operate globally and do business.

This is SONGWON Industrial Group's 15<sup>th</sup> Annual Report, published on March 18<sup>th</sup> 2025. It provides a comprehensive overview of our economic, environmental, and social performance for FY 2025 (January 1<sup>st</sup> –December 31<sup>st</sup>) and replaces the SONGWON Annual Report 2024, published in March 2025. Unless otherwise stated, this report includes updates to the previous report that reflect data through end-of-year 2025.

## Reporting scope

In this Annual Report, we share information that outlines SONGWON management's approach, strategy and performance, as well as the progress made in 2025 relating to the Group's material topics, covering key areas of corporate governance, economics, the environment, labor practices, human rights, society and product responsibility. Identified through a comprehensive review and consultation process, the material topics presented in this report reflect the concerns and views collected throughout the year via direct and indirect engagement with SONGWON Industrial Group's stakeholders—including senior management, employees, customers, suppliers and partners.

The material topics presented in this report reflect the concerns and views of SONGWON Industrial Group's stakeholders—including senior management, employees, customers, suppliers, and partners—that were gathered by the organization throughout the year via direct and indirect engagement. Further information on SONGWON's materiality topics and on the review and stakeholder engagement processes can be found on pages 123 and 124 of this report.

All the data provided in this report has been carefully collected in accordance with recognized industry-standard measurement methods, unless otherwise stated. In 2025, there were no significant changes to the reporting period, scope, boundaries, or measurement

methods applied, nor to the data included in this report, apart from the expansion of the sustainability section to incorporate additional performance indicators.

The boundary for this report is defined by the structure of the SONGWON Industrial Group and the countries in which it operates, unless otherwise specified. Any restatements related to the content of previous reports have been disclosed separately.

## Reporting standards

SONGWON's Annual Report 2025 has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB) and the Korea Sustainability Standards Board (KSSB) criteria, and has been externally assured. It also aligns with the UN Sustainable Development Goals and the 10 Principles of the UN Global Compact.

For detailed information on the indicators most relevant to SONGWON's business operations, please refer to the GRI Content Index on pages 134-138. ■

# FORWARD-LOOKING STATEMENTS

SONGWON's Annual Report 2025 contains forward-looking statements relating to SONGWON Group's future plans, strategies and performance. Some of the statements contained in this report that are not historical facts are statements of future expectations and other forward-looking statements reflecting SONGWON Group management's views, assumptions and expectations available at the date of publication. Please be advised that these involve known and unknown risks and uncertainties that are difficult to predict and generally beyond our control and could cause the actual results, financial situation, performance, or events to differ materially from those expressed in, implied, or projected by the forward-looking information and statements contained within this report. Accordingly, the reader is cautioned not to place undue reliance on any forward-looking statements provided in the report.

These statements may be identified by words such as 'anticipate', 'potentially', 'may', 'assume', 'believe', 'could', 'expect', 'foresee', 'intend', 'plan', 'shall', 'should' and other similar words or expressions used to identify forward-looking statements. Furthermore, any statement that refers to expectations, projections, or other indications of future events or circumstances, including any underlying assumptions should also be considered forward-looking statements. SONGWON does not intend and does not assume any obligation to update or amend any industry information or forward-looking statements or forecasts presented in this report to reflect new information, subsequent events and developments, or otherwise except as required by applicable law or stock exchange regulation. This report is prepared solely for use as general information and should not be construed as investment advice nor is it intended for solicitation. ■

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**[www.songwon.com](http://www.songwon.com)**