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Environmental Policy

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1. Responsibility for the Environment

1) Purpose of establishing Environmental Policy Enactment

DAESANG is fulfilling its responsibilities by contributing to the development of society and the nation and pursuing sustainability through the coexistence of nature and people in order to advance to our vision of 'a company that creates a happy future with a healthy food culture.' In addition, we are striving to reduce environmental loads throughout the global supply chain. Accordingly, we recognize that all processes related to our business, from the procurement of raw materials to final consumption and disposal, are closely related to the natural environment, and we are striving to protect the natural environment, a global issue, and solve the problem of climate change. We believe that these various activities can grow our business and further contribute to the development of the world and the nation.

2) Application scope of Environmental Policy

The responsibility for the environment applies to all employees of DAESANG.

Furthermore, this policy applies to the operation of all our business activities, employees, and contracting parties concerning environmental matters. In cases where a negative environmental impact arises from partners or other related parties directly connected to DAESANG's business, products, or services, DAESANG requires these partners to take appropriate environmental actions. If such parties fail to take action, DAESANG will take appropriate measures to address the situation. For suppliers or partners beyond the company's control, DAESANG encourages them to actively participate in our policies and strives to comply with the following points:

① Manufacturing

- Invest in and manage performance to minimize environmental impact during the manufacturing process (e.g., energy consumption, greenhouse gases, air pollutants, water usage, wastewater, chemicals, waste, biodiversity, etc.).
- Develop internal procedures and guidelines to continuously manage environmental impact factors.

② Logistics

- Strive to reduce the environmental impact caused by product distribution by improving the efficiency of distribution processes.

③ Product Innovation

- Identify the environmental impact of products by evaluating the entire life cycle of new and existing products and consider ways to reduce that impact.
- Review and implement measures to minimize the potential environmental impact of products.

- Collaborate with the government to create a circular economy and improve product design and infrastructure to enhance recycling.
- ④ Procurement
- Collaborate with suppliers to reduce environmental impacts.
- Establish policies and request participation from suppliers to reduce and improve the environmental impact of the supply chain.
- Regularly evaluate the supply chain and cooperate to develop improvement plans.
- Request outsourcing and OEM partners to make their best efforts to meet DAESANG's environmental standards.
- ⑤ M&A and new business review
- Conduct prior environmental impact assessments and based on the results, establish specific management plans to minimize environmental impacts.

2. Environmental Performance Evaluation

DAESANG recognizes that as a company committed to 'creating a happy future through healthy food culture,' all its business processes are closely related to the natural environment. Accordingly, managing greenhouse gas emissions, developing eco-friendly packaging, and reducing wastewater and waste are set as key strategic goals of its environmental management and we evaluate its environmental performance as follows:

- Establish environmental performance management indicators for key factors
 - Key environmental factors: greenhouse gases, steam, electricity, etc.
- Conduct regular environmental performance evaluations based on established indicators, analyze achievement rates and major causes, and share the results.
- Gradually expand the environmental performance management indicators in the future.
- Encourage idea proposal activities not only for improving yield and productivity but also for reducing substances that impact the environment.
 - Environmental impact substances: greenhouse gases, steam, electricity, waste, wastewater, etc.
- Evaluate and management performance related to the environment by integrating idea activities into an internal system.
- Include and review environmental performance, when analyzing economic feasibility of investments, such as establishing management plans and the investment review committee.
 - Evaluation considering the financial impact of environmental impact factors (carbon emission price, etc.)

- Provide incentives by evaluating the financial effects of ideas.

3. Achieving Environmental Goals

DAESANG has established a system to actively respond to strengthening environmental regulations related to the industry. The SHE Office, ESG Management Department, and departments under the Production Technology Division(Food) and Technology Division(Materials) monitor environmental regulations, analyze their impacts, and jointly respond with the managers at each business site.

1) Environmental management system

- Policy
Each business site establishes and operates an environmental management system, complies with environmental regulations, conducts regular environmental impact assessments, and continuously monitors and manages environmental risks.
- Goal
 - ① Environmental Management System (ISO 14001) certification target
: Mid- to long-term goal by 2025: 80% (based on the proportion of greenhouse gas emissions from manufacturing sites)

2) Energy and greenhouse gas management

- Policy
DAESANG actively invests in facilities and continuously implements activities to reduce greenhouse gas emissions. As part of these efforts, we have consistently participated in government-supported greenhouse gas reduction projects since their inception and are reporting reduction results to the government each year. We will continue to participate in government projects to achieve cost-effective reductions in greenhouse gases. DAESANG is diversifying energy sources and actively utilizing renewable energy to transition the energy structure to be environmentally friendly and reduce greenhouse gas emissions. Key examples include the expanded adoption of waste heat from incineration, the use of biomass, and solar power generation. We will increase the proportion of renewable energy through continued technology development and facility investments.
- Goal
 - ① Greenhouse gas reduction target
: Mid- to long-term goal by 2030: reduction to 420,188 tCO₂eq

- ② Energy reduction target
: Mid- to long-term goal by 2025: reduction to 9,894 TJ

3) Water resource management

- Policy

DAESANG is making continuous facility investments and reductions to lower the emission of air pollutants (including odors) and conducting technology reviews and investments centered on activities to improve water use efficiency and reduce wastewater generation. We will review and apply applicable technologies such as process improvements to reduce water use and wastewater.

DAESANG conducts water resource risk assessments at its headquarters and domestic business sites using the WRI Aqueduct Water Risk Atlas, a public water resource risk analysis tool. It is necessary to establish continuous management plans and countermeasures for water resource risks, focusing on business sites with potential future risks. We will conduct annual water resource risk analyses and expand them to domestic and overseas subsidiaries, as well as perform pre-assessments when establishing new business sites.

- Goal

- ① Water use reduction target
Mid- to long-term goal by 2025: reduction to 9,631 ktons

4) Local pollution management

- Policy

- ① Air pollution management

DAESANG is continuously investing in facilities and reducing emissions of air pollutants, and is implementing activities to reduce air pollutants.

- ② Odor management

DAESANG establishes odor prevention plans and implement activities to prevent odor by continuously investing in facilities and reducing emissions.

- ③ Soil management

DAESANG installs soil contamination prevention facilities necessary for new material management and storage facilities in accordance with the Soil Environment Conservation Act to prevent environmental contamination caused by soil contaminants in advance. Areas related to soil contaminant leakage are regularly inspected to remove contamination sources in advance, and if the inspection results show that contamination

exceeds the level of concern or leakage occurs, facilities are installed, improvements are made, or soil precision surveys and soil purification measures are implemented.

④ Noise management

Proper management of noise generated at each workplace will create a healthy and pleasant working environment for employees. Noise will be managed according to emission standards by factory site boundaries and noise exposure time. If the noise measurement results exceed the noise emission standards, improvement activities such as noise prevention installation will be carried out to comply with the noise emission standards.

5) Chemical management

- Policy

While the food industry uses relatively fewer chemicals, DAESANG complies with relevant laws regarding the small amounts used in certain processes, establishing systems to prevent and respond to chemical risks and accidents, and actively addressing them.

6) Waste management

- Policy

In order to reduce the amount of waste generated, DAESANG shall conduct continuous internal activities and technology reviews, and promote waste reduction across the entire material business, including the use of recycled raw materials for products and packaging. This results in reducing the total amount of general waste and cutting waste disposal costs.

- Goal

- ① Waste reduction target

- : Mid- to long-term goal by 2025: reduction to 48,961 tons

7) Promoting Sustainable Consumption

- Policy

DAESANG aims to promote sustainable consumption by managing and efficiently using natural resources, recycling resources, reducing food waste by half, reducing food loss in production and supply chains, and reducing chemical substances and waste emissions. In particular, in order to support sustainable consumption and raise awareness among customers, we strive to reduce the use of plastic in product packaging, attach eco-labels

to product packaging, and communicate with customers through customer communication channels such as disclosing related information through its website and sustainable management report, collect and reflect their opinions.

- Goal

- ① Plastic use reduction target

- : Mid- to long-term goal by 2025: reduction by 2,720 tons

8) Biodiversity

- Policy

DAESANG recognizes that the risk to biodiversity continues to increase due to industrial development, and considers the impact on business as well as the social loss that occurs when the natural ecosystem is not protected during business activities. Accordingly, DAESANG places great importance on understanding the potential environmental and biodiversity impacts of business activities, establishes biodiversity principles, understands the need for biodiversity protection and takes all necessary measures to minimize the operational impacts on the environment.

DAESANG prevents, minimizes and mitigates biodiversity risks throughout the business, reviews and evaluates the status and value of biodiversity during the review and acquisition of new businesses, and monitors its impact. We strive to apply this principle to the entire supply chain, including the main business sites of DAESANG, subsidiaries, and major partners. In addition, we comply with national and local legal requirements in all business sites where land management, biodiversity protection areas, and international agreements (World Heritage sites, IUCN Category I-IV protected areas) apply. In particular, DAESANG monitors biodiversity in forests owned by DAESANG as follows to minimize the impact on biodiversity:

- Monitoring biodiversity conservation
- Monitoring common, endangered, or rare species
- Monitoring water resources and other environmentally sensitive areas

DAESANG annually monitors biodiversity at all business sites and continues to make efforts to reduce any negative impacts on biodiversity.

4. DAESANG Environmental Principles

Environmental issues are a shared challenge for all of humanity, and all companies are required to respond accordingly. Reducing environmental burdens on customers and communities, and mitigating the impacts of climate change, are essential conditions for a company's existence and activities. DAESANG conducts its business activities with consideration of the impact on the

natural environment.

This environmental policy expresses DAESANG's responsibility towards the environment, based on the company's corporate philosophy, and complements the compliance management system, the Code of Ethics and Practical Guideline for Ethical Management.

1) Reducing environmental burden

- DAESANG not only complies with environmental regulations related to its business activities and agreements with stakeholders but also strives to prevent environmental pollution throughout the supply chain by saving energy, conserving resources, and managing chemicals and waste.
- DAESANG endeavors to reduce environmental burdens by providing sustainable products and services.
- DAESANG prioritizes procuring materials that have a lower environmental impact and works to minimize waste from the source.
- DAESANG reviews opportunities to utilize internationally recognized methodologies, such as the emissions trading system under global agreements.

2) Biodiversity conservation, natural protection and sustainable use

- Aiming to preserve biodiversity, DAESANG provides environmental training and information to employees, their families, consumers, and suppliers, based on the company's experience, to raise awareness and promote actions that support biodiversity.
- DAESANG contributes to the preservation of biodiversity by utilizing and developing technologies that enable the efficient use of resources and energy.
- DAESANG gradually expands the use of products from suppliers who apply sustainable technologies and processes.

3) Establishment of an environmental management system

- DAESANG expands its environmental management system in stages, sets operational goals, conducts regular reviews, and continually improves the system.

5. Fulfilling Environmental Responsibilities

DAESANG is committed to fulfilling its environmental responsibilities by implementing the UN

SDGs (Sustainable Development Goals)¹, ISO 14001 (Environmental Management System)² and other initiatives. DAESANG also ensures compliance with the laws and regulations of each country where it conducts business activities.

1) Governance

① Responsibilities and roles of the board of directors/management

DAESANG addresses environmental risks and opportunities through the ESG Management Department under the CEO, in collaboration with the corporate headquarters, each business unit's working group, and the subsidiary ESG councils. Every year, DAESANG reports on the previous year's environmental management activities and plans for the upcoming year, which is presented to the Board of Directors for approval, and faithfully executes.

② Responsibilities and roles of the dedicated organization

DAESANG operates an environmental management organization to actively respond to industry-related environmental regulations. The SHE Office is responsible for managing and overseeing environmental management at each business site and cooperates with them to minimize risks associated with changes in environmental regulations. The ESG Planning Team monitors domestic and international ESG trends and assesses the potential impact on the business for significant issues.

2) Environmental impact assessment

DAESANG will establish an environmental impact assessment process to continuously discover, improve, preemptively remove potential hazardous and risk factors, and will conduct an assessment and review of environmental impacts when conducting corporate

¹ The UN SDGs (Sustainable Development Goals) are the '2030 Agenda for Sustainable Development' unanimously adopted by the UN in 2015, and each country declared to take action to achieve the 'Sustainable Development Goals (SDGs)'. The SDGs consist of 17 goals and 169 targets that must be addressed to build an inclusive and sustainable society, and each country is required to take action to achieve them by 2030. One of the 17 goals is nature protection, biodiversity conservation, and sustainable use.

² ISO14001 refers to 'environmental management' or 'environmental management' when an organization or business autonomously conducts environmental health-related activities within its operations and management, sets its own policies or goals regarding the environment, and strives to achieve them. The system of environmental management systems and procedures within a factory or business establishment is called an 'environmental management system (EMS-Environmental Management).'

acquisitions, mergers, and due diligence. The environmental impact assessment process includes identifying, analyzing, and evaluating the potential or actual impacts on the environment, and taking preventive or mitigation measures against risks. The effectiveness of these measures will be continuously verified to respond effectively to environmental risks. Environmental performance goals will be set, measured, and reviewed annually, and corrective actions will be taken if goals are not met, or deficiencies are found.



3) Grievance Handling Process

DAESANG strives to address grievances from all citizens negatively affected by its business activities, including local residents, civic groups, and local governments. We create platforms for communication with stakeholders, such as community councils composed of local residents near the business sites. If DAESANG is found to have caused or been involved in any negative environmental impacts, we will faithfully take steps to remedy the situation through appropriate procedures within and outside the company.

4) Education and Training

DAESANG shall ensure that this policy is included in all of the company's activities and that its employees understand the company's environmental policy and recognize their responsibilities. We will implement systematic training and communication activities and capacity development to effectively implement this policy.

5) Stakeholder Communication

DAESANG will engage in dialogue and consultation with relevant external stakeholders regarding measures for potential and actual impacts on the environment, and respond to environmental issues in cooperation with relevant organizations such as governments, private companies, associations, and civic groups. In particular, we will regularly provide environmental performance and environmental-related information on products to stakeholders.

[Appendix]

Document Summary

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