SANGSIN BRAKE

EVOLVING INTO A LEADING ESG COMPANY

2026 **SANGSIN BRAKE** ESG REPORT



About This Report

Reporting Standards

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021, the international guidelines for sustainability reporting. It satisfies the four principles of AA1000APS (AccountAbility Principles Standard) — Inclusivity, Materiality, Responsiveness, and Impact — which set out the accountability obligations for sustainability management. The report also reflects the SASB (Sustainability Accounting Standards Board) standards and K-IFRS (Korean International Financial Reporting Standards).

Reporting Period

This report covers Sangsin Brake's sustainability management activities and performance from January 2025 to December 2025. For key activities, three years of data (2023–2025) are provided to enhance comparability, and certain non-financial performance includes information from 2026. Going forward, the ESG report is scheduled to be published annually.

Independent Assurance

To secure the reliability and accuracy of the reported content and data, the report was independently assured by an external organization. The detailed assurance statement is provided in the Appendix of this report.

Reporting Scope

Financial Reporting: Based on the K-IFRS separate and consolidated financial statements.
Non-financial Reporting: Covers Sangsin Brake's domestic worksites (Head Office, Plant 1, Plant 2, Guji Plant) and overseas worksites (Sangsin Brake (Wuxi) Co., Ltd.; Sichuan Sangsin Brake Co., Ltd.; Sangsin Brake India Pvt. Ltd.; SANGSIN BRAKE MEXICO S. DE R.L. DE C.V.; Sangsin Technology America, Inc.).
The financial information in this report is consistent with the K-IFRS separate and consolidated financial statements of Sangsin Brake. Where the reporting boundary for a particular item differs from the scope described above, the boundary of that information is indicated in a footnote.

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Disclaimer

This report has been prepared to provide stakeholders with information on the sustainability-related activities and performance of Sangsin Brake Co., Ltd. (hereinafter the "Company"). In addition to current and past activities and performance for the Company's sustainable growth and creation of social value, this report contains forward-looking statements, including predictions, outlooks, and estimates regarding the future. Words and phrases such as "may," "will," "could," "should," "forecasts," "expects," "intends," "plans," "aims to," "goals," "trying to," "anticipates," "projects," "outlook," "believes," "estimates," "predicts," "potential," "continue," "preliminary," "pursue," "target," "strategy," "scheduled," "expected," "estimated," "anticipated," and "planned," or other similar expressions, constitute such forward-looking statements.

Forward-looking statements are based on the Company's current plans, estimates, and outlooks at the time of writing, as well as the political and economic environment the Company may face in the future, and are subject to known and unknown risks, uncertainties, and other factors. Due to such risks, uncertainties, and other factors, the Company's actual results or performance may differ from those expressed or implied, explicitly or implicitly, in the forward-looking statements. Users should not place undue reliance on these forward-looking statements. Certain information in this report has been calculated based on estimates and assumptions, and may be adjusted in the future depending on data availability and the development of calculation methodologies and standards.

Third-party information included in this report has been deemed reliable by the Company but has not been independently verified. In addition to matters constituting "material information" under the KSSB sustainability disclosure standards, this report may include contextual information intended to aid stakeholders' understanding; the inclusion of such information does not indicate its financial materiality. The forward-looking statements in this report are made as of the date of writing, and except as required by applicable laws, the Company assumes no obligation to update, revise, or issue a correction report to reflect risks, uncertainties, or events occurring after the date of writing. Please note that this report may not, under any circumstances, be used as evidence of legal liability for investors' investment outcomes.

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CEO Message



DEAR VALUED STAKEHOLDERS,

Even amid the realignment of global supply chains and an uncertain external economic environment, Sangsin Brake continues to achieve solid, substantive growth by overcoming crises on the foundation of our stakeholders' unwavering trust and the dedication of our employees. We extend our deepest gratitude for the generous encouragement and support you have given us over the past year.

Practice beyond promises — meaningful achievements toward carbon neutrality.

In our previous report, we expressed our commitment to diagnose and improve the shortcomings of our ESG management. These sincere efforts soon translated into meaningful results. Notably, in the Hyundai·Kia Supply Chain Carbon Reduction Program, our company was selected among the top three suppliers and achieved the highest "Grade S." This outcome demonstrates, beyond mere declarations, the external recognition of Sangsin Brake's technological capabilities and execution in climate change response and eco-friendly management.

Protecting public health and safety with eco-friendly friction material technology.

Safety that protects lives is Sangsin Brake's unwavering top priority. While continuing quality innovation across our proprietary brands HARDRON, Hi-Q, and HAGEN, we are also fulfilling our responsibility as a leading eco-friendly friction material company. We continue to expand the global mass-production application of Cu-Free materials, and we spare no investment in advancing technologies that reduce the fine dust generated during braking and in expanding dedicated eco-friendly facilities.

Beyond friction — leaping forward as a global brake system leader.

Building on the strength of a friction-material specialist accumulated over the past 50 years, we will now lead the global brake system market through innovative technologies that transcend our limits.

Establishing transparent governance, enhancing shareholder value, and pursuing mutual growth with our suppliers and local communities are the clear directions Sangsin Brake will pursue. Through ceaseless innovation and sincere ESG practice, we ask for your warm interest and support on our journey to open a sustainable future.

THANK YOU.

Sangsin Brake Co., Ltd.
CEO **Sejong Park**

Company Overview

Company Introduction

General Information

Since its founding in 1975, Sangsin Brake has led the automotive parts market through solid, friction-material-focused management. We supply key braking components such as pads and linings, and have continuously achieved technological innovation based on our R&D capabilities. Recently, to respond to the rapidly changing automotive industry environment, we have deepened our research into core technologies and, on this basis, expanded our business into the systems domain, creating new growth opportunities. In particular, in line with market trends such as eco-friendliness and electrification, we continue to expand our product portfolio by developing eco-friendly (Cu-Free[1]) friction materials, dedicated EV pads, fine-dust reduction technologies, and EPB[2]-linked technologies and products. Going forward, Sangsin Brake will pursue the value our customers seek and grow into a company that fulfills its social responsibility, through active R&D investment and capability enhancement to provide optimal braking solutions suited to the future mobility environment.

1) Cu-Free: Eco-friendly friction material containing copper at 0.5wt% or less
2) EPB: Electronic Parking Brake

Company Profile

(As of December 31, 2025)

Company Name
Sangsin Brake Co., Ltd.

CEO
Sejong Park

Date of Establishment
August 13, 1975

Employees
622

Credit Rating
A- (Ecredible)

Main Business
Automotive parts manufacturing

Head Office
90, Techno jungang-daero, Yuga-eup, Dalseong-gun, Daegu, Republic of Korea

Revenue (Consolidated) (Unit: KRW million)

2023	575,491
2024	578,555
2025	542,261

Operating Profit (Consolidated) (Unit: KRW million)

2023	27,544
2024	20,646
2025	-1,358

Net Income (Consolidated) (Unit: KRW million)

2023	14,174
2024	17,389
2025	-12,021

Total Assets (Consolidated) (Unit: KRW million)

2023	564,873
2024	591,078
2025	557,807

Total Equity (Consolidated) (Unit: KRW million)

2023	211,835
2024	232,638
2025	219,148

Company Overview

Vision & Mission

**"Beyond the Friction,
To the Global Leading Brake System Company"**

Corporate Motto

- Positive Thinking
- Accurate Judgement
- Decisive Action

Management Strategies

Management System	OE	Domestic Aftermarket	System	New Growth Power	Export
Support for growth as a global company	Intensively focus on global markets, targeting diverse clients	Aggressive conversion sales and market power enhancement for niche markets	Improvement of quality and cost competitiveness through advancement	Establishment of a base for entering global markets	Expansion of global market share by preoccupying new industrial countries

Management Philosophy

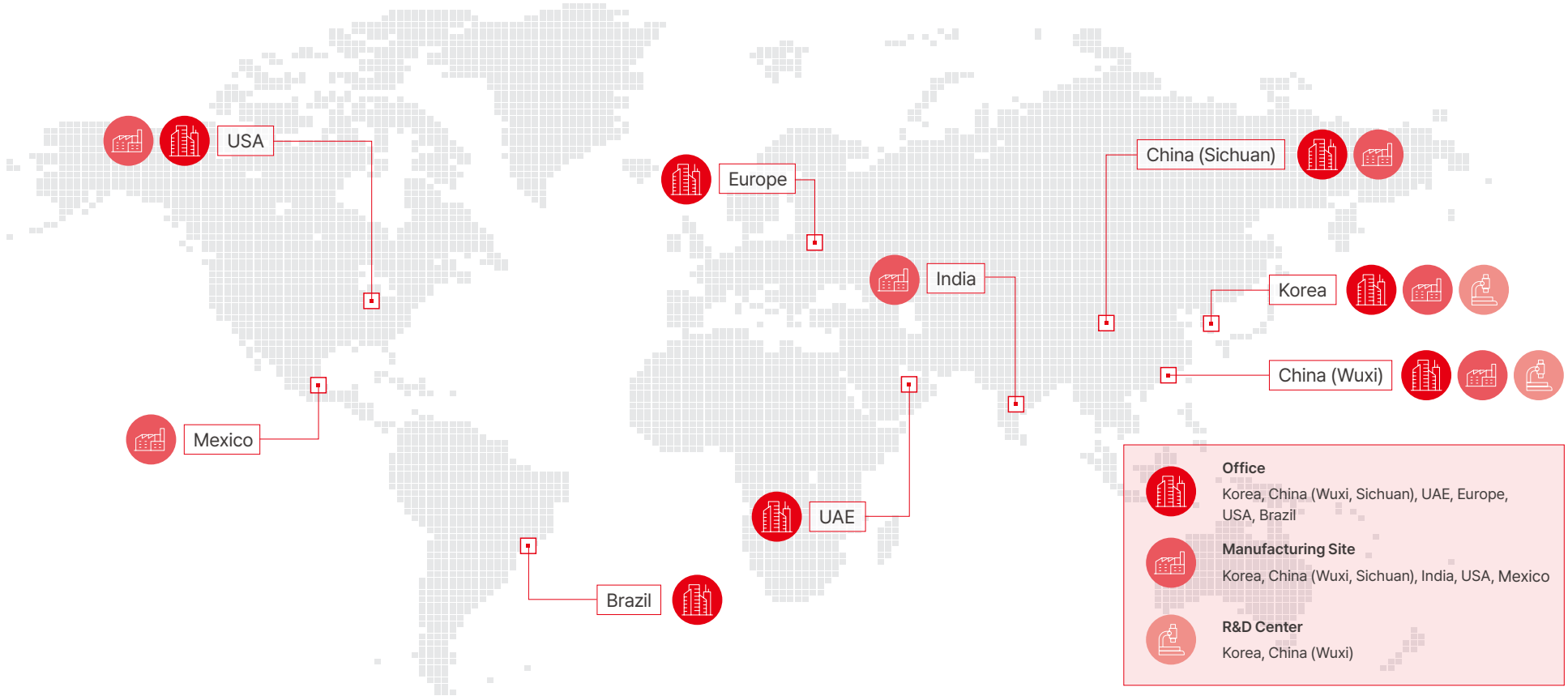
Global Management	Customer Satisfaction Management	Creative Management	Talent Management
Preparation for a base in its global market entry	Enhancement of cost competitiveness	Proactive research into and application of advanced manufacturing methods	Growth through talent development
Securing early-mover advantage in emerging markets	Promotion of existing customer satisfaction	Security of own FA technology	Enhancement of competencies of affiliated companies
Expansion of global market share	Improvement of premium quality recognition	Optimization of production management system and quality improvement	Advancement of organizational management systems

Company Overview

Global Network

Domestic & Overseas Worksites

Sangsin Brake has built a global network across the world's major automotive markets, achieving continuous growth through efficient and stable R&D and production. With our head office in Daegu, Korea as the hub, we manufacture and supply friction materials such as automotive brake pads and linings, as well as core brake-system components, through local entities and production bases in major countries including Korea, China, the United States, India, and Mexico. Centered on our Korean head office and R&D center, we also operate worksites and branch offices across key global hubs in the Americas, Asia, the Middle East, and Europe, continuously building and expanding our global supply chain network. Based on an efficient logistics system, products manufactured in Korea are exported or directly supplied to more than 90 countries worldwide through our overseas entities, while products manufactured overseas are supplied to local OEMs and module suppliers or promptly delivered to aftermarket customers – enabling fast and stable responses to the needs of global customers.



Company Overview

Key Products & Services

Sangsin Brake Proprietary Brands

Hi-Q

- **Stable Braking Performance:** Maintains a consistent friction coefficient across vehicle models, driving styles, and temperatures
- **Respect for the Environment and People:** An eco-friendly product that contains no asbestos, fiberglass, or harmful substances such as lead (Pb), cadmium (Cd), or mercury (Hg), designed with both human health and the environment in mind
- **Minimized Disc Rotor Damage:** Significantly reduces the use of iron-based materials, minimizing direct damage to disc rotors



HAGEN

- **Low-Dust Technology:** Minimizes disc thinning and scoring during repeated braking, preventing disc dust adhesion to wheels
- **Low-Noise Friction Technology:** Significantly reduces the likelihood of high- and low-frequency noise during braking
- **Eco-Friendly Product:** Uses safe, high-quality raw materials instead of asbestos or the top four harmful heavy metals



HARDRON

- **Application of Korea's First Cu-Free Material:** A premium, eco-friendly product to be incorporated with 4th-generation Cu-free material for the first time in Korea
- **Globally Recognized Top NSF1) Grade EcoFriendly Material:** Uses a material that meets environmental regulations, certified with NSF's highest grade of "LEVEL N"
- **Quiet Braking, Clean Wheels:** Significantly reduces high- and low-frequency noise caused by friction during braking and minimizes dust accumulation on the wheels for cleaner operation



Commercial Vehicle

Air Disc Brake

- Uniform pad contact through dual-piston application
- Maintenance convenience and stability via visual inspection of pad wear
- Equipped with eco-friendly Cu-Free pads



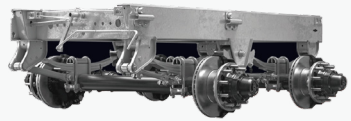
Axle System

- Improved loading efficiency and fuel economy through lightweight axle specifications
- 50% longer pad life versus conventional drum linings, reducing resource consumption
- High-quality, eco-friendly axle proven through multi-million-mile driving tests



Bogie System

- Corrosion prevention and product durability through hot-dip galvanizing
- Reduced carbon emissions and a high-durability frame through lightweight design
- A robust frame structure that lowers failure rates, preventing unnecessary parts replacement and resource waste



1) NSF (National Sanitation Foundation): An internationally accredited organization developing U.S. national standards for quality certification



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ESG Highlights



Environmental

Eco-friendly Product Development

- Development of eco-friendly (Cu-Free) automotive brake friction materials

Strengthened GHG Emissions Management

- Expanded the Scope 1+2 GHG calculation boundary to include both domestic and overseas worksites
- Conducted third-party GHG assurance covering the head office, overseas worksites, and a domestic affiliate

Expanded Share of Renewable Energy

- Installed a 300 kW-scale solar power facility



Social

Strengthened Supply Chain Sustainability Management

- Conducted supply chain ESG assessments of 3 suppliers in 2025 and 15 suppliers in 2026

Human Rights Impact Assessment of Worksites

- Identified human rights risks across all domestic worksites

Global Human Rights Management Training

- Conducted training to raise awareness of the Human Rights Charter among all employees in Korea and overseas



Governance

Enhanced Board Independence

- Outside director ratio of 50%
- Audit Committee composed entirely of outside directors

Ethics Management Audits

- Regular checklist-based ethics risk reviews

Online Whistleblowing Channel

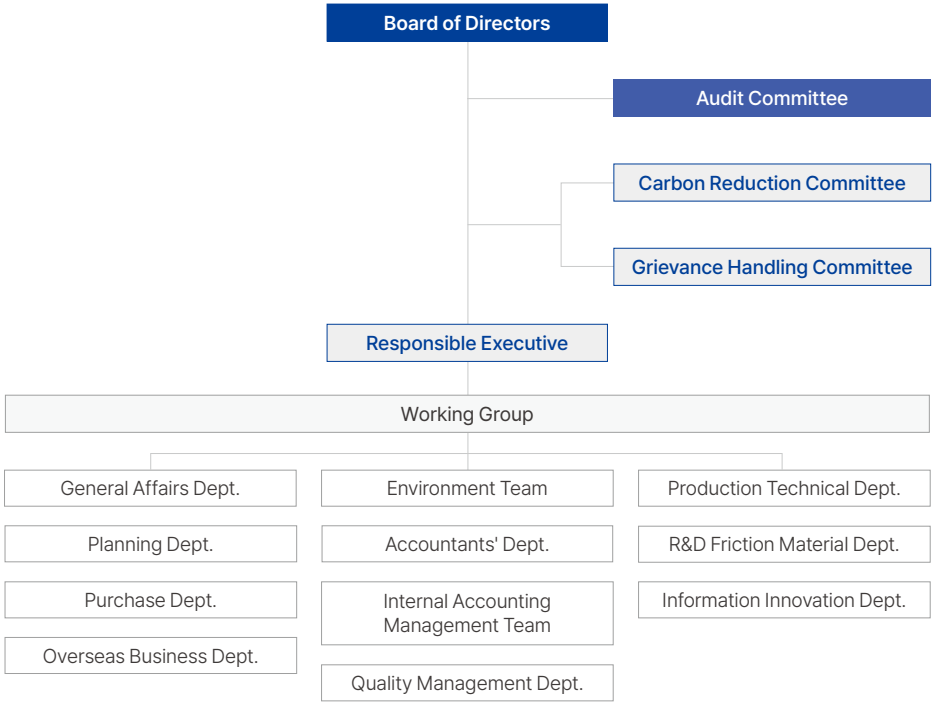
- Zero reports of fraud/corruption received over the past 3 years
- Zero violations of ethics- and anti-competition-related laws over the past 3 years

ESG Governance

ESG Management Governance

Responsibilities and Roles of the Highest Decision-Making Body

Sangsin Brake's highest decision-making body is the Board of Directors. The formal committee under the Board is currently the Audit Committee, while internally the Company operates a Carbon Reduction Committee and a Grievance Handling Committee. The Board collaborates closely with each committee to review ESG issues and decide on key matters.



Roles of the Committees and Dedicated Organization

For company-wide sustainability management, Sangsin Brake operates a Working Group comprising one dedicated representative from each of 11 departments. Until a formal ESG committee is established, this organization closely manages activity status by area based on close cross-departmental collaboration, and reports key matters directly to the CEO — the highest decision-maker — to drive swift decision-making. This provides a system through which the highest decision-making body can oversee ESG issues across corporate management and fulfill substantive management responsibility. The Carbon Reduction Committee establishes plans for mid- to long-term GHG reduction, and the Grievance Handling Committee — comprising six members, three each representing labor and management — monitors and handles human rights-related matters once a month.

ESG Management Assessment Results

Sangsin Brake receives objective external assessments of its sustainability management status and performance, and its ratings from the Korea Institute of Corporate Governance and Sustainability have continued to improve across the Environmental, Social, and Governance areas. Sangsin Brake strives to meet the ESG expectations of stakeholders such as investors and customers and to fulfill its corporate social responsibility.

KCGS (Korea Institute of Corporate Governance and Sustainability)

Assessment Year	ESG Rating	Sector		
		Environmental	Social	Governance
2025	B	B	B	B
2024	C	C	C	C
2023	C	D	B	C

ESG Strategy

ESG Vision

Beyond the Friction, Stop for Safety, Move for Sustainability

Sangsin Brake's ESG vision embodies our commitment to simultaneously achieve the safety and sustainability of mobility, built upon the corporate identity of "Friction." Vehicles repeatedly stop for safety and move toward their destinations, and in this process "friction" plays a key role — protecting people's safety through braking performance while also helping secure the sustainability of mobility through innovation in products and processes. Focusing on the inherent meaning and technical characteristics of friction, Sangsin Brake will continue to strengthen ESG management that realizes safe mobility and a sustainable future.

ESG Strategic Directions

Leading Environmental Management Based on Clean Technology

Sangsin Brake aims to systematically reduce environmental impacts by improving carbon, energy, and resource efficiency across the entire manufacturing process. We are upgrading the management of environmental risks such as emissions, chemicals, and waste beyond mere regulatory compliance to a proactive, prevention-oriented system. In addition, through process innovation and the application of eco-friendly products and materials, we contribute to the mobility transition and will progressively raise the environmental standards of our supply chain together with our suppliers.



Realizing People-Centered Community Values

Sangsin Brake places the safety and health of its employees as the top priority, strengthening field-centered risk assessment, training, and inspection systems. In line with human rights management principles, we establish fair working conditions and grievance-handling systems, and lead the way in extending responsible standards into the supply chain. Furthermore, we build a sustainable workplace through talent development and improvement of organizational culture, and enhance the effectiveness of community co-prosperity activities by linking them to the characteristics of our business.



Implementing Responsible and Transparent Management

Sangsin Brake internalizes compliance and ethics management based on law and ethics, and strives to strengthen transparent decision-making and internal controls. We advance our reporting system and violation-prevention and recurrence-prevention processes to manage risks proactively. We also strengthen our suppliers' ethics standards and our information security system to enhance stakeholder trust and solidify the foundation for sustainable growth.



Double Materiality Assessment

Overview of the Double Materiality Assessment

To transparently share material sustainability information with stakeholders, Sangsin Brake conducts a double materiality assessment. The methodology references the European Sustainability Reporting Standards (ESRS) presented by EFRAG (European Financial Reporting Advisory Group) for implementation of the EU Corporate Sustainability Reporting Directive (CSRD). We simultaneously conducted an impact assessment, which analyzes Sangsin Brake's impacts on the environment and society, and a risk & opportunity assessment, which analyzes external stakeholders' impacts on Sangsin Brake's financial condition. In the assessment process, we actively gathered the opinions of internal and external stakeholders — including employees of relevant departments and external sustainability experts — to derive material issues.

Selection

- Select sustainability topics relevant to Sangsin Brake
- Derive 13 relevant topics using ESRS, disclosure/assessment indices, and internal data

Key Material Issue Selection Process

Long-list
22 topics presented by global standard indices such as ESRS, GRI, and SASB

Classification Criteria

[Internal]
- Sangsin Brake Management Strategy

[External]
- Sustainability Disclosure and Assessment Indices
- Peer Benchmarking
- Media Research
- Customer Requirements

Short-list
13 IRO[1] identification target topics selected by classification criteria

Identification

- Review media coverage and applicable laws/regulations
- Identify environmental/social impacts and financial risks & opportunities

Classification Criteria



Environmental and Social Impact

Positive	Actual	Sangsin Brake Response Status
Negative	Potential	



Financial Risk & Opportunity

Risks	Sangsin Brake Response Status
Opportunities	

Assessment

- Score identified impacts and risks & opportunities
- Select qualified assessors with expertise in the business and sustainability topics

Materiality Assessment

Environmental & Social Impact	
Severity (Scale, Scope, Resilience)	Likelihood

Financial Risk & Opportunity	
Magnitude	Likelihood

Final Scoring

ESG Management Department + Relevant IRO Departments	Impact Score: Average of severity and likelihood
Customers + Suppliers + External Experts	R/O Score: Average of magnitude and likelihood

Prioritization

- Reflect quantified results to prioritize and derive material disclosure topics

Final Material Issue Selection

Environmental & Social Impact (Top 3)
- Product Quality & Customer Safety
- Climate Change Response
- Supply Chain

Financial Risk & Opportunity (Top 3)
- Climate Change Response
- Innovation & R&D
- Resource Management

Final Material Issues
- Climate Change Response
- Resource Management
- Product Quality & Customer Safety
- Innovation & R&D
- Supply Chain

1) IRO: The environmental/social Impacts a company has on stakeholders, and the impacts (Risk & Opportunity) stakeholders have on company finances

Double Materiality Assessment

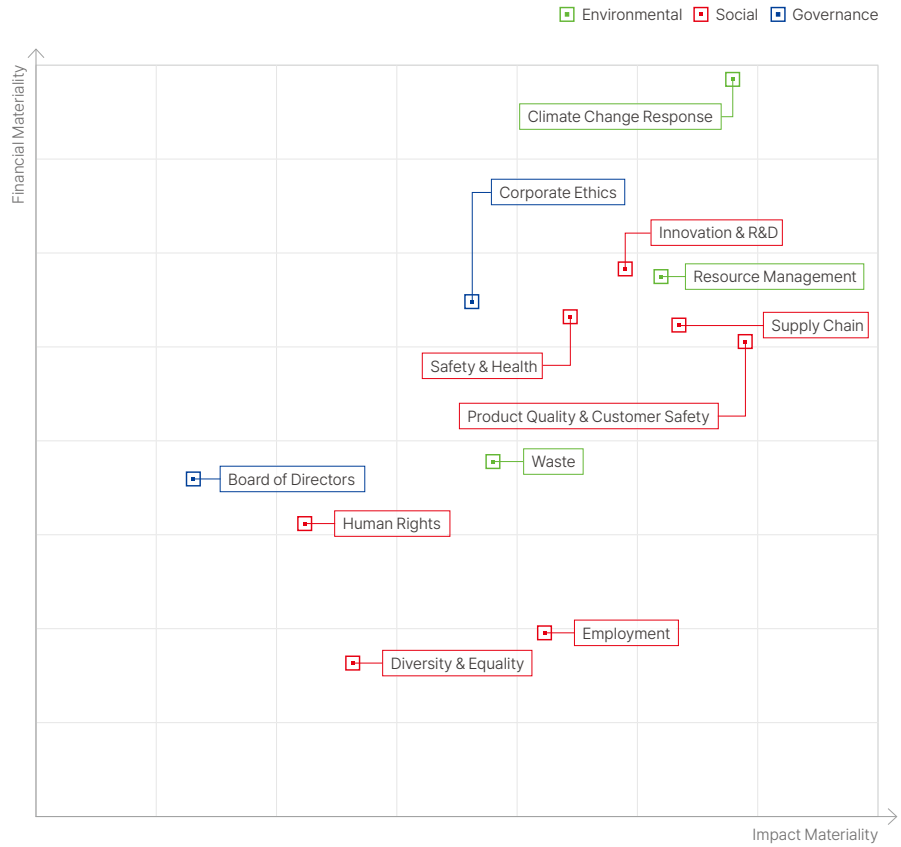
Double Materiality Assessment Results

Sangsin Brake selected three issues each with high environmental/social impact and high financial impact, deriving a total of five material issues. Of these, "Product Quality & Customer Safety" and "Innovation & R&D" were selected consecutively from the previous year, reconfirming their importance and the need for management. In addition, in line with the ESG management environment and stakeholder demands, "Climate Change Response," "Resource Management," and "Supply Chain" were newly included as material issues. In particular, Climate Change Response was assessed as important from both environmental/social and financial perspectives. Sangsin Brake has declared its goal of achieving carbon neutrality by 2045 and is actively pursuing internal reduction activities such as process improvement and energy efficiency enhancement to reach this goal. Sangsin Brake plans to continuously monitor and manage the related impacts of the material issues selected through this assessment.

Area	Issue	vs. Prior Year	Environmental·Social Materiality		Financial Materiality
			Pos./Neg.	Actual/Potential	Risk/Opp.
Environmental	Climate Change Response	Newly Added	Negative	Actual	Risk
	Resource Management	Newly Added	Positive	Potential	Opportunity
Social	Product Quality & Customer Safety	Same as Prior Year	Positive	Potential	Opportunity
	Innovation & R&D	Same as Prior Year	Positive	Actual	Opportunity
	Supply Chain	Newly Added	Negative	Potential	Risk



2025 Materiality Map



Double Materiality Assessment

Management Approach by Material Issue

Material Issue	Business Significance		Sangsin Brake's Response	Page
	Environmental and Social Impact	Financial Risk and Opportunity		
 Climate Change Response	• Increased energy use and GHG emissions as automotive parts output grows	• Costs for worksite renewable-energy transition and facility investment to meet reduction obligations under tighter GHG regulation	• Scope 1+2 GHG measurement & assurance • CDP Supply Chain participation • 2045 carbon-neutrality roadmap • High-efficiency facility replacement • Introduction of solar power facilities • Electrification of company vehicles	19~21
 Resource Management	• Reduced environmental pollution and a resource-circulation system through efficient use of raw/subsidiary materials and waste management	• Cost reduction through efficient resource use	• Management of waste discharge and recycling by type and treatment method • Reuse of powder-coating powder • Waste-separation training for all employees	24
 Product Quality & Customer Safety	• Enhanced customer trust and consumer safety through high-quality delivery	• Premium strategy via quality-excellence certification; revenue stabilization based on customer loyalty	• Quality-management goal setting and review • ISO 9001 and IATF 16949:2016 certification • ISO 22301 certification • Product safety/quality monitoring • Quality training for all employees • Regular quality review meetings	40~41
 Innovation & R&D	• Minimizing products' environmental impact through eco-friendly technology development and research	• Securing competitiveness through eco-friendly innovation and exclusive patent-based profit generation	• Development of Cu-Free automotive brake friction materials • Eco-friendly technology R&D through industry-academia-research collaboration	22~23
 Supply Chain	• Environmental pollution and human rights violations arising from inadequate supply chain ESG management	• Revenue decline from cascading reputational damage when supply chain ESG risks materialize	• Sharing the Supplier Code of Conduct with major tier-1 suppliers • Supply chain ESG risk assessment • Reflecting ESG factors in transaction decisions • Operating a supplier environment & safety council	36~38



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Environmental

Environmental Management

Environmental Management Framework

Environmental Management Policy

Environmental Management Policy

Sangsin Brake faithfully complies with environmental laws and international conventions, and has established an Environmental Management Policy to manage the environmental impacts that may arise across its business activities. The Company has set four strategic objectives — strengthening environmental management, reducing pollutant emissions, responding to climate change, and conserving resources while curbing waste generation — and has established detailed implementation tasks to achieve them. Furthermore, by publicly disclosing its environmental policy, the Company encourages internal employees and suppliers to practice eco-friendly management together.

Environmental Management Principles

1. Sangsin Brake efficiently uses resources and energy, and strives to reduce greenhouse gas and pollutant emissions across the entire life cycle of its products — development, production, sales, use, and disposal.
2. Sangsin Brake establishes environmental management processes and continuously inspects and improves them to contribute to the Company's sustained growth.
3. Sangsin Brake actively supports environmental education so that employees recognize the importance of the global environment, and continuously works to expand environmental management awareness.
4. Sangsin Brake listens to and communicates with internal and external stakeholders regarding environment-related requests.
5. Sangsin Brake complies with domestic and international environmental laws and conventions, and practices transparent management by disclosing its environmental performance.

Mid- to Long-term Environmental Management Goals & Strategy

	Strengthen Environmental Management	Reduce Pollutant Emissions	Respond to Climate Change	Conserve Resources & Curb Waste
Goal				
Implementation Tasks	• Comply with domestic/overseas environmental laws and stakeholder requirements • Zero environmental-law violations	• Manage air/water pollutant concentration at 50% or less of emission limits	• Reduce GHG emissions by 23% vs. 2019	• Reduce waste discharge per unit of revenue by 1%
Achievement Tasks	• Company-wide environmental-goal achievement through performance monitoring • Maintaining ISO 14001 certification • Annual ESG report publication • Environmental education • Participation in EcoVadis assessment • Eco-friendly product development • Self-assessment legal checklists	• Daily site inspection and facility maintenance • Emergency-response training to curb pollutant leakage • Consumable replacement (activated carbon, bag filters, cleaning water) based on concentration monitoring	• GHG calculation via LCA • CDP participation • Carbon Reduction Committee to monitor reduction plans • Building a GHG inventory and third-party assurance • Energy-saving campaigns	• Developing waste-recycling vendors to reduce incineration and landfill • Company-wide resource (electricity, water) conservation • Utility maintenance via water-use monitoring • Exploring waste reuse • Identifying waste-reduction measures via treatment-volume monitoring

Environmental

Environmental Management Governance

Recognizing climate change response as a core material issue, Sangsin Brake has established environmental management governance involving its highest decision-making body. The Board of Directors is briefed on environmental management plans and performance and performs an oversight role. In 2026, the annual reduction plan to achieve the 2030 GHG reduction target was reported to the Board. To secure the execution capability of environmental management, Sangsin Brake operates a Working Group — a collaboration framework among relevant departments. As the key execution body for achieving company-wide environmental goals, the Working Group drives the work so that company-wide environmental management is implemented responsibly.

Environmental Management System

Based on ISO 14001:2015 international standard certification, Sangsin Brake has built an environmental management system that improves energy and resource efficiency within the production process. Through regular internal inspections and thorough monitoring, the Company strengthens its environmental management framework while fostering an environmental-management culture in which all employees participate.

Environmental Legal Compliance

To achieve the environmental-management strengthening goals specified in its Environmental Management Policy, Sangsin Brake continuously monitors trends in environmental laws such as the Clean Air Conservation Act, the Water Environment Conservation Act, the Wastes Control Act, and the Chemicals Control Act. Based on self-assessment checklists, the Company periodically reviews legal compliance, and when relevant laws are amended, it supports each worksite and relevant department in responding to legal requirements in a timely manner. Records of environmental-law violations and measures to prevent recurrence of incidents are disclosed through the Company's annual report.

Environmental Management Goals

To secure the objectivity of environmental performance, Sangsin Brake establishes quantitative goals and closely reviews performance each month. By identifying shortcomings through performance analysis and taking appropriate corrective action, the Company does its utmost to achieve its environmental goals without disruption.

Environmental Management Goals & Implementation Status

Category	Purpose	Goal	2025 Implementation Status
Energy & GHG	Reduce GHG emissions	Reduce electricity use by 1% vs. prior year	9% Reduction
Water Resources[1)]	Reduce water use	Reduce water use by 2% vs. prior year	10% Reduction
Pollutants	Manage air/water pollution levels	Maintain within 50% of emission limits	Maintaining at 20% of Limits
Circular Resources & Waste	Reduce waste discharge	Reduce paper use by 5% vs. prior year	20% Reduction
Biodiversity	Minimize impact on biodiversity loss	Implement 4+ biodiversity conservation activities	3 Implemented

1) The 'water use' in the Water Resources category refers to the 'water intake' from outside based on the Company's internal management standards, and the 2025 implementation status is calculated based on the performance of the water intake

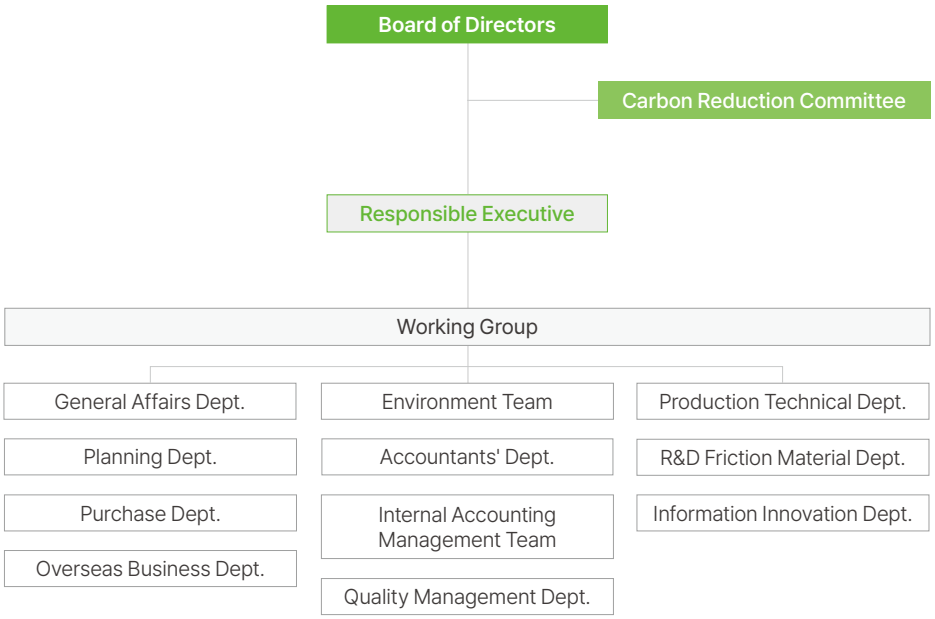
Environmental

Climate Change Response

Climate Change Response Framework

Climate Change Response Governance

Through its Carbon Reduction Committee, in which the leaders of relevant departments participate, Sangsin Brake regularly reviews the key tasks and status for climate change response. Following the Carbon Reduction Committee's review, matters requiring a resolution by the highest decision-making body — including key risk factors and the climate change response strategy and execution plans — are submitted to the Board of Directors.



GHG Management & Assurance

Sangsin Brake has established a GHG management and assurance system and is expanding its application to all domestic and overseas worksites. In 2025, applying the guidance of the GHG Protocol (revised version), the Company calculated the GHG emissions of its domestic worksites and five overseas worksites (Wuxi, Sichuan, India, Mexico, and the STA entity). The GHG emissions of one domestic affiliate were also third-party assured, and the Company plans to continue activities to expand the scope of climate change management.

CDP (Carbon Disclosure Project) Participation

Sangsin Brake has participated as a CDP Supply Chain member since 2024. CDP Supply Chain is an environmental information-disclosure project through which global companies collect and assess suppliers' environmental data to identify and manage environmental risks such as climate change, water security, and deforestation. Based on the annual assessment results, Sangsin Brake reviews its climate change response performance, derives improvement tasks, and implements them.



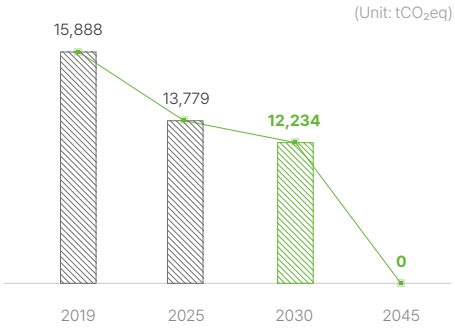
Environmental

Climate Change Response Strategy

GHG Reduction Targets & Plan

To proactively respond to global demands for climate change action and the industry-wide trend toward decarbonization, Sangsin Brake has established mid- to long-term GHG reduction targets. We aim to achieve carbon neutrality by 2045, and in the medium term have set a specific target to reduce Scope 1 + Scope 2 GHG emissions by 23% by 2030 versus 2019, strengthening execution through annual reduction plans. To achieve the targets, we prioritize internal reduction activities such as process and facility improvement and energy efficiency enhancement, while also reviewing external reduction measures such as PPA investment, REC purchases, and green premiums to progressively expand renewable energy use. Through these efforts, we aim to systematically manage climate risks, simultaneously achieving stable business operations and strengthened competitiveness while contributing to the transition to a carbon-neutral society.

Carbon Neutrality Roadmap



2019 (Base Year)
Base Year Emissions **15,888** tCO_2eq

2030 (Mid-term)
23% Reduction vs. 2019

2045 (Long-term)
Achieve Carbon Neutrality

Sangsin Brake monitors the implementation and performance of the targets set to achieve 2045 carbon neutrality. Current performance against our climate change response targets is as follows. In 2025, GHG emissions were 13,779 tCO_2eq — a reduction of 2,846 tCO_2eq versus the originally set target emissions of 16,625 tCO_2eq. This outcome reflects company-wide energy-saving and carbon-neutrality efforts; we exceeded the original reduction target and secured a meaningful quantitative indicator for climate change response.

Performance vs. Target Analysis

(Unit: tCO_2eq)

Indicator	2023	2024	2025
Scope 1 + Scope 2 Emissions	16,374	16,631	13,779
Target Emissions	-	16,631	16,625
Total Reduction	-	-	2,846

Energy Use Reduction & Efficiency Improvement

Recognizing that the climate crisis is an issue with significant impact across corporate activities, Sangsin Brake is actively pursuing energy savings and GHG reduction in its worksite operations. Investment plans for energy-use reduction and efficiency improvement have been established according to the characteristics of each process and facility. To save energy, the Company introduces high-efficiency lighting each year and has replaced aging air compressors with high-efficiency inverter-type air compressors, which are expected to cut electricity usage by about 40% annually. In addition, by introducing an approximately 300 kW-scale solar power facility, the Company is expanding its share of renewable energy. The Company has also replaced two company vehicles with electric vehicles. Through these diverse efforts — facility efficiency improvement, expanded renewable-energy use, and adoption of eco-friendly vehicles — the Company will do its best to achieve carbon neutrality by 2045.

Environmental

Life Cycle Analysis (LCA)

Sangsin Brake is accelerating eco-friendly management through life cycle assessment, which analyzes the environmental impacts arising across the entire process from raw-material sourcing to disposal. Starting with an LCA performed on one major component in 2024, the Company plans to secure objective environmental-impact data and, on this basis, identify specific improvement tasks to enhance the eco-friendliness of its products.

LCA Scope Definition & Stage-by-Stage Response Strategy

Raw-material Sourcing	Product Manufacturing	Packaging	Distribution	Disposal & Recycling
• Expanded use of low-carbon raw materials • Strengthened environmental standards for suppliers	• Improved energy efficiency • Optimized production processes	• Use of eco-friendly packaging • Packaging recycling	• Transport efficiency improvement • Shift to eco-friendly transport	• Expansion of recyclable design

Raising Employee Awareness

Organizational efforts for climate change response begin with employee awareness and practice. In April 2025, after producing and distributing energy- and water-saving campaign stickers to encourage everyday conservation, the Company delivered training on heating/cooling standards and energy-waste prevention for the head office and domestic/overseas affiliates. The energy-saving culture formed on-site will ultimately become a driving force in reducing total GHG emissions across worksites. Going forward, the Company will continue to strengthen employees' climate change response capabilities by diversifying training content, sharing best practices, and expanding participatory campaigns.

2025 Energy-Waste Prevention Training Results

Energy-Waste Prevention Training (May 2025)

Trainees	Completion Rate
573	98%

Business Case

Hyundai·Kia Supply Chain Carbon Reduction Program

In 2025, Sangsin Brake was recognized for the excellence of its reduction plan in the Hyundai·Kia Supply Chain Carbon Reduction Program and was selected as a top-performing supplier. In particular, the Company received high marks for proactively deriving facility-efficiency measures across its entire business — from manufacturing processes to renewable energy and utilities — thereby enhancing the effectiveness of its environmental management.





Environmental

Circular Economy & Resource Management

Eco-friendly R&D

Eco-friendly R&D Achievements

To minimize environmental impact, Sangsin Brake is pursuing the development of products that apply eco-friendly materials and processes. A representative eco-friendly friction-material R&D activity is the development of Cu-Free automotive brake friction materials. The friction material, used as a core component of automotive brakes, converts a vehicle's kinetic energy into thermal energy through friction to control speed; metal and ceramic materials are used in combination to secure high thermal stability and wear resistance. The fine dust generated when automotive brakes operate contains copper, and this copper-laden dust accumulates on roads, is washed away by rainwater into rivers, and pollutes aquatic ecosystems. Because of this problem, North American regions including California and Washington in the United States have implemented strong environmental regulations limiting the copper content of automotive brake friction materials to 0.5wt% or less by 2025. In line with these regulations, the Company has completed development of products that enhance eco-friendliness with Cu-Free technology while maintaining quality equivalent to existing mass-production products.

Cu-Free Friction Material Development Process



Business Case

Cu-Free Automotive Brake Friction Material Development

From 2015 to 2018, Sangsin Brake successfully completed the project 'Development of Eco-Friendly (Cu ≤ 0.5 wt%) Composite Ceramic Material for Automotive Brake Friction Materials' jointly with the Korea Institute of Ceramic Engineering and Technology, Kyungpook National University, and others. For commercialization and global market supply, the Company subsequently carried out mass-production process optimization, friction-material reliability evaluation, and acquisition of NSF (National Sanitation Foundation) International certification. Through this, the Company secured competitiveness in eco-friendly braking-component technology and strengthened its capability to respond to global regulations. Sangsin Brake's eco-friendly friction material products are currently supplied to the global market under the brand name 'HARDRON,' bearing the 'Cu-Free Green Mark.'



Environmental

Future Plans

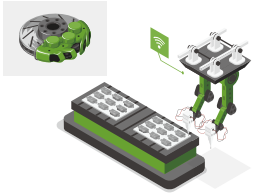
As part of its eco-friendly technology and product development — an implementation task of environmental management — Sangsin Brake continuously conducts R&D on eco-friendly friction materials, with a representative activity being the development of automotive brake friction materials that help reduce fine dust. The fine dust generated during vehicle operation is divided into exhaust and non-exhaust emissions. While research to reduce exhaust emissions has been active, the importance of research into non-exhaust emissions such as tire and brake wear has recently been increasing. In particular, as fine dust generated by the interaction between friction material and disc during braking emerges as a major environmental issue, Sangsin Brake has secured wear-particle and interface-control technology through elucidation of the friction mechanism. On this basis, the Company is focusing on developing eco-friendly products that help reduce air pollution.

Eco-friendly Friction Material Development Roadmap



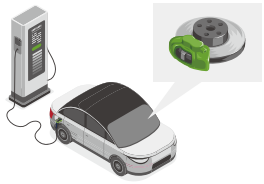
2015~2018

Development of eco-friendly (Cu 0.5wt% or less) composite ceramic materials for automotive brake friction materials



2019~2023

Development of high-performance brakes for passenger and commercial vehicles to reduce fine dust



2024~2028

Development of brake systems for passenger/ commercial EVs to respond to Euro 7 regulation

Business Case

Fine-Dust-Reducing Automotive Brake Friction Material

From 2019 to 2023, Sangsin Brake led and successfully completed the project 'Reduction of non-exhaust particulate matter in the transportation sector,' carried out through cooperation among industry, academia, and research institutes. Subsequently, as the EU announced 'Euro 7' as a regulatory standard to reduce vehicle exhaust emissions, the Company is developing brake fine-dust reduction technology for European-bound passenger and commercial vehicles, and is carrying out a related national project of the Ministry of Trade, Industry and Energy for about five years from 2024 to 2028. Successful completion of this project will secure eco-friendly component technology that meets the Euro 7 standard while effectively reducing brake-derived fine dust during road driving, contributing to the creation of a sustainable mobility ecosystem.



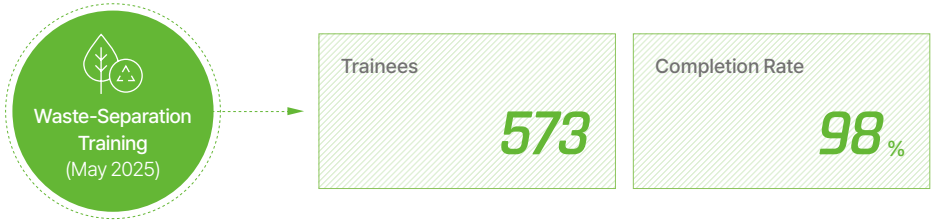
Environmental

Waste

Waste Generation Management

Across the entire company, Sangsin Brake monitors waste discharge and recycling volumes by type, and strictly classifies and manages waste such as steel plate and waste organic solvents generated in the brake-pad production process by characteristics, in accordance with its internal waste-management guidelines. Alongside resource-circulation efforts such as the reuse of powder-coating powder, the Company regularly provides waste-separation training to all employees — including those at overseas entities — to raise awareness of reduction and recycling. To secure safety in the waste-treatment process, the Company periodically inspects transport vehicles for leakage and corrosion, and prevents on-site risks from discharge through transport by selecting and managing qualified treatment vendors. Sangsin Brake will continue its efforts to build a resource-circulating production system, aiming for continuous waste reduction and improved recycling rates.

2025 Waste-Separation Training Results



Powder-Coating Powder Reuse Process

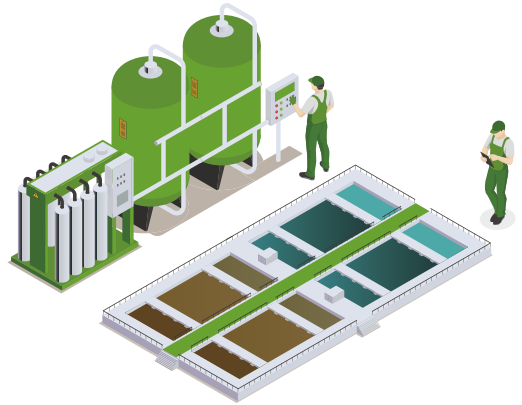


Water Resources

Water Use Management

Sangsin Brake monitors water intake and water-pollutant discharge across the entire company. To improve water-use efficiency across worksites and operating processes, the Company has built a water-reuse infrastructure utilizing cooling towers, and strives to protect water resources by providing water-saving training to employees and attaching conservation stickers at points of use. The Company also operates a groundwater purification project to protect the environment and ecosystems: by operating purification facilities, it removes harmful components contained in groundwater, and the purified water is safely discharged to rivers with harmful components removed.

To minimize the impact of discharged water on the surrounding environment and nearby waters, Sangsin Brake manages pollutant discharge more strictly than legal permissible standards, based on its internal water quality management guidelines. In particular, it has selected biochemical oxygen demand (BOD), total organic carbon (TOC), and suspended solids (SS) as key monitoring indicators, periodically analyzing water quality, and regularly inspects its water-quality monitoring system to secure the reliability of measurement data. Furthermore, by establishing step-by-step response procedures enabling immediate action in emergencies such as wastewater-treatment-facility failures, the Company fundamentally blocks water-pollution risks. Through process improvement and advancement of its management system, Sangsin Brake will continue striving to expand water reuse and minimize the impact of business operations on water resources.



Environmental

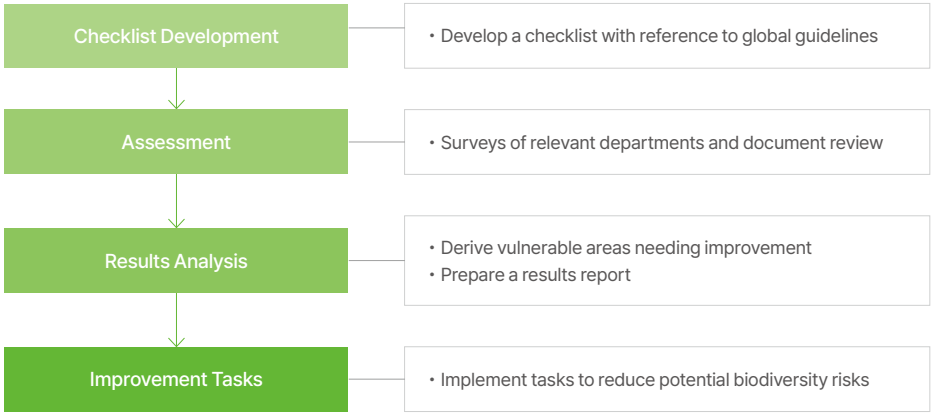
Biodiversity

Biodiversity Response Framework

Biodiversity Impact Assessment

To understand the impacts and dependencies of its business activities on ecosystems and to respond to the risks that may arise, Sangsin Brake conducts biodiversity impact assessments. In 2025, using a checklist developed with reference to the Convention on Biological Diversity, the IUCN (International Union for Conservation of Nature) Red List of Ecosystems, and the WWF (World Wide Fund for Nature) Biodiversity Risk Filter, the Company conducted a biodiversity impact assessment for Dalseong-gun, Daegu, where its head office is located. The checklist comprised a total of 26 questions across three areas: Management, Impact, and Dependency.

Biodiversity Impact Assessment Process



2025 Biodiversity Impact Assessment Method

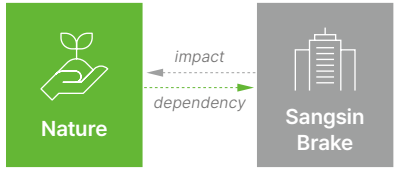
Period	January 6 – January 17, 2025
Scope	All worksites (100% of corporate worksites)
Method	Checklist-based status review, verification of Ramsar wetland locations, etc.

As a result of analyzing business activities' dependence on biodiversity and any negative impacts on Ramsar wetlands and UNESCO World Heritage and Natural Heritage sites, the dependence on biodiversity attributable to the industry's characteristics was found to be low. In addition, because the worksite is located within an industrial complex, its impact on biodiversity was also found to be minimal. Sangsin Brake has joined the Dalseong-gun Voluntary Environmental Monitoring Council and participates in river-monitoring activities about four times a month on average, continuously monitoring local biodiversity risks, and plans to conduct biodiversity impact assessments each year to identify impacts on ecosystems and biological resources.

Dependency and Impact

Dependency

- The state in which a company directly uses, or operates based on, ecosystem services provided by nature to run its business



Impact

- The tangible and intangible outcomes that cause change in or degrade the natural environment due to resource use and pollutant emissions in the course of business operations

Biodiversity Impact Assessment Results

	Survey		Assessment Result	
Category	Result	Source	Dependency	Impact
Presence of Legally Protected Species Near the Worksite	• 4 protected species inhabit Dalseong-gun, Daegu • none inhabit near the worksite	National Institute of Biological Resources	Low	Low
WWF Biodiversity Protection Area	• Daegu area is classified as low-risk	WWF Biodiversity Risk Filter	Low	Low
Ramsar Wetland Near the Worksite	• The nearest Ramsar wetland is Upo Wetland, about 30 km from the Company • No Ramsar wetland within a 10 km radius	Ramsar Sites Information Service	Low	Low
UNESCO World Heritage Near the Worksite	• The nearest World Heritage site is in Gyeongju • None near the worksite	UNESCO World Heritage Convention	Low	Low

Environmental

LEAP-based Biodiversity Risk Management

Sangsin Brake strives to build a company-wide biodiversity management system that encompasses not only domestic but also overseas worksites. Accordingly, with reference to the LEAP (Locate, Evaluate, Assess, Prepare) methodology recommended by the TNFD (Taskforce on Nature-related Financial Disclosures), the Company expanded the scope of analysis of natural capital dependencies and impacts to its overseas worksites. Based on these assessments, the Company plans to strengthen its company-wide natural capital management capabilities and to transparently disclose reliable data to stakeholders.

Natural Capital Risk Management Process

Locate
- Set the assessment scope

Evaluate
- Identify natural capital dependency and impact factors using ENCORE and WWF Biodiversity Risk Filter Suite tools

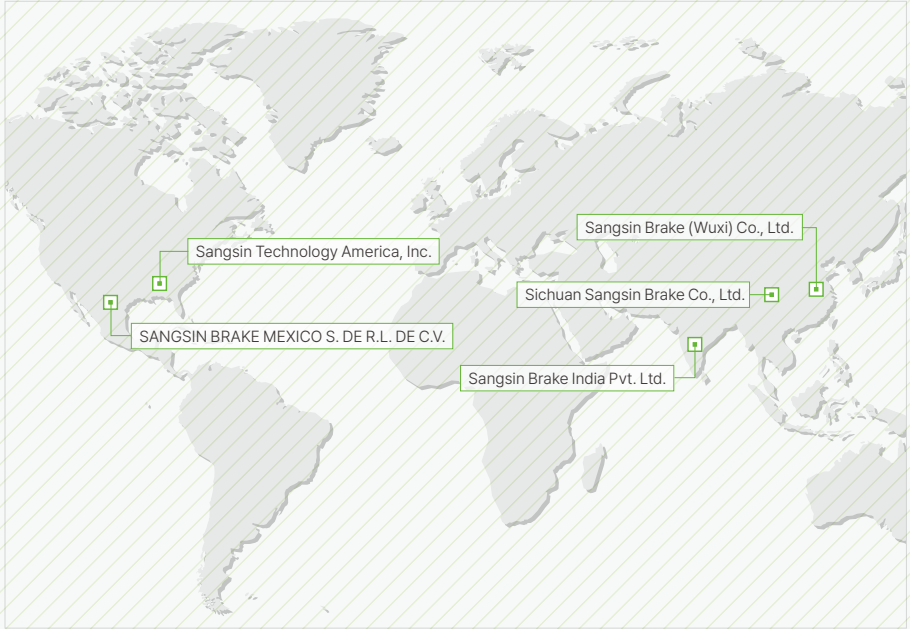
Assess
- Prioritize natural capital dependencies and impacts
- Identify and assess natural capital risks and opportunities

Prepare
- Derive tasks to protect biodiversity

Locate

With manufacturing and sales networks worldwide, the scope and nature of the environmental impacts arising at each Sangsin Brake worksite vary widely. In 2025, considering the nature of our business and geographic locations, we set the natural capital assessment scope to cover a total of five overseas entities: Sangsin Brake (Wuxi) Co., Ltd.; Sichuan Sangsin Brake Co., Ltd.; Sangsin Brake India Pvt. Ltd.; SANGSIN BRAKE MEXICO S. DE R.L. DE C.V.; Sangsin Technology America, Inc.

Geographical Distribution of Assessment Sites



Environmental

Evaluate

Using the global assessment tool ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure), Sangsin Brake identified natural capital factors relevant to its business, then measured relative importance across five levels from Very Low to Very High. The ENCORE results showed that Sangsin Brake has high dependence on nature's Regulating & Maintenance Services — which maintain ecosystem self-sustaining capacity by regulating ecosystem functions and structures, and protect company assets by reducing damage from natural disasters. Among these, five were identified as key: 'soil and sediment retention services' (maintaining the stability of the worksite site), 'water purification services' and 'water flow maintenance services' (ensuring stable water supply), and 'flood and storm mitigation services' (mitigating physical risks from natural disasters and contributing to operational continuity). As impacts on nature, 'noise, light and other pollution' and 'discharge of toxic pollutants to water and soil,' which may arise during business operations, were identified as significant. Going beyond an industry-based analysis, the Company also quantitatively assessed natural capital dependency and impact levels reflecting the geographic location of its worksites using the WWF Biodiversity Risk Filter Suite tool. The three key natural capital dependency factors and one key impact factor identified are summarized below.

Key Dependency Factors



Key Impact Factor



Natural Capital Risks Related to Automotive Parts Manufacturing

Very Low | Low | Medium | High | Very High

Category			Risk level
Dependency	Provisioning Services	Water supply	L
	Regulating and Maintenance Services	Global climate regulation services	VL
		Rainfall pattern regulation services (sub-continental scale)	VL
		Local (micro and meso) climate regulation services	L
		Air filtration services	VL
		Soil and sediment retention services	M
		Solid waste remediation	L
		Water purification services	M
		Water flow regulation services	M
		Flood mitigation services	M
		Storm mitigation services	M
		Noise attenuation services	VL
		Dilution by atmosphere and ecosystems	L
		Mediation of sensory impacts (other than noise)	VL
Impact		Disturbances (e.g noise, light)	M
		Emissions of GHG	VL
		Emissions of non-GHG air pollutants	L
		Generation and release of solid waste	L
		Area of land use	L
		Emissions of toxic pollutants to water and soil	M
		Volume of water use	L

Environmental

Assess

Sangsin Brake identified natural capital dependency and impact factors related to its business activities and, on this basis, identified natural capital risks and opportunities. In particular, by reviewing the actual impact of each factor on financial structure such as costs and revenues, the Company diagnosed in advance how natural capital-related changes affect its business and laid the foundation for establishing proactive management strategies in response.

Prepare

Based on the natural capital risk and opportunity assessment results derived from the LEAP methodology, Sangsin Brake will build a response foundation to balance the management of potential negative biodiversity impacts that may arise across the value chain. Currently at the stage of analyzing dependency and impact centered on its own worksites, the Company plans to progressively broaden its management scope — expanding the assessment scope to the upstream supply chain and reviewing measures to enhance resource circularity in the downstream supply chain. In particular, by building a response roadmap centered on the identified high-impact factors, the Company will secure sustainable supply chain management capabilities that meet global ESG requirements.

Natural Capital Risks & Opportunities

Category	Risk & Opportunity Factor	Impact on Sangsin Brake		
		Financial		Impact
		Cost	Revenue	
Transition Risk	Tighter pollutant-management regulation	●		• Increased environmental levies under stricter water/air pollution-prevention laws • Purification-facility investment costs
	Expanded biodiversity & natural capital management regulation	●	●	• Penalties if strict biodiversity-management requirements of global OEM customers are unmet • Loss of market share from departure of key customers
Physical Risk	Water shortage	●		• Disruption to cooling/washing processes from water shortage • Production-line stoppage
	Climate disasters such as heatwaves from weakened ecosystem climate regulation	●		• Surging cooling-energy costs • Reduced productivity from workers' heat-related illness
	Decline in wild flora and fauna	●		• Supply chain instability for bio-based raw materials such as natural rubber due to ecosystem destruction • Higher procurement prices for key raw materials
Opportunity	Resource-use efficiency	●		• Operating-cost reduction and proactive resolution of regulatory risk through wastewater reuse and pollutant-reduction technologies
	Internalizing eco-friendly brand value		●	• Strengthened partnerships with global customers through eco-friendly products that minimize environmental impact

Environmental

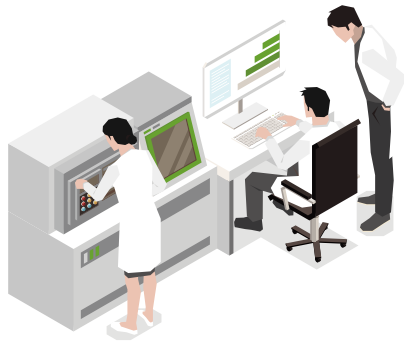
Pollutants

Air Pollutants

Sangsin Brake applies strict in-house management standards based on the emission limits of the region where its worksite is located. It periodically measures and monitors major air pollutants such as particulate matter (PM), thoroughly complying with legal thresholds, and does not operate facilities that emit nitrogen oxides (NOx) or sulfur oxides (SOx). In addition, by establishing self-set targets based on prior-year performance and continuously evaluating their implementation, the Company enhances the effectiveness of emissions management. To stably operate air pollution-prevention facilities, in addition to regular inspections, the Company maintains emergency-response scenarios for incidents such as failures. In particular, it continuously upgrades facility performance — including timely replacement of adsorption-tower activated carbon and dust-collector filters — to reduce air pollutants.

Water Pollutants

Sangsin Brake operates a management system in which wastewater generated at its worksites is primarily treated at its own wastewater-treatment facility and then transferred to public wastewater-treatment facilities. In particular, it establishes internal management standards stricter than legal emission limits to minimize water pollution, and manages the quality of discharged water through regular monitoring of major water pollutants such as biochemical oxygen demand (BOD) and total organic carbon (TOC).



Hazardous Substances

Hazardous Substances Management

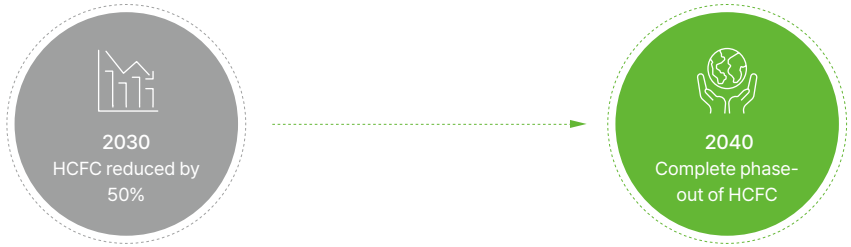
Sangsin Brake strictly manages all chemical substances used throughout our product development and production processes. We fully comply with relevant domestic and international regulations, including the Chemical Substances Control Act, REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), and the RoHS (Restriction of Hazardous Substances) Directive. Furthermore, we rigorously inspect our manufactured and commercialized products to ensure they are free of hazardous substances such as lead, mercury, and cadmium.

In tandem with these compliance efforts, we are strengthening our safety management procedures across all stages of chemical handling, storage, and usage. To prevent leakage and spillage incidents, we conduct regular safety inspections of our storage facilities. We also provide chemical safety training to our employees to raise awareness and enhance emergency response capabilities. Moving forward, we will implement internal management targets that are more stringent than legal requirements, and continuously mitigate our environmental impact by adopting eco-friendly alternative materials and upgrading the performance of our prevention facilities.

Ozone-Depleting Substances Management

To join international efforts to protect the ozone layer under the Montreal Protocol, Sangsin Brake is pursuing the phase-out of HCFCs (hydrochlorofluorocarbons) used in cooling facilities and insulation materials. To proactively manage leakage risks from the aging of its currently used HCFC-22 refrigerant equipment, the Company has set a goal of completely halting HCFC use by 2040, and is sequentially transitioning to high-efficiency facilities applying refrigerants with low global-warming potential or natural refrigerants. Through the introduction of eco-friendly substitute substances and facility optimization, Sangsin Brake will minimize hazardous-substance emissions and strengthen its activities for climate change response.

HCFC Phase-out Schedule



Social

Human Rights & Human Resource Management

Human Rights Management Framework

Human Rights Charter

Human Rights Charter

Sangsin Brake supports international human rights and labor standards and guidelines — including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the core conventions of the International Labour Organization (ILO), and the OECD Due Diligence Guidance for Responsible Business Conduct — and promotes human rights management on this basis.

To actively implement human rights management and to prevent human rights violations and mitigate related risks that may arise in the course of business operations, Sangsin Brake established a Human Rights Charter. The Charter applies to employees of Sangsin Brake and of its domestic and overseas production and sales entities. Sangsin Brake employees also conduct their work in accordance with this Charter when dealing with suppliers, sales, and service organizations, and the Company further encourages all stakeholders in its business relationships to respect the Charter.

Human Rights Management Governance

Led by the General Affairs Dept., Sangsin Brake establishes human rights management systems and policies, and through its HR Group, regularizes training and promotion for all employees to spread a culture of respect for human rights throughout the organization. Suspected violations of the Human Rights Charter by employees can be reported through the whistleblowing channel on the Company website; received cases are investigated promptly and fairly under the lead of the General Affairs Dept. Where necessary, cases are referred to the Disciplinary Committee for measures following objective procedures, and the protection of reporters and confidentiality are maintained as principles throughout the investigation and handling process.

Basic Principles of Human Rights Management



Social

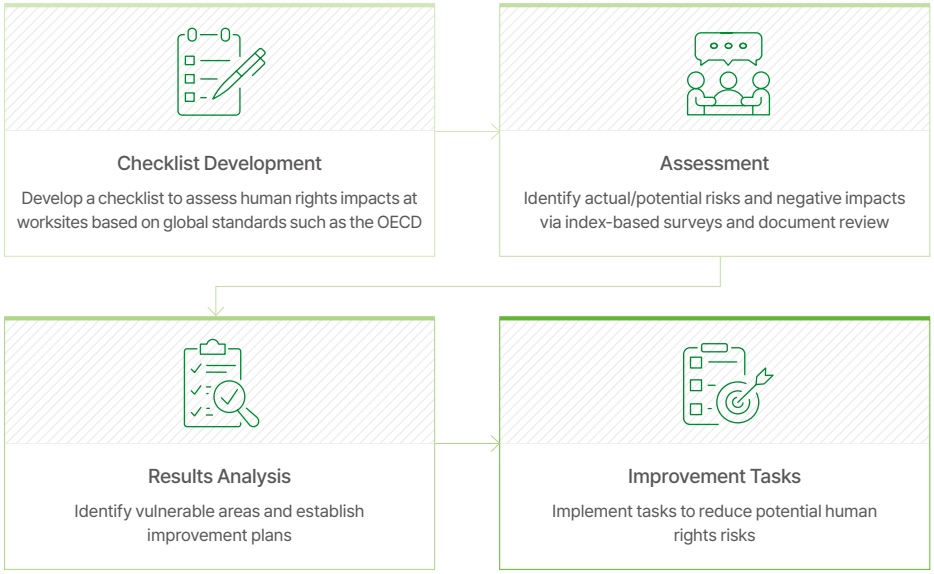
Human Rights Management Activities

Human Rights Impact Assessment

Considering employee composition, business-operation methods, and location comprehensively, Sangsin Brake selected employees and local communities as the primary subjects of human rights risk assessment. Accordingly, when investing in new construction or expansion of plants, the Company identifies and prevents potential negative impacts on local communities in advance through a separate review process. The Company also strives to identify actual and potential human rights risks and to derive and implement substantive improvement tasks.

In 2025, based on the National Human Rights Commission of Korea's 'Guidelines for Human Rights Management and Checklist,' the Company developed a human rights impact assessment checklist comprising 10 areas and 37 detailed questions. Sangsin Brake plans to regularize human rights impact assessments and periodically advance its human rights risk assessment indicators and standards.

Human Rights Impact Assessment Process



In 2025, the Company conducted a human rights impact assessment covering all domestic worksites. Conducting the assessment by two methods — surveys of relevant department staff and document review — the responsible supply chain management area was found to be relatively weak. Specifically, the need to supplement the management system by which the Company monitors suppliers' compliance with human rights protection when building the supply chain ESG management system was identified. As part of corrective action on the assessment results, the Company included the relevant item in the supply chain ESG risk assessment indicators, strengthening supplier management and monitoring functions. Going forward, the Company will work to reflect more diverse perspectives by expanding the survey scope and to refine the human rights impact assessment system.

Checklist Composition

Sectors	No. of Questions
Establishment of human rights management systems	6
Non-discrimination in employment	4
Guarantee of freedom of association and collective bargaining	4
Prohibition of forced labor	3
Prohibition of child labor	3
Guarantee of industrial safety	5
Responsible supply chain management	3
Protection of local residents' human rights	3
Guarantee of environmental rights	3
Protection of consumers' human rights	3

Social

Human Rights Grievance Handling

To monitor and manage the human rights risks of internal and external stakeholders, Sangsin Brake operates a grievance-handling system through various online and offline channels. Internal stakeholders who can use the grievance-handling system include Sangsin Brake employees and direct suppliers and service providers, while external stakeholders include contractors, indirect suppliers, and local communities.

Sangsin Brake's grievance-handling system guarantees the anonymity and confidentiality of reporters and prohibits disadvantageous treatment or punishment of reporters. When a grievance is received, the responsible department determines the validity of the report following internal procedures, and reviews appropriate HR measures for employees who have caused negative impacts such as discrimination or harassment, in accordance with the standards and procedures specified in the disciplinary-procedure guidelines. The whistleblowing channel on the Company website enhances external stakeholders' accessibility, while offline, a Grievance Handling Committee operates monthly to receive complaints and difficulties regarding HR, pay, working environment, welfare, hierarchical relationships, workplace harassment, sexual harassment, and more.

2025 Employee Grievance Receipt & Handling Results

Total received	Completed	Handling Rate
33	33	100%

Grievance-Handling Procedure

Report	• Online: Website Whistleblowing • Offline: Grievance Handling Committee
Receipt	• Planning Dept.: Ethics • General Affairs Dept.: Human Rights
Handling	• In-house investigation by responsible department • Anonymous consultation with reporter if needed
Completion	• Notify reporter of results within 10 days • Objection possible via re-submission

Human Rights Education

To ensure compliance with the Human Rights Charter principles and to internalize human rights awareness, Sangsin Brake conducts human rights education for all employees. Beyond legally mandated training such as sexual-harassment prevention and disability-awareness improvement, the Company operates education that encompasses the concept and value of human rights management. To establish a culture of respect for human rights company-wide, it expanded the training audience to include security-company staff and overseas entities, and in April 2025 shared core principles of human rights management — such as prohibition of discrimination and compliance with working conditions — with 623 domestic and overseas employees.

Sangsin Brake does not merely deliver the value of respect for human rights as training content but practices it firsthand at the training site. For example, during disability-awareness training, professional sign-language interpretation was provided in consideration of deaf employees, lowering the threshold of information accessibility and creating an environment in which everyone can participate equally.

2025 Human Rights Education Results

Human Rights Education (April 2025)

Trainees	Completion Rate
623	96%



Social

Employees

Talent Recruitment

Sangsin Brake practices non-discriminatory recruitment and strives to provide fair working conditions to all employees. To prevent child labor in recruitment, it specifies this in the eligibility requirements and verifies relevant documents. It also operates a recruitment system that selects job-focused talent by predefining the competencies and preferred qualifications required by business departments and establishing interview-evaluation criteria. In this process, to prevent discrimination and provide equal opportunity to all applicants, points of attention are specified in the interviewer guide and communicated during interviewer training.

To develop talent who can contribute to the Company's growth, Sangsin Brake supports diverse competency-development training, and to prevent discrimination in professional development and promotion, operates a KPI-based performance-evaluation system tailored to job characteristics. In 2025, for key performance management, the Company held KPI-goal-setting workshops for department and team leaders to identify potential issues in achieving goals and derive improvement measures. Employees carry out year-round performance management to achieve individually assigned goals, and during performance verification, team leaders and managers exchange feedback with employees and record the process for use in evaluation.

Sangsin Brake is building a culture in which diverse traits and experiences are respected. It operates a performance-centered compensation system so that employees receive equal compensation without gender-based discrimination, and analyzes the gender pay gap each year to review trends and causes. It also guarantees religious freedom based on a manual for providing religious accommodation, providing reasonable accommodation to workers when necessary.

Employee Competency-Development Training

Types	Contents
Job Training	Department-specific job training to enhance technological capabilities differentiated from peers in the industry
In-house Academy	Friction-material and job-specific basic-knowledge training to improve work quality and understanding (cost, friction material, design, testing, manufacturing process, quality, FTA, finance, etc.)
Quality Training	Basic knowledge of production overall and theory essential to QM promotion (Course 1: cost reduction & quality improvement → Course 2: mold quality improvement → Course 3: general quality training)
Foreign-language Training	Conversational training in English, Chinese, Japanese, etc. to cultivate competitive talent suited to the globalized era
In-house Training	Training to improve individual job capabilities by department and the productivity of production staff
Outplacement Training	Training for employees nearing retirement to provide practical help such as employment trends and financial management methods

Labor-Management Communication

To enhance labor-management communication and pursue mutual development, Sangsin Brake has established and operates a labor union. The union renews its collective agreement every two years and discusses various topics to build sound labor-management relations and improve employee welfare. The concluded collective agreement applies to all employees, including non-union members.

Welfare & Benefits

To improve employees' quality of life and job satisfaction, Sangsin Brake operates various welfare programs. For employees' safety and welfare, dormitory facilities are fully equipped with fire-detection and emergency-escape systems, and undergo strict security access control and regular hygiene management. The Company's cafeteria facilities thoroughly manage ingredients, conduct regular facility hygiene inspections, and strictly comply with food-safety standards

Key Welfare Programs

Flexible Work

Staggered commuting

Family-care

Spouse maternity leave, pre/post-natal leave, etc.
Congratulatory/condolence payments and leave

Leave

Summer vacation, vacation allowance
Recreational facilities, partner discounts

Housing & Living

Living-funds loans
Dormitory and cafeteria operation

Health & Welfare

Medical expenses
Commuter bus

Culture & Education

Book-purchase support, in-house clubs Job and foreign-language training
Graduate-school support

Social

Safety & Health

Safety & Health Management Framework

Safety & Health Policy

Safety and Health Policy

Sangsin Brake places the safety and health of its employees as the top priority across all business areas. Based on its Safety and Health Policy, the Company has built a safety and health management system that complies with the laws of the countries in which it operates, industry requirements, and international standards, fulfilling its responsibilities and obligations so that all employees and suppliers can work in a safe and pleasant environment. To this end, it established four safety and health principles and announced them to all members; under the overall direction of the head of the safety and health headquarters, all employees understand the Safety and Health Policy and strive to achieve safety and health goals.

Safety & Health Principles

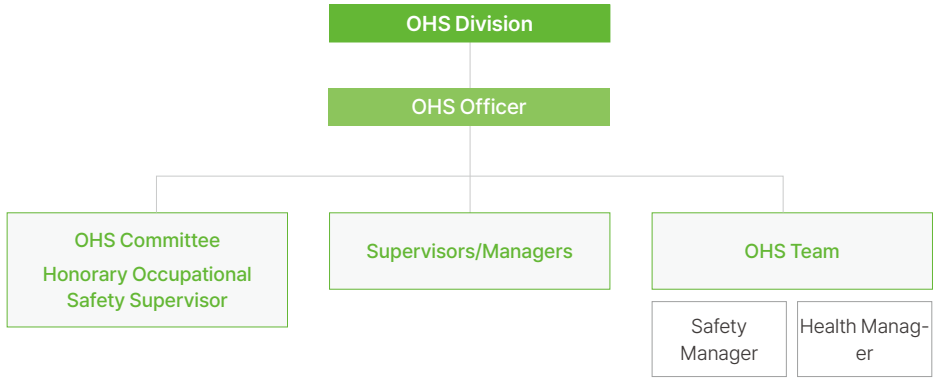
1. Strengthen safety and health prevention activities
2. Comply with safety and health laws
3. Build a self-regulating safety and health system
4. Conduct continuous safety and health improvement activities

Safety & Health Goals

Serious Accidents	Legal Compliance Rate	Risk-assessment Improvement Rate	Safety/Health Improvement Achievement Rate
0	100%	100%	100%

Safety & Health Management Governance

Centered on its safety and health headquarters, Sangsin Brake carries out company-wide safety and health management work. Under the safety and health management officer, the organizational structure includes a dedicated safety and health organization handling practical work and an Industrial Safety and Health Committee — a labor-management cooperation body — enhancing operational effectiveness. Specifically, the Industrial Safety and Health Committee and the labor-management council are regularized and operated quarterly. Through these, the Company immediately addresses employees' health and safety-related requirements, fulfilling its role as an official labor-management communication channel.
At the on-site implementation stage, an organic safety-inspection system operates through the dedicated organization and divisional managers. By continuously inspecting worksite safety conditions and establishing and operating effective emergency-response processes, the Company minimizes potential on-site risks and creates a safe working environment.



Safety & Health Management System

Sangsin Brake systematizes its safety and health system based on ISO 45001:2018 international standard certification.

Social

Strengthening Worksite Safety

Safety & Health Activities and Accident Response

Sangsin Brake operates a monthly "Voice of the Field" program to gather frontline workers' opinions, identifying potential hazards in advance. Broadening the scope of these safety activities, the Company conducts quarterly joint inspections — not only at the head office but also with the in-house cafeteria, security company, and others — to closely inspect safety blind spots across worksites. In addition, it manages company-wide safety levels through regular risk assessments and goal-implementation reviews each year. To raise interest in safety and foster a safety culture, improvement results are shared with employees through various means such as bulletin-board notices and ad-hoc training. In 2025, 100% of identified risk-reduction improvements were completed, and the Company plans to do its best to achieve a 100% improvement-implementation rate each year. Furthermore, to prevent occupational diseases that may arise from specific harmful factors such as noise and dust, the Company periodically measures the working environment and, on this basis, conducts activities such as a hearing-conservation program to create a safe and healthy working environment.

Types of Safety & Health Management Activities

Risk Assessment
Identify and improve hazards/risks after touring all worksites jointly with an external organization

Industrial Accident Prevention
Establish plans and implement measures to prevent industrial accidents

Personal Protective Equipment
Provide safety equipment and protective gear confirmed to be qualified

Emergency Response
Conduct drills per emergency-response scenarios, CPR training, etc., perform safety inspections of firefighting equipment

Accident Investigation
Investigate causes and establish recurrence-prevention measures based on the industrial-accident management guidelines

Safety & Health Signage
Post warning signs for hazardous places/facilities/substances and guidance signs for emergency response

Health Promotion Activities
Regularly conduct employee health checkups and musculoskeletal-hazard surveys

Hazardous Substance Management
Store and post MSDS, measure harmful factors and implement improvements

Machinery/Equipment Safety Measures
Provide work procedures for machinery/equipment and perform regular maintenance

Safety & Health Education

Sangsin Brake conducts various training for all employees to raise safety and health awareness. It provides customized training according to job and role, and in particular conducts special safety and health training for workers engaged in work requiring hazard prevention, supporting the prevention of safety accidents in advance.

2025 Safety & Health Training Operation Status

Courses	Target	Completed	Completion Rate
Regular Training	532	532	100%
Onboarding Training	23	23	100%
MSDS Training	26	26	100%
Work-change Training	4	4	100%
Special Safety Training	25	25	100%

Employee Health Management

To prevent occupational diseases and promote employee health, Sangsin Brake operates various programs. It runs general/special health checkups, comprehensive health checkups, and lung-CT and brain-CT screening programs so that health abnormalities can be detected early according to length of service and age. It also operates an in-house health-management office staffed by a health manager (nurse) and provides rewards upon achieving accident-free target days, among other programs.



Social

Supply Chain

Supply Chain Sustainability Management

Supplier Code of Conduct

Supplier Code of Conduct

Under its ESG vision, Sangsin Brake strives to build a sustainable supply chain ecosystem. The Sangsin Brake Supplier Code of Conduct applies to all suppliers that do business with the Company and comprises five areas: ethics, environment, labor/human rights, safety/health, and management systems. The Company shares the Supplier Code of Conduct with major tier-1 suppliers and requires implementation through a compliance signature; all suppliers subject to the Code must also encourage their business partners (lower-tier suppliers) to comply with the matters presented in the Code. Suppliers must also actively cooperate with regular written or on-site inspections conducted directly by Sangsin Brake or through third-party organizations, and must establish and implement improvement plans based on risk-assessment results.

Key Contents of the Supplier Code of Conduct

Ethics
- Transparent management & anti corruption
- Conflict-of-interest prevention
- Unfair-trade prevention
- Counterfeit-parts prevention
- Compliance with export controls and economic sanctions
- Information protection
- Intellectual-property protection
- Responsible materials procurement

Environment
- Environmental management
- Energy use & GHG emissions management
- Water resource management
- Air pollutant management
- Waste management
- Chemical management
- Biodiversity protection

Labor / Human Rights
- Prohibition of child labor
- Prohibition of forced labor
- Prohibition of discrimination and harassment
- Provision of wages and benefits
- Working-hour management
- Humane treatment
- Guarantee of freedom of association and collective bargaining

Safety / Health
- Building a safety & health management system
- Safety management of machinery/equipment
- Emergency response
- Safety assessment
- Health management

Management Systems
- Corporate-statement disclosure
- Appointment of responsible persons
- Risk review
- Education & communication
- Information management
- Grievance-handling operation
- Management of business partners (lower-tier suppliers)
- Compliance



Assessing ESG Risks in the Supply Chain

To proactively manage potential risks within the supply chain, Sangsin Brake conducts supply chain ESG risk assessment of major tier-1 suppliers. In 2025, in cooperation with an external specialized organization, assessment was conducted for a total of 3 suppliers, and the ESG factors derived through such assessment are reflected in transaction decisions with suppliers.

Sangsin Brake's supply chain ESG risk assessment consists of the stages of pre-identification – written assessment – on-site inspection – corrective action & monitoring. In the pre-identification stage, major suppliers with potential ESG risks are identified through supply chain data analysis. Risk levels are classified by analyzing, from multiple angles, each supplier's transaction share and irreplaceability, use of conflict/responsible minerals, and global regulatory-compliance status. Based on these screening results, high-risk groups are selected, and follow-up measures such as written assessment and on-site inspection are recommended on a differentiated basis according to risk grade.

Supplier ESG Risk Assessment Process

Pre-identification	• Analyze each supplier's transaction share, irreplaceability, use of conflict/responsible minerals, etc. • Identify major suppliers
On-desk Assessment	• Hold a supply chain ESG risk assessment briefing for suppliers • Conduct supplier self-assessment • Review self-assessment responses and supporting documents
On-site Assessment	• Conduct on-site assessment and ESG capacity-building consulting
Corrective Action	• Derive improvement tasks • Support establishment of implementation plans
Monitoring	• Monitor implementation status of improvement tasks

Social

Sangsin Brake identifies and assesses supplier ESG risks using diagnostic indicators covering all areas of sustainability. To raise suppliers' understanding of supply chain due diligence, it conducts prior training explaining basic ESG concepts, the latest regulatory trends, and the purpose and method of assessment. Suppliers then respond to the assessment indicators by self-assessment and submit relevant supporting documents. The resulting written-assessment results are used as key data for identifying high-risk groups and selecting on-site-inspection targets.

Sangsin Brake selects on-site-inspection target suppliers by comprehensively considering each supplier's industry, the characteristics of delivered parts, and written-assessment results. To secure the objectivity and effectiveness of inspections, an independent third-party specialized organization participates in the assessment process, and rather than stopping at simple inspection, the Company supports substantive improvement by combining customized training in weak areas such as environment, safety, and human rights with capacity-building consulting for supplier staff.

Supplier ESG Risk Assessment Indicators



Human rights management, supply chain, ethics management, safety management



Environmental management, climate change, pollution, water and marine resources, biodiversity and ecosystems, resource and circular economy

In 2025, to enhance the effectiveness of supply chain ESG risk management, on-site inspections were conducted for all 3 suppliers that underwent written assessment. This inspection focused on verifying the data reliability of the written-assessment results and proactively identifying potential risks, precisely diagnosing the actual submission and validity of relevant supporting documents and whether responses to assessment items were satisfied. In particular, beyond document-evidence verification, interviews with relevant departments were conducted in parallel to grasp the actual on-site implementation level from multiple angles. Through supply chain ESG risk assessment, Sangsin Brake comprehensively reviews the possibility of infringement of freedom of association and collective bargaining, child/forced labor, and local-community rights within suppliers; to date, no human rights violations or material risks requiring corrective action regarding these items have been identified.

2025 Supplier ESG Risk Assessment Results

(Unit: number of companies)

Categories	No. of Companies	Remarks
On-desk Assessment	3	Major suppliers among tier-1 suppliers
On-site Assessment	3	

Sangsin Brake will conduct supply chain ESG risk assessments each year and progressively expand the suppliers assessed, while continuously updating its diagnostic indicators in line with changing global regulations to level up the overall ESG standard of the supply chain. Going beyond simple assessment, the Company will become a dependable partner that realizes the value of win-win cooperation by exploring and continuously providing multifaceted support measures to help build suppliers' substantive capabilities.



Social

Establishing Fair Trade Relationships

To create a transparent supply chain that grows together with suppliers, Sangsin Brake practices seven principles of fair trade. Beyond legal compliance, these principles embody the Company's commitment to proactively manage risks that hinder fair competition — from prohibiting abuse of market-dominant position to realizing tax justice and protecting intellectual property rights.

Seven Principles of Fair Trade

Anti-monopoly	We do not engage in acts that may hinder fair competition, such as abusing a market-dominant position or a superior bargaining position through unfair transactions.
Collusion	We do not agree with other businesses to unfairly restrict competition regarding the price, supply volume, transaction area, or transaction terms of goods or services.
Unfair Competition	We do not obtain information by improper means from competitors, partners, or other organizations, nor use or disclose information improperly obtained by the Company or a third party.
Money Laundering	We do not engage in acts related to money laundering involving customers, partners, suppliers, or other organizations and individuals.
Intellectual Property	We protect the trade secrets of suppliers in contractual relationships and do not infringe the intellectual property rights of other companies or individuals.
Taxation	For transparent and fair tax administration, we comply with the tax laws of each country where our worksites are located and do not evade legitimate tax obligations.
Procurement	We pursue a fair, mutually beneficial relationship with suppliers and do not engage in unfair transactions.

Enhancing Suppliers' ESG Capabilities

Since May 2022, Sangsin Brake has operated an environment and safety council monthly together with affiliates and suppliers. The council shares the status of serious accidents, environment and safety trends, and best practices, and discusses environment and safety issues so that all worksites can operate safely. Sangsin Brake is also considering direct support — such as providing customized diagnostic consulting — to help suppliers improve their safety-management level and internalize related systems.

Enhancing Suppliers' Quality Competitiveness

To strengthen mutual trust through enhancing suppliers' quality competitiveness and to realize a virtuous cycle of joint growth, Sangsin Brake regularly holds supplier meetings. In 2025, it shared the year's economic outlook and explained procurement and supplier-quality policies, solidifying mutual understanding and cooperation. It also reviewed major evaluation items such as suppliers' quality level, delivery compliance, and development capabilities comprehensively, and awarded the best and excellent suppliers based on the results. Through these activities, the Company encourages suppliers' voluntary quality improvement and stable delivery management, while continuously enhancing the overall quality level and competitiveness of the supply chain by discovering and cultivating suppliers with technological and development capabilities.

2025 Supplier Meeting

Contents	• 2025 domestic/overseas economic outlook • Quality/delivery management and safe-working-environment measures in response to the outlook
Participants	Domestic tier-1 suppliers
Frequency	Annual

Social

Raw-Material Management

Conflict Minerals Procurement Policy

Conflict-minerals Procurement Policy

To prevent human rights violations and environmental destruction that may arise during mineral extraction and to fulfill its responsibility as a global company to build a sustainable supply chain, Sangsin Brake has established a Conflict-minerals Procurement Policy. Complying with international standards such as the OECD Guidelines, the U.S. Dodd-Frank Act, and the EU Conflict Minerals Regulation, the Company manages the use of major minerals including conflict minerals and cobalt, and encourages suppliers to deal with RMAP (Responsible Minerals Assurance Process)-certified smelters. Recognizing child labor and human rights issues raised in high-risk regions such as the Democratic Republic of the Congo as material matters, the Company continuously monitors the relevant supply chain. Sangsin Brake provides suppliers with guidelines such as points of attention for conflict-minerals legal compliance to support awareness-raising. Going forward, it will further strengthen its management system so that the conflict-minerals procurement policy spreads and takes root across the supply chain beyond individual suppliers.

Conflict Minerals Management Process

Establish Management Policy	Codify the principle of non-use of conflict minerals and responsible mineral procurement
Raise Supplier Awareness	Provide points of attention for conflict-minerals legal compliance
	Disseminate the conflict-minerals procurement policy
Survey Usage Status	CMRT survey
Establish Improvement Plan & Monitoring	Encourage transactions with RMAP-certified smelters
Disclosure	Include in the ESG report

Conflict Minerals Status Survey

Sangsin Brake compiles a list of raw-material suppliers handling designated conflict minerals to identify risks that may arise in the procurement supply chain and minimize negative impacts. Using the CMRT (Conflict Minerals Reporting Template) provided by the RMI (Responsible Minerals Initiative) for collecting supplier information, the Company tracks information on the country of origin, smelters, and refiners for tin, tantalum, tungsten, and gold. When transactions with uncertified smelters are identified, it requests improvement and monitors whether measures are taken.

In addition, to secure technological competitiveness and prevent legal risks, Sangsin Brake periodically inspects raw/subsidiary materials, intermediate goods, and products procured from suppliers for counterfeiting, and continuously checks that no third-party intellectual property rights are infringed in the parts-development and procurement processes

Conflict/Responsible Minerals Training Status

Date	Contents
April 2025	• Conflict/responsible minerals laws and trends • Global regulatory trends • Types of conflict and responsible minerals • Conflict-minerals management process • How to complete CMRT/EMRT



Social

Quality Management

Quality Management Framework

Quality Management Policy

Through prevention-oriented quality management, Sangsin Brake improves the reliability of products and processes, and has established four quality-management policies based on its smart production system.

Quality Policy

Process efficiency through use of quality-prevention standard documents	Reduced claims by improving major quality issues in commercial-vehicle fields	Zero shameful defects by securing sensory quality	Reduced initial process defects by securing quality in advance at the development stage

Quality Management Goals & Implementation Status

Indicators	2025 Target	Implementation Status	2026 Target
Field Claim Rate	355 PPM	466 PPM	374 PPM
Initial Process Defect Rate	203 PPM	156 PPM	148 PPM
Process Defect Rate	167 PPM	163 PPM	155 PPM

Quality Management System

Based on ISO 9001:2015 and IATF 16949:2016 certification, Sangsin Brake operates a customer-centric, optimized quality management system.

Based on ISO 22301:2019 — the international standard for business-continuity management systems — and its business-continuity policy, the Company has built a system to stably maintain core processes and quality even in disasters or crises. Through this, even when unexpected risks such as disasters or supply chain disruptions arise, it secures consistency in product quality and delivery, strengthening customer trust. Through business-continuity management linked with ISO 9001:2015-based quality management, Sangsin Brake will continue product production and service that remain unshaken amid changes in the management environment.

Business-Continuity Policy



Social

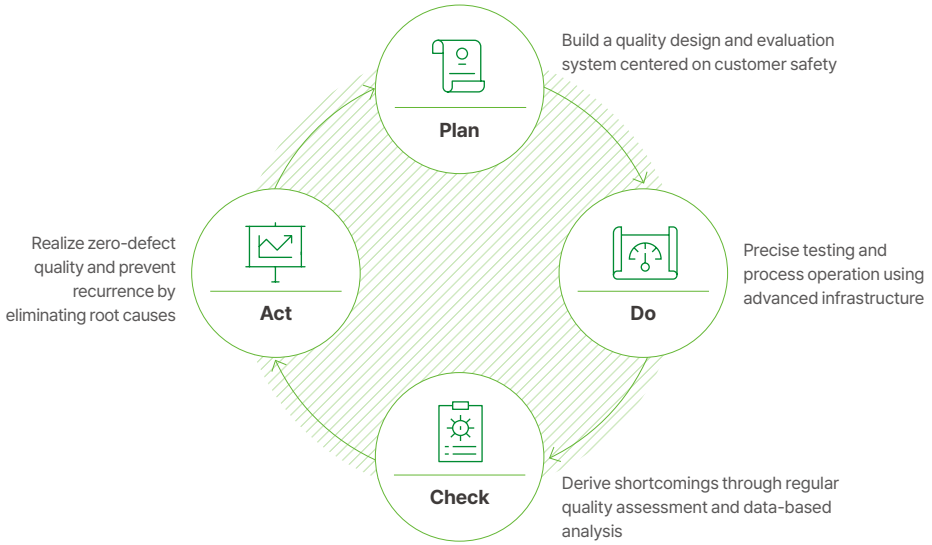
Quality Improvement Activities

Safety Quality Management

Placing customer safety first, Sangsin Brake operates a rigorous quality management system for all products and services it provides. With 24 dynamometer facilities — the largest scale in Korea — it performs brake-capability testing more precisely and efficiently. In particular, it evaluates the core performance of brake pads — wear amount, braking force (friction coefficient), noise, etc. — in-house, supplying only safe products optimized for each vehicle type and use. By fully reproducing conditions from actual driving to extreme environments, it tests diverse attributes such as braking force, efficiency, thermal capacity, and new materials from multiple angles, realizing safety technology that meets customer needs.

Sangsin Brake conducts semi-annual qualitative quality evaluations, closely analyzing shortcomings across departments (Production, Purchase Dept., Production Technology, Quality Management Dept., etc.) and across the entire process (inspection, process management, equipment, molds, outsourced-product management, etc.). Through this, it derives the root causes of defects and establishes effective improvement measures, aiming to fundamentally block defects and prevent recurrence. In particular, outstanding items undergo monthly regular monitoring with continuous follow-up management until improvement is fully achieved.

Quality Management Approach (PDCA)



Strengthening Quality Management Capabilities

Sangsin Brake conducts quality training for all employees. Since 2023, through its in-house academy, it has regularly conducted quality-basics training and statistical-quality-control training, and separately conducts training to cultivate IATF 16949:2016 internal auditors (18 people × 21 hours per person).

It also regularly holds quality review meetings and enhances quality-work capabilities through product-specific quality issues and quality-improvement activities.

Quality Training

Category	2023	2024	2025
Participants	30	31	28
Training Hours	240 hrs	482 hrs	224 hrs
Training Hours per Person	8 hrs	15.6 hrs	8 hrs

To raise quality awareness, Sangsin Brake conducts “Sensory Quality Boom-up” activities. Catchphrases selected through an employee contest were posted throughout the Company, and through rallies, training, and on-site inspections, the Company works to raise all employees’ quality-strengthening awareness.



Social

Social Contribution

Community Co-prosperity

Nurturing Future Generations & Local Talent

To build a society in which we live together, Sangsin Brake practices various activities. Recognized as a company with a working environment and welfare systems preferred by young people, the Company was re-selected as a Daegu employment-friendly company in 2025, following 2024. It also participates in the 'Youth-Work-Life-Balance Company Employment Matching Festa,' which connects excellent talent with work-life-balance-excellent companies, contributing to the expansion of local youth employment. In addition, the Dalseong Cheongun Scholarship Foundation — chaired by Sangsin Brake Chairman Dochul Jung — has steadily pursued scholarship projects for local educational development since its establishment in 2008. This year, by resolving to transfer all remaining assets to Dalseong-gun free of charge, the Foundation will further strengthen the basis for its stable operation and the cultivation of local talent.

Support for the Underprivileged

In cooperation with the local government of Dalseong-gun, Daegu, where its head office is located, Sangsin Brake practices regular sharing activities for vulnerable groups such as the elderly, people with disabilities, and low-income households. Representatively, it operates the Goodwill Lunch project year-round, providing a warm meal to low-income elderly aged 65 and over.

The Company also conducts the SB Filial Piety Program, providing necessities to elderly and disabled households six times a year, and during holidays delivers rice-cake-soup packages and more to low-income households.

Youth-Work-Life-Balance Company Employment Matching Festa

2025 Key Achievements

Through collaboration with public institutions and universities, the Company supported 29 job fairs, incumbent mentoring, and corporate-visit activities, and conducted a total of 926 consultations. By providing customized recruitment information and field-type corporate-visit opportunities, it raised the practical employment-linkage potential of job-seekers and students.

Future Plans

The Company will continue to provide customized recruitment information and corporate-visit opportunities to young people for the discovery and cultivation of local talent.

Goodwill Lunch

2025 Key Achievements

Provided dietary support to an average of 132 elderly people per month and offered emotional support through regular visits, contributing to meal-skipping prevention and living stability.

Future Plans

The Company will steadily operate the free-meal project to serve as a care safety net for local elderly.

SB Filial Piety Program

2025 Key Achievements

In connection with the Dalseong-gun Comprehensive Social Welfare Center, the Company supported a cumulative 130 elderly and disabled households.

Future Plans

The Company will stably operate support projects for vulnerable groups through continued cooperation with local welfare centers.

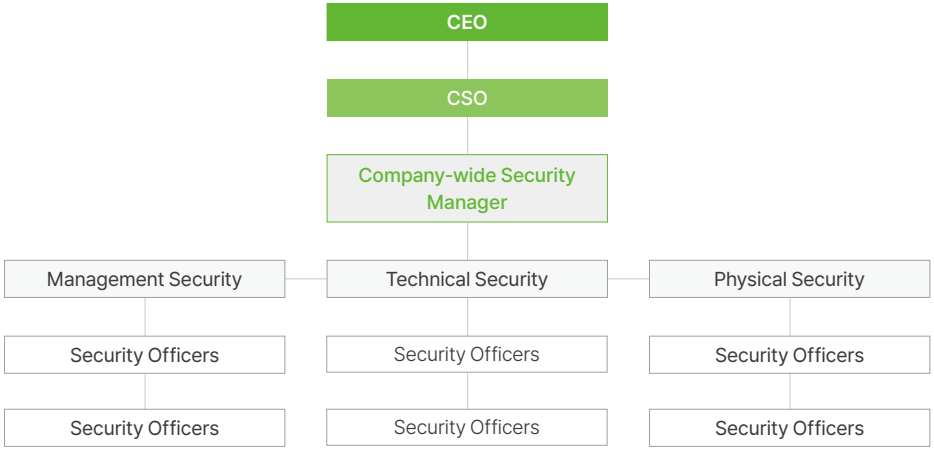
Social

Information Security

Information Security Framework

Information Security Governance

For the safe protection of information assets and systematic security management, Sangsin Brake has built and operates company-wide security governance centered on a Chief Security Officer (CSO) under the lead of the Information Innovation Dept. Delegated authority by the CEO, the CSO makes final decisions on security policy overall and appoints the company-wide security manager and staff; the company-wide security manager oversees substantive security-management work such as establishing in-house security regulations and training, reviewing policy in response to external legal changes, and self-inspection (checklists). This organizational structure is transparently managed according to standardized procedures approved by the CSO, ensuring that security policy is effectively delivered to and implemented by sub-organizations company-wide.



Information Security and Personal Data Protection

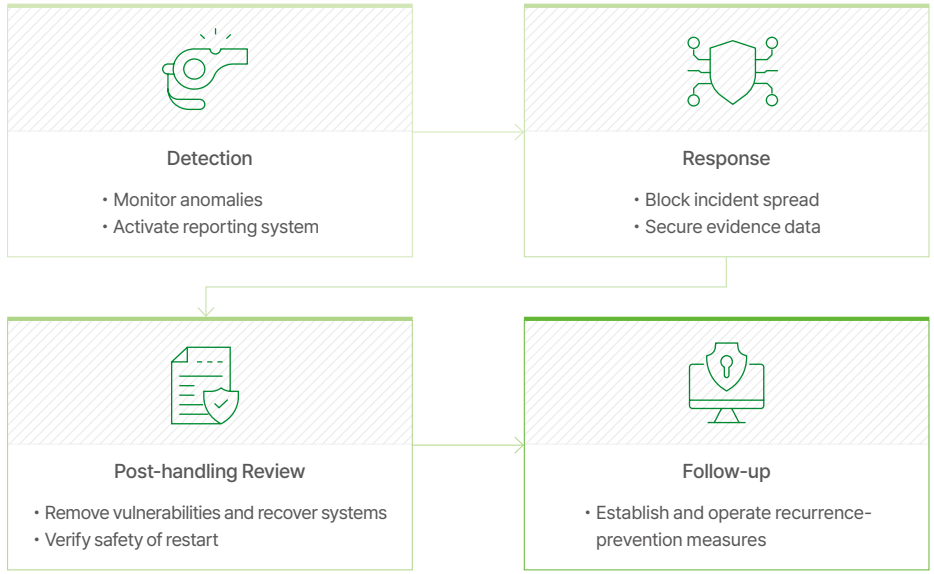
Strengthening Information Security & Personal Data Protection

To protect information assets and proactively manage security risks, Sangsin Brake carries out multifaceted security activities. It conducts company-wide information-security training once a year to raise employees' security awareness, and proactively prevents security incidents through cyber-threat-response simulation drills. To maintain business continuity in the event of disasters, it establishes and thoroughly implements emergency-response drills and recovery plans, and collects 'information-security pledges' from employees and suppliers to ensure compliance with security rules and protection of information assets. In 2025, the number of information-security incidents at Sangsin Brake was zero.

2025 Information Security Training Results

Target	Frequency	Cumulative Participants
Company-wide	Once a year	549

Security Incident Handling Procedure



Governance

Ethics & Compliance Management

Ethics & Compliance Framework

Ethics Charter & Code of Conduct

Ethics Charter and Code of Conduct

Sangsin Brake aspires to be a global company that opens a new future through creative thinking and ceaseless challenge and contributes to the dreams of human society. To achieve this goal, the Company established an Ethics Charter and Code of Conduct that serve as the standard of conduct and value judgment for all members. The Ethics Charter and Code of Conduct include content on employee ethics, fair competition and transactions, realization of customer value, respect for employees, pursuit of sustainability, and the ethics-management system.

Sangsin Brake's Five Ethics Charter Principles

1. We perform our work with clear and transparent standards, and fulfill our given responsibilities with sincerity and our best efforts.
2. We compete fairly and squarely in the market and deal fairly with counterparties in contractual relationships.
3. To realize customer value, we provide safe products, the best service, and accurate information, and thoroughly protect personal data.
4. We respect each member as an independent human being and, to this end, provide fair working conditions and a safe working environment.
5. As a global corporate citizen, we contribute to realizing sustainable development in which diverse stakeholders can prosper together, through the fulfillment of social responsibility.

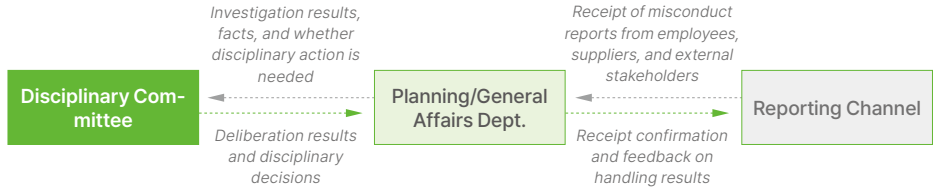
Ethics Management Audits

Sangsin Brake conducts regular audits to strengthen ethics management. Based on a checklist, it reviews major ethics risks, and identified risks are managed by classifying them as high/medium/low according to likelihood and impact. Over the past three years (2023–2025), the Company conducted internal ethics-related audits and risk assessments covering the head office, domestic plants, and overseas entities, and continuously enhances the effectiveness of its audit system by reflecting repeatedly identified findings into the checklist. Through these activities, Sangsin Brake prevents ethics risks in advance and establishes a transparent and responsible management culture.

Ethics Reporting Channel Operation

To spread ethics and compliance management and prevent risks, Sangsin Brake operates a reporting channel on its website. The responsible Planning Dept. receives reports of acts that violate ethics management — such as unfair-trade practices and illegal/improper use of company assets — and guarantees reporter-identity protection and the prohibition of retaliation in accordance with the "Sangsin Brake Whistleblower Reward and Protection Regulations." When a report is received, the Planning Dept. conducts its own investigation and decides on measures in accordance with the relevant regulations. Over the past three years, the number of fraud/corruption reports received through the online whistleblowing channel was zero, and there have been no violations of laws related to ethics or anti-competitive behavior.

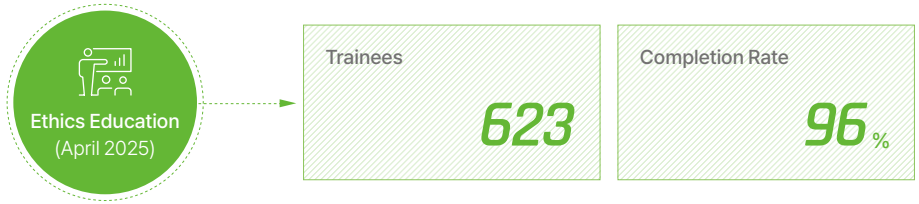
Reporting Channel Operation System



Internalizing Ethics & Compliance Management

Sangsin Brake conducted Ethics Charter delivery training for all employees, including overseas expatriates. The process of sharing and training the Ethics Charter company-wide is a key means of forming consensus on ethics and compliance management and strengthening the will to practice it. By ensuring that employees clearly understand the Company's ethical values and standards of conduct, the Company prevents legal violations and ethics risks in advance and encourages employees to make responsible decisions on their own in the course of their work.

2025 Ethics Education Results



Governance

Responsible Board Management

Composition of the Board of Directors

Current Composition of the Board of Directors

To build sound and transparent governance, Sangsin Brake practices independent, board-centered management based on its articles of incorporation and board/committee regulations, in accordance with relevant laws. The Board of Directors comprises a total of 6 members, with 3 — a majority of the total — being outside directors to ensure independence. The Board is composed of experts in diverse fields such as management, accounting and law, and respects diversity in gender, nationality, race, and religion. To build a swift and efficient decision-making system based on management expertise, the Company has appointed the CEO as Chair of the Board.

Directors' Terms

The term of office for directors is set at three years. In March 2024, three internal directors were re-appointed; in March 2025, one outside director (Soonchang Kweon) was re-appointed and two (Keun Soh, Jinwon Kim) were newly appointed.

Composition of the Board of Directors

(As of December 31, 2025)

Category	Name	Birth Year	Position	Key Career	First Appointed
Internal Director	Sejong Park	1965	Internal director, CEO	Current: CEO, Sangsin Brake	Mar 2018
	Dochul Jung	1934	Internal director, Chairman	Current: Chairman, Sangsin Brake	Mar 2000
	Sunghan Jung	1962	Internal director, Vice Chairman	Current: Vice Chairman, Sangsin Brake	Mar 2000
Outside Director	Soonchang Kweon	1965	Outside director	Current: Professor, School of Business, Kyungpook National University Former Dean of the College of Economics and Business and the Graduate School of Business	Mar 2022
	Keun Soh	1962	Outside director	Current: Advisor, Micro NX Former President & CEO, iM UPay	Mar 2025
	Jinwon Kim	1963	Outside director	Former branch manager and head of audit office, Korea Credit Guarantee Fund	Mar 2025

Directors' Independence & Conflict-of-Interest Management

All of Sangsin Brake's directors are appointed through the general shareholders' meeting. As a listed company with total assets below KRW 2 trillion, the Company has not established an outside-director candidate recommendation committee under Article 542-8 of the Commercial Act; however, it appoints outside directors who have no material interest in the Company, in accordance with the requirements of Article 382(3) (grounds for disqualification of outside directors) and Article 542-8 (appointment of outside directors) of the Commercial Act. For the faithful performance of outside directors' duties, the Company restricts them, in accordance with the Commercial Act, from being appointed as a director, executive officer, or auditor at two or more other companies besides the Company, and manages concurrent positions at other companies as a matter requiring board approval.

The Company pursues stable operation by separately delegating decision-making authority and business-execution authority to the Board and the management. In addition, to prevent conflicts of interest when directors perform duties such as exercising voting rights, the Ethics Charter and Code of Conduct stipulate conflict-of-interest and insider-trading prohibition clauses.

Board Diversity & ESG Expertise

Sangsin Brake composes its Board based on independence, expertise, and diversity. It appoints directors by comprehensively considering field-specific expertise needed for organizational operation — such as management, economics, law, and accounting — as well as rich experience in the Company's industry. To strengthen board members' ESG capabilities, they actively participate in customer ESG training and conferences, and the Company internalizes ESG management strategies through the advice of external specialized organizations. Going forward, under the oversight of a professional and independent board, the Company will do its utmost to maximize stakeholder value and protect their rights by practicing rational and responsible management by the executive team.

Board Skill Matrix (BSM)

Competency	Sejong Park	Dochul Jung	Sunghan Jung	Soonchang Kweon	Keun Soh	Jinwon Kim
Leadership	●	●	●	●	●	●
Accounting / Finance / Management	●	●	●	●	●	●
Industry / Technology	●	●	●	●		●
Law / Policy	●	●		●	●	●
Global Capability	●		●		●	

Governance

Board Operation

Board Convocation & Meetings

Sangsin Brake's Board is convened as needed pursuant to Article 35 (Composition of the board of directors and convocation) of Chapter 5 of the articles of incorporation, and deliberates and resolves on matters delegated by the general shareholders' meeting and important matters of business execution in corporate management, in accordance with Article 36 (Method of board resolution). Board resolutions are adopted by the attendance of a majority of directors and the affirmative vote of a majority of attending directors; a person with an interest in a resolution item may not exercise voting rights.

2025 Board Attendance Rate

Average Attendance	Internal Directors	Outside Directors
92%	98%	88%

Board Education

To strengthen board independence and enhance the function of monitoring management, Sangsin Brake conducts various training for outside directors.

Outside-Director Education Record (past 3 years)

Date	Provider	Attendees[1]	Key Contents
Nov 11, 2025	Korea Listed Companies Association	Soonchang Kweon, Keun Soh, Jinwon Kim	Operation of the internal accounting control system
Sep 24, 2024	Korea Listed Companies Association	Soonchang Kweon, Changhyun Suh, Seongrim Lee	Operation of the internal accounting control system
Oct 31, 2023	Korea Listed Companies Association	Soonchang Kweon, Changhyun Suh, Seongrim Lee	Operation of the internal accounting control system

1) Directors Changhyun Suh and Seongrim Lee completed their terms on March 24, 2025

2025 Board of Directors Meetings and Key Agendas

No.	Date	Agenda	Resolution
1	Jan 6, 2025	Amendment of internal accounting control regulations	Approved
2	Jan 21, 2025	Matters concerning bond issuance	Approved
3	Feb 10, 2025	Report on the 2025 annual safety & health plan	Approved
		Approval of the 50th-term financial statements and business report	
4	Feb 18, 2025	Convening of the 50th regular general shareholders' meeting	Approved
5	Feb 26, 2025	Report on the 2024 internal accounting operation status assessment	Approved
		Guarantee for the India entity's local financing	
		Report on treasury stock	
6	Mar 24, 2025	Minutes of the 50th regular general shareholders' meeting	Approved
7	Apr 29, 2025	Capital increase for the Mexico entity	Approved
8	May 19, 2025	Guarantee for the Mexico entity's local financing	Approved
9	May 26, 2025	Matters concerning bond issuance	Approved
		Guarantee for the China (Sichuan) entity's local financing	
10	Jun 17, 2025	Guarantee for the India entity's local financing	Approved
		Matters concerning bond issuance	
11	Aug 12, 2025	Guarantee for the China (Sichuan) entity's local financing	Approved
12	Oct 14, 2025	Guarantee for the China (Wuxi) entity's local financing	Approved
13	Oct 28, 2025	Guarantee for the India entity's local financing	Approved
14	Nov 26, 2025	Enactment of regulations	Approved
15	Dec 17, 2025	Cash dividend	Approved

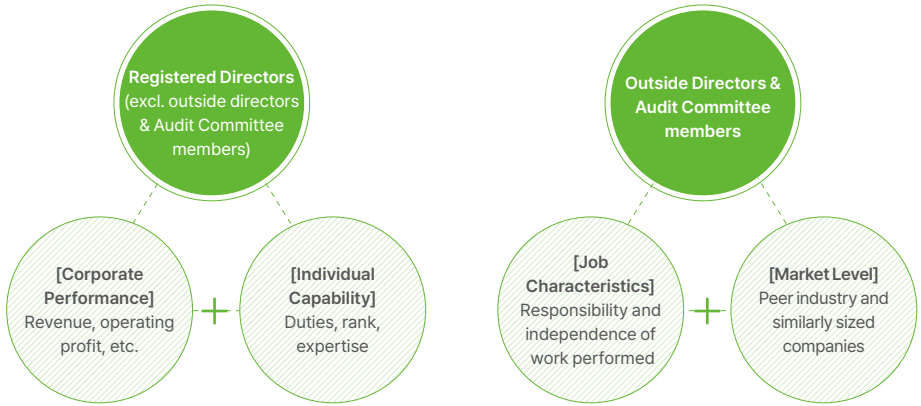
Governance

Board Remuneration

Performance Evaluation & Remuneration

Performance evaluation of each executive is conducted fairly based on revenue and key divisional indicators, and remuneration accordingly is paid within the limit approved by the general shareholders' meeting. For internal directors, pay is determined by comprehensively considering evaluation factors such as duties, rank, and contribution to the Company. For outside directors and Audit Committee members, fixed remuneration is paid to guarantee the function of monitoring and checking management. In addition, for executives whose total remuneration is KRW 500 million or more, the detailed basis of calculation and components are transparently disclosed through the business report, operating a performance-centered compensation system.

Performance-Linked Remuneration Factors



Board Remuneration Status

Category		Unit	2023	2024	2025
Registered directors (excl. outside directors & Audit Committee members)	No. of persons	Persons	4	3	3
	Total remuneration	KRW million	1,828	1,714	1,419
	Average per person	KRW million	457	428	473
Audit Committee members	No. of persons	Persons	3	3	3
	Total remuneration	KRW million	36	36	36
	Average per person	KRW million	12	12	12

Committee Under the Board

Audit Committee

Sangsin Brake has established an Audit Committee under the Board to enhance the efficiency and expertise of audit work and improve management transparency. The Company's Audit Committee is composed entirely of three outside directors to perform an independent role, and among them, Director Soonchang Kweon is an expert holding a degree in the accounting/finance field. To support the smooth performance of the Audit Committee's work, the Company has established and operates an internal accounting management team.

Board-Related Organization



The Audit Committee conducts accounting oversight and assessment/reporting of operational status independently of management and controlling shareholders

Audit Committee Operation Status

Category	Unit	2023	2024	2025
Total meetings held	times	7	7	7
Average attendance rate	%	95.3	100	100
Total reported & resolved agenda items	items	7	7	7
Approval rate of resolution items	%	85.7	100	100



APPENDIX

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ESG Data

Sangsin Brake Co., Ltd.

Financial Performance

Summarized Financial Position (Consolidated)

Category	Unit	2023	2024	2025
Total assets	KRW million	564,873	591,078	557,807
Current assets	KRW million	356,063	382,825	361,128
Non-current assets	KRW million	208,810	208,253	196,679
Total liabilities	KRW million	353,038	358,441	338,659
Current liabilities	KRW million	320,655	336,875	312,031
Non-current liabilities	KRW million	32,383	21,565	26,628
Total equity	KRW million	211,835	232,638	219,148
Capital stock	KRW million	10,736	10,736	10,736
Capital surplus	KRW million	11,188	11,188	11,188
Other capital components	KRW million	-3,099	6,021	5,185
Retained earnings	KRW million	186,202	197,012	184,766
Non-controlling interests	KRW million	6,809	7,680	7,273
Total liabilities and equity	KRW million	564,873	591,078	557,807

Summarized Income Statement (Consolidated)

Category	Unit	2023	2024	2025
Revenue	KRW million	575,491	578,555	542,261
Operating profit	KRW million	27,544	20,646	(1,358)
Profit before income tax	KRW million	17,816	24,643	(11,382)
Net income	KRW million	14,174	17,389	(12,021)

R&D Investment

Category	Unit	2023	2024	2025
R&D expense	KRW million	15,967	18,409	18,062
R&D expense / revenue ratio[1)]	%	4.0	4.6	4.6

1) Based on separate financial statement revenue

ESG Data

Sangsin Brake Co., Ltd.

Environmental Performance[1)]

GHG Emissions

Category	Unit	2023	2024	2025
Scope 1 + 2 emissions (total)	tCO_2eq	16,374	16,631	13,779[2)]
Scope 1	tCO_2eq	175	291	220
Scope 2	tCO_2eq	16,198	16,340	13,559
Scope 1+2 intensity	tCO_2eq/ KRW 100 million	4.1	4.1	3.5
Scope 3[3)]	tCO_2eq	11,501	12,802	12,315

2) 2025 target emissions: 16,625 tCO_2eq
3) Category 3: fuel- and energy-related activities not included in Scope 1, 2

Energy Use

Category	Unit	2023	2024	2025
Non-renewable energy use	MWh	36,017	36,496	33,440
Electricity	MWh	35,259	35,567	32,496
LNG	MWh	111	123	133
LPG	MWh	124	129	105
Diesel	MWh	109	206	178
Gasoline	MWh	414	471	529
Renewable energy use	MWh	0	0	73
Renewable energy share of total energy	%	-	-	0.2
Intensity	MWh/ KRW 100 million	9.1	9.1	8.6

Key Raw/Subsidiary Materials Used

Category	Unit	2023	2024	2025
Key raw-material use	ton	3,854	4,070	3,432

Waste Generation

Category	Unit	2023	2024	2025
Total	ton	471	516	449
Non-hazardous waste	ton	412	464	418
Hazardous waste	ton	59	52	31
Waste recycled	ton	294	335	327
Waste recycling rate	%	62.4	64.9	72.8

Waste Treatment by Type and Method

Category	Unit	2023	2024	2025
Non-hazardous waste	ton	412	464	418
Incineration (energy recovery)	ton	0	0	0
Landfill	ton	157	167	119
Recycling	ton	255	296	299
Hazardous waste	ton	59	52	31
Incineration (energy recovery)	ton	19	13	3
Landfill	ton	0	0	0
Recycling	ton	39	38	28

1) Intensity for environmental performance is based on separate financial statement revenue

ESG Data

Sangsin Brake Co., Ltd.

Environmental Performance

Water Intake

Category	Unit	2023	2024	2025
Total	ton	57,343	50,622	45,301
Industrial water	ton	14,878	17,233	15,044
Municipal water	ton	42,465	33,389	30,257

Water Use

Category	Unit	2023	2024	2025
Water use	ton	49,153	43,368	41,551
Water-use intensity	ton/KRW 100 million	12.4	10.8	10.7
Water reused[4]	ton	474,103	474,103	384,955
Wastewater discharged[5]	ton	8,190	7,254	3,750

4) Based on cooling-water circulation volume
5) Based on Plant 1

Pollutant Emissions

Category	Unit	2023	2024	2025
Air pollutants (total)[6]	ton	3.99	4.06	1.64
Sulfur oxides (SOx)	ton	0	0	0
Nitrogen oxides (NOx)	ton	0.31	0.32	0.00
Particulate matter (PM)	ton	3.68	3.74	1.64
Water pollutants (total)	ton	0.38	0.37	0.11
Biochemical oxygen demand (BOD)	ton	0.06	0.06	0.02
Total organic carbon (TOC)	ton	0.30	0.29	0.02
Suspended solids (SS)	ton	0.01	0.02	0.06
Chemical emissions	ton	0.58	0.57	0.89
Hazardous chemicals used	ton	68.44	75.09	57.55

6) Based on Plant 1 and Plant 2

Environmental Management System Certification (ISO 14001)

Category	Unit	2023	2024	2025
Total worksites	sites	1	1	1
Certified worksites	sites	1	1	1
Certification rate	%	100	100	100

ESG Data

Sangsin Brake Co., Ltd

Environmental Performance

Eco-Label Certification (Hazardous-Substance Reduction)

Category	Unit	2023	2024	2025
Automotive brake linings	cases	10	10	10
Automotive brake pads	cases	1	1	1

Eco-friendly Investment & Procurement

Category	Unit	2023	2024	2025
Eco-friendly investment cost[7)]	KRW million	730	704	785

7) Includes investment in solar power facilities and worksite environmental-improvement facilities

Eco-friendly Revenue[8)]

Category	Unit	2023	2024	2025
Eco-friendly automotive parts revenue	KRW million	101,333	105,221	100,161
Eco-friendly automotive parts revenue ratio[9)]	%	25.5	26.2	25.7

8) Eco-friendly automotive parts basis: Cu-Free
9) Based on separate financial statement revenue

Social Performance

Employee Status

Category	Unit	2023	2024	2025
Total employees	persons	646	632	622
By type				
Permanent employees	persons	631	631	616
Temporary employees	persons	15	1	6[1)]
By age				
Under 30	persons	23	32	41
30 to under 50	persons	347	344	343
50 and over	persons	276	256	238
By gender				
Male	persons	596	583	575
Female	persons	50	49	47
By rank				
Executive	persons	26	27	27
Managerial	persons	316	319	315
Non-managerial	persons	304	286	280

1) Job type: production, office

ESG Data

Sangsin Brake Co., Ltd.

Social Performance

Employee Diversity

Category	Unit	2023	2024	2025
Total female employees	persons	50	49	47
Female employee ratio	%	7.7	7.8	7.6
Female managers	persons	46	45	43
Female manager ratio	%	14.6	14.1	13.7
Female non-managers	persons	4	4	4
Female non-manager ratio	%	1.3	1.4	1.4
Employees with disabilities[2)]	persons	15	12	13
Disability employment ratio	%	4.19	3.56	3.86
Veterans employed	persons	3	3	3
Veterans ratio	%	0.5	0.5	0.5
Foreign nationals employed	persons	1	1	1
Foreign-national ratio	%	0.2	0.2	0.2

2) Based on actual headcount without weighting by severity of disability

New Hires

Category	Unit	2023	2024	2025
Total new hires[3)]	persons	30	56	21
By type				
Permanent employees	persons	25	38	12
Temporary employees	persons	5	18	9
By age				
Under 30	persons	18	28	15
30 to under 50	persons	12	28	6
50 and over	persons	0	0	0
By gender				
Male	persons	24	52	20
Female	persons	6	4	1

3) 2023 and 2024 data restated to include production-line staff

Status of Labor Union

Category	Unit	2023	2024	2025
Eligible employees	persons	293	285	275
Union members	persons	293	285	275
Unionization rate	%	100	100	100

ESG Data

Sangsin Brake Co., Ltd.

Social Performance

Turnover

Category	Unit	2023	2024	2025
Total separations	persons	52	57	38
Voluntary separations	persons	31	38	16
Voluntary turnover rate	%	4.8	6.0	2.6

Capability Development

Category	Unit	2023	2024	2025
Total training hours	hours	17,877	17,828	8,963
Training hours per person	hours	27.7	28.2	14.4
By gender[4]				
Male	hours	-	-	16.3
Female	hours	-	-	28.9
Total training cost	KRW	148,919,716	166,596,121	86,669,787
Training cost per person	KRW	230,526	263,601	139,340

4) Per-person training hours by gender compiled from 2025

Performance Evaluation[5]

Category	Unit	2023	2024	2025
Employees subject to regular evaluation	persons	336	279	299
Employees who received regular evaluation	persons	275	269	282
Regular-evaluation coverage ratio	%	81.8	96.4	94.3

5) Excludes the general-affairs driver/Suwon test-driver job groups (for whom KPI setting is excluded by job characteristics) and those unable to actually work due to leave, industrial accident, etc.

Welfare & Benefits

Category	Unit	2023	2024	2025
Total welfare/benefit cost	KRW	9,066,222,014	9,323,981,554	9,356,148,336
Welfare/benefit cost per person	KRW	14,034,399	14,753,135	15,042,039

Parental Leave

Category	Unit	2023	2024	2025
Parental-leave users[6]	persons	5	11	10
Male	persons	5	4	9
Female	persons	0	7	1
Parental-leave usage rate[7]	%	0	18.8	70.0
Male	%	0	18.8	67.0
Female[8]	%	0	0	100
Retained 12+ months after return[9]	persons	2	1	6
Male	persons	1	1	6
Female	persons	1	0	0

6) Workers who used parental leave within 1 year after childbirth (start basis)
7) Workers who used parental leave within 1 year after childbirth / workers with a child under 1 year as of the year
8) Women who gave birth but are before the parental-leave start point due to maternity leave, etc., are excluded from the usage-rate calculation
9) Of those who returned in the prior period, workers retained 12+ months as of the current perio

ESG Data

Sangsin Brake Co., Ltd.

Social Performance

Safety & Health

Category	Unit	2023	2024	2025
Employee				
Fatalities	cases	0	0	0
Industrial accidents	cases	10	36	30
Industrial accident rate	%	1.5	5.7	4.8
LTIFR	cases/million hrs	7.6	27.2	24.0

Safety & Health Management System Certification (ISO 45001)

Category	Unit	2023	2024	2025
Total worksites	sites	1	1	1
Certified worksites	sites	1	1	1
Certification rate	%	100	100	100

Safety & Health Training

Category	Unit	2023	2024	2025
Participating employees	persons	646	632	622
Participation ratio	%	100	100	100
Total training hours	hours	11,300	10,412	11,838
Training hours per person	hours	17.5	16.5	19.0

Suppliers[10)]

Category	Unit	2023	2024	2025
Total suppliers	companies	205	205	205
Total purchase amount	KRW 100 million	2,368	2,515	2,375
Key suppliers	companies	48	48	48
Key-supplier purchase amount	KRW 100 million	1,993	2,089	1,818
Key-supplier purchase ratio	%	84.2	83.1	76.5

10) Based on head office

Social Contribution

Category	Unit	2023	2024	2025
Local welfare-center donations[11)]	KRW	44,427,349	63,670,299	59,333,730

11) Free meals and goods support

Customer Satisfaction

Category	Unit	2023	2024	2025
Recalls announced	cases	0	0	0
Total units recalled	units	0	0	0
HKMC 5 Star(Quality, Technology, On-Time Delivery)	rating	4/4+/3	4+/4+/4	4+/4+/4

ESG Data

Sangsin Brake Co., Ltd.

Governance Performance

Board Meetings Held

Category	Unit	2023	2024	2025
Total	times	33	32	23
Regular board meetings	times	6	6	6
Extraordinary board meetings	times	27	26	17
Discussed agenda	items	34	37	46

Composition of the Board of Directors

Category	Unit	2023	2024	2025
Total directors	persons	7	6	6
Internal directors	persons	4	3	3
Outside directors	persons	3	3	3

Internal Monitoring

Category	Unit	2023	2024	2025
Whistleblower reports	cases	0	0	0
Fraud/corruption cases	cases	0	0	0
Information-security incidents	cases	0	0	0
Worksites with ethics audit/ risk assessment[1)]	sites	4	4	3
Ratio of worksites with ethics audit/risk assessment	%	57	57	43

1) Scope of internal monitoring: head office and overseas worksites (Wuxi, Sichuan, India, Mexico, STA, SBA)

Legal Violations[2)]

Category	Unit	2023	2024	2025
Environment				
Violations	cases	0	2	1
Fines/penalties	KRW million	0	2.6	1.6
Safety & health				
Violations	cases	2	1	0
Fines/penalties	KRW million	21.8	240	0
Labeling/advertising				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Personal-data protection				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Women's rights & maternity protection				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Counterfeit-parts use/distribution				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Anti-competitive behavior				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0

2) Based on the annual reports

ESG Data

Sangsin Brake (Wuxi) Co., Ltd.

Environmental Performance

GHG Emissions

Category	Unit	2023	2024	2025
Scope 1 + 2 emissions (total)	tCO_2eq	8,819	9,265	9,390
Scope 1	tCO_2eq	41	41	40
Scope 2	tCO_2eq	8,778	9,224	9,349

Energy Use

category	unit	2023	2024	2025
Non-renewable energy use	mwh	15,230	15,997	16,987
Electricity	mwh	15,074	15,841	16,834
Diesel	mwh	22	25	38
Gasoline	mwh	134	131	115
Renewable energy use	mwh	2,405	1,750	1,869
Renewable energy share of total energy	%	13.6	9.9	9.9

Waste Generation

category	unit	2023	2024	2025
Total	ton	851	819	941
Non-hazardous waste	ton	228	223	228
Hazardous waste	ton	623	596	713
Waste recycled	ton	400	325	507
Waste recycling rate	%	47.0	39.6	53.9

Waste Treatment by Type and Method

category	unit	2023	2024	2025
Non-hazardous waste	ton	228	223	228
Incineration (energy recovery)	ton	37	42	48
Incineration (energy non-recovery)	ton	48	44	49
Recycling	ton	143	137	131
Other	ton	0	0	0
Hazardous waste	ton	623	596	713
Incineration (energy recovery)	ton	0	0	0
Incineration (energy non-recovery)	ton	293	409	337
Recycling	ton	257	188	376
Other	ton	73	0	0

Water Intake

Category	Unit	2023	2024	2025
Total	ton	23,494	33,656	43,007
Municipal water	ton	16,592	23,769	30,373
Other	ton	6,902	9,887	12,634

Water Use

Category	Unit	2023	2024	2025
Water use	ton	8,859	12,691	16,218
Wastewater discharged	ton	14,635	20,965	26,789

ESG Data

Sangsin Brake (Wuxi) Co., Ltd.

Environmental Performance

Pollutant Emissions

Category	unit	2023	2024	2025
Air pollutants (total)	ton	0.90	0.91	1.16
Sulfur oxides (SOx)	ton	0	0	0
Nitrogen oxides (NOx)	ton	0	0	0
Particulate matter (PM)	ton	0.90	0.91	1.16
Water pollutants (total)	ton	0.54	1.03	0.84
Biochemical oxygen demand (BOD)	ton	0.26	0.48	0.36
Total organic carbon (TOC)	ton	0	0	0
Suspended solids (SS)	ton	0.29	0.55	0.48
Chemical emissions	ton	0	0	0
Hazardous-chemical use	ton	0	0	0

Environmental Management System Certification (ISO 14001)

Category	Unit	2023	2024	2025
Total worksites	sites	1	1	1
Certified worksites	sites	1	1	1
Certification rate	%	100	100	100

Social Performance

Employee Status

Category	Unit	2023	2024	2025
Total employees	persons	331	353	351
By type				
Permanent employees	persons	268	269	271
Temporary employees	persons	63	84	80

Status of Labor Union

Category	Unit	2023	2024	2025
Eligible employees	persons	252	257	263
Union members	persons	252	257	263
Unionization rate	%	100	100	100

Capability Development

Category	Unit	2023	2024	2025
Participating employees	persons	995	1,097	875
Total training hours	hours	1,108	1,127	1,231

ESG Data

Sangsin Brake (Wuxi) Co., Ltd.

Social Performance

Safety & Health

Category	Unit	2023	2024	2025
Employee				
Fatalities	cases	0	0	0
Industrial accidents	cases	2	4	7
Industrial accident rate	%	0.6	1.1	2.0
LTIFR	cases/million hrs	3.8	7.7	7.6

Safety & Health Training

Category	Unit	2023	2024	2025
Total employees	persons	331	353	351
Total training hours	hours	360	722	602

Governance Performance

Legal Violations

Category	Unit	2023	2024	2025
Environment				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Human rights				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Safety & health				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Ethics				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Anti-competitive behavior				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0

ESG Data

Sichuan Sangsin Brake Co., Ltd.

Environmental Performance

GHG Emissions

Category	Unit	2023	2024	2025
Scope 1 + 2 emissions (total)	tCO_2eq	2,293	2,142	1,941
Scope 1	tCO_2eq	13	12	12
Scope 2	tCO_2eq	2,280	2,130	1,929

Energy Use

Category	Unit	2023	2024	2025
Non-renewable energy use	MWh	3,965	3,703	3,519
Electricity	MWh	3,916	3,658	3,473
Gasoline	MWh	49	45	47

Waste Generation

Category	Unit	2023	2024	2025
Total	ton	53	116	105
Non-hazardous waste	ton	7	8	9
Hazardous waste	ton	47	109	96

Waste Treatment by Type and Method

Category	Unit	2023	2024	2025
Non-hazardous waste	ton	7	8	9
Recycling	ton	7	8	9
Other	ton	0	0	0
Hazardous waste	ton	47	109	96
Recycling	ton	0	0	0
Other	ton	47	109	96

Water Intake

Category	Unit	2023	2024	2025
Total	ton	15,729	15,619	19,870
Municipal water	ton	15,729	15,619	19,870

Water Use

Category	Unit	2023	2024	2025
Water use	ton	0	0	0
Wastewater discharged	ton	15,729	15,619	19,870

ESG Data

Sichuan Sangsin Brake Co., Ltd.

Environmental Performance

Pollutant Emissions

Category	Unit	2023	2024	2025
Air pollutants (total)	ton	0.25	0.30	0.00[1]
Sulfur oxides (SOx)	ton	0	0	0
Nitrogen oxides (NOx)	ton	0.02	0.00[2]	0
Particulate matter (PM)	ton	0.23	0.30	0.00[1]
Water pollutants (total)	ton	0.64	0.64	0.81
Biochemical oxygen demand (BOD)	ton	0.29	0.29	0.37
Total organic carbon (TOC)	ton	0	0	0
Suspended solids (SS)	ton	0.35	0.34	0.44
Chemical emissions	ton	0	0	0
Hazardous-chemical use	ton	0	0	0

1) 0.004
2) 0.001

Environmental Management System Certification (ISO 14001)

Category	Unit	2023	2024	2025
Total worksites	sites	1	1	1
Certified worksites	sites	1	1	1
Certification rate	%	100	100	100

Social Performance

Employee Status

Category	Unit	2023	2024	2025
Total employees	persons	124	119	95
By type				
Permanent employees	persons	124	119	95

Status of Labor Union

Category	Unit	2023	2024	2025
Eligible employees	persons	124	119	95
Union members	persons	124	119	95
Unionization rate	%	100	100	100

Capability Development

Category	Unit	2023	2024	2025
Participating employees	persons	124	119	95
Total training hours	hours	2,738	2,641	2,173

ESG Data

Sichuan Sangsin Brake Co., Ltd.

Social Performance

Safety & Health

Category	Unit	2023	2024	2025
Employee				
Fatalities	cases	0	0	0
Industrial accidents	cases	0	7	3
Industrial accident rate	%	0.0	5.9	3.2
LTIFR	cases/million hrs	0.0	29.7	15.9

Safety & Health Training

Category	Unit	2023	2024	2025
Participating employees	persons	124	119	95
Total training hours	hours	2,232	2,142	1,710

Governance Performance

Legal Violations

Category	Unit	2023	2024	2025
Environment				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Human rights				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Safety & health				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Ethics				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Anti-competitive behavior				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0

ESG Data

Sangsin Brake India Pvt. Ltd.

Environmental Performance

GHG Emissions

Category	Unit	2023	2024	2025
Scope 1 + 2 emissions (total)	tCO_2eq	5,855	2,525	1,976
Scope 1	tCO_2eq	383	598	950
Scope 2	tCO_2eq	5,472	1,926	1,026
Scope 3[1)]	tCO_2eq	102	119	158

1) Fuel costs other than corporate vehicles

Energy Use

Category	Unit	2023	2024	2025
Non-renewable energy use	MWh	9,172	5,045	5,177
Electricity	MWh	7,670	2,700	1,451
Diesel	MWh	1,463	2,283	3,652
Gasoline	MWh	39	62	75
Renewable energy use	MWh	101	5,582	9,035
Renewable energy share of total energy	%	1.1	52.5	63.6

Waste Generation

Category	Unit	2023	2024	2025
Total	ton	198	204	267
Hazardous waste	ton	198	204	267
Waste recycled	ton	0	0.6	1.5
Waste recycling rate	%	0	0.3	0.6

Waste Treatment by Type and Method

Category	Unit	2023	2024	2025
Hazardous waste	ton	198	204	267
Incineration (energy non-recovery)	ton	26	13	19
Landfill	ton	172	190	247
Recycling	ton	0	0.6	1.5

Water Intake[2)]

Category	Unit	2023	2024	2025
Total	ton	-	-	8,700
Groundwater	ton	-	-	8,700

2) In 2023 and 2024, only meters for wastewater discharge were installed, so water-intake data are absent; meters for water-intake measurement were installed from 2025

Water Use[3)]

Category	Unit	2023	2024	2025
Water use	ton	-	-	8,246
Wastewater discharged	ton	6,940	3,736	455

3) In 2023 and 2024, only meters for wastewater discharge were installed, so water-intake data are absent; meters for water-intake measurement were installed from 2025

ESG Data

Sangsin Brake India Pvt. Ltd.

Environmental Performance

Pollutant Emissions

Category	Unit	2023	2024	2025
Air pollutants (total)	ton	0.08	0.08	0.10
Sulfur oxides (SOx)	ton	0.01	0.01	0.01
Nitrogen oxides (NOx)	ton	0.02	0.02	0.02
Particulate matter (PM)	ton	0.06	0.06	0.07
Water pollutants (total)	ton	0.19	0.12	0.01
Biochemical oxygen demand (BOD)	ton	0.09	0.06	0.01
Total organic carbon (TOC)	ton	0	0	0
Suspended solids (SS)	ton	0.10	0.06	0.00
Chemical emissions	ton	0	0	0
Hazardous-chemical use	ton	0	0	0

Environmental Management System Certification (ISO 14001)

Category	Unit	2023	2024	2025
Total worksites	sites	1	1	1
Certified worksites	sites	1	1	1
Certification rate	%	100	100	100

Social Performance

Employee Status

Category	Unit	2023	2024	2025
Total employees	persons	149	186	230
By type				
Permanent employees	persons	51	61	77
Temporary employees	persons	98	125	153

Capability Development

Category	Unit	2023	2024	2025
Participating employees	persons	1,187	1,815	1,759
Total training hours	hours	1,187	1,812	1,759

ESG Data

Sangsin Brake India Pvt. Ltd.

Social Performance

Safety & Health

Category	Unit	2023	2024	2025
Employee				
Fatalities	cases	0	0	0
Industrial accidents	cases	6	2	2
Industrial accident rate	%	4.0	1.1	0.9
LTIFR	cases/million hrs	18.7	5.2	4.4

1) Based on total working hours of entity staff and dispatched staff

Safety & Health Management System Certification (ISO 45001)

Category	Unit	2023	2024	2025
Total worksites	sites	1	1	1
Certified worksites	sites	1	1	1
Certification rate	%	100	100	100

Safety & Health Training

Category	Unit	2023	2024	2025
Total employees	persons	149	186	230
Total training hours	hours	864	1,482	1,388

Governance Performance

Legal Violations

Category	Unit	2023	2024	2025
Environment				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Human rights				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Safety & health				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Ethics				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Anti-competitive behavior				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0

ESG Data

SANGSIN BRAKE MEXICO S. DE R.L. DE C.V.

Environmental Performance

GHG Emissions

Category	Unit	2023	2024	2025
Scope 1 + 2 emissions (total)	tCO_2eq	3,666	3,742	2,535
Scope 1	tCO_2eq	17	13	11
Scope 2	tCO_2eq	3,649	3,730	2,524

Energy Use

Category	Unit	2023	2024	2025
Non-renewable energy use	MWh	8,394	8,563	5,265
Electricity	MWh	8,330	8,516	5,225
Gasoline	MWh	64	47	40

Waste Generation

Category	Unit	2023	2024	2025
Total	ton	230	360	176
Non-hazardous waste	ton	62	112	95
Hazardous waste	ton	168	248	81

Waste Treatment by Type and Method

Category	Unit	2023	2024	2025
Non-hazardous waste	ton	62	112	95
Landfill	ton	62	112	95
Hazardous waste	ton	168	248	81
Landfill	ton	168	248	81

Water Intake

Category	Unit	2023	2024	2025
Total	ton	0	2,616	2,101
Municipal water	ton	0	2,616	2,101

Water Use

Category	Unit	2023	2024	2025
Water use	ton	0	0	0
Wastewater discharged	ton	0	2,616	2,101

Pollutant Emissions

Category	Unit	2023	2024	2025
Air pollutants (total)	ton	0.00	0.17	0.02
Sulfur oxides (SOx)	ton	0	0	0
Nitrogen oxides (NOx)	ton	0	0	0
Particulate matter (PM)	ton	-	0.17	0.02
Water pollutants (total)	ton	0.00	0.00	0.38
Biochemical oxygen demand (BOD)	ton	0	-	0.27
Total organic carbon (TOC)	ton	0	0	0
Suspended solids (SS)	ton	-	-	0.11
Chemical emissions	ton	0	0	0
Hazardous-chemical use[1)]	ton	25.67	48.10	9.34

1) Purchase volume treated as use

ESG Data

SANGSIN BRAKE MEXICO S. DE R.L. DE C.V.

Social Performance

Employee Status

Category	Unit	2023	2024	2025
Total employees	persons	255	234	130
By type				
Permanent employees	persons	255	234	130

Status of Labor Union

Category	Unit	2023	2024	2025
Eligible employees	persons	220	196	92
Union members	persons	220	196	92
Unionization rate	%	100	100	100

Capability Development

Category	Unit	2023	2024	2025
Participating employees	persons	255	234	130
Total training hours	hours	4,330	5,441	4,077

Safety & Health

Category	Unit	2023	2024	2025
Employee				
Fatalities	cases	0	0	0
Industrial accidents	cases	4	1	2
Industrial accident rate	%	1.6	0.4	1.5
LTIFR	cases/million hrs	20.1	3.4	10.6

Governance Performance

Legal Violations

Category	Unit	2023	2024	2025
Environment				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Human rights				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Safety & health				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Ethics				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Anti-competitive behavior				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0

ESG Data

Sangsin Technology America, Inc.

Environmental Performance

GHG Emissions

Category	Unit	2023	2024	2025
Scope 1 + 2 emissions (total)	tCO_2eq	166	178	196
Scope 1	tCO_2eq	4	7	10
Scope 2	tCO_2eq	162	171	186

Energy Use

Category	Unit	2023	2024	2025
Non-renewable energy use	MWh	496	534	609
Electricity	MWh	482	508	570
Gasoline	MWh	14	26	39

Waste Generation

Category	Unit	2023	2024	2025
Total	ton	71	77	77
Non-hazardous waste	ton	71	77	77

Waste Treatment by Type and Method

Category	Unit	2023	2024	2025
Non-hazardous waste	ton	71	77	77
Landfill	ton	71	77	77

Water Intake

Category	Unit	2023	2024	2025
Total	ton	218	367	376
Municipal water	ton	218	367	376

Environmental Management System Certification (ISO 14001)

Category	Unit	2023	2024	2025
Total worksites	sites	1	1	1
Certified worksites	sites	1	1	1
Certification rate	%	100	100	100

ESG Data

Sangsin Technology America, Inc.

Social Performance

Employee Status

Category	Unit	2023	2024	2025
Total employees	persons	50	47	45
By type				
Permanent employees	persons	15	17	23
Temporary employees	persons	35	30	22

Capability Development[1)]

Category	Unit	2023[1)]	2024	2025
Participating employees	persons	-	592	516
Total training hours	hours	-	975	606

1) Participating employees and total training hours compiled from 2024

Safety & Health

Category	Unit	2023	2024	2025
Employee				
Fatalities	cases	0	0	0
Industrial accidents	cases	0	0	0
Industrial accident rate	%	0	0	0
LTIFR	cases/million hrs	0	0	0

Safety & Health Management System Certification (ISO 45001)

Category	Unit	2023	2024	2025
Total worksites	sites	1	1	1
Certified worksites	sites	1	1	1
Certification rate	%	100	100	100

Safety & Health Training[2)]

Category	Unit	2023	2024	2025
Participating employees	persons	-	401	450
Total training hours	hours	-	401	450

2) Participating employees and total training hours compiled from 2024

ESG Data

Sangsin Technology America, Inc.

Governance Performance

Legal Violations

Category	Unit	2023	2024	2025
Environment				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Human rights				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Safety & health				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Ethics				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0
Anti-competitive behavior				
Violations	cases	0	0	0
Fines/penalties	KRW million	0	0	0

Stakeholder Engagement

Key Issues & Communication Channels

Considering the characteristics and current issues of the automotive parts industry, Sangsin Brake operates various communication channels for five stakeholder groups: government, local communities, customers, suppliers, and employees. Through these channels, the Company reflects the key opinions presented by stakeholders in its management activities, striving to realize sustainable management based on trust with stakeholders.

Identification & Classification	Engagement & Communication	Integrating Stakeholder Feedback	Monitoring
• Identify key stakeholders • Understand key issues	• Set engagement methods • Gather stakeholder opinions	• Report opinions internally • Establish response activities and strategy	• Monitor implementation of response activities and improvement tasks

Stakeholders	Key Issues of Interest	Sangsin Brake Response Activities	Communication Channels
Government	• Legal compliance • Fulfillment of social/environmental responsibility	• Anti-corruption activities • Eco-friendly product development	• Public hearings • Press releases • Policy meetings/seminars
Local Community	• Local economic revitalization • Expanded social contribution • Ecosystem protection	• Job creation and retention • Community-tailored social contribution • Biodiversity assessment and protection near worksites	• Social-contribution activities • Local institutions/organizations
Customers	• Improved product/service quality • Product safety • Enhanced customer satisfaction	• Technology investment/development to improve product and price competitiveness • Strengthening product safety and quality control • Improved customer satisfaction	• Customer satisfaction surveys • Customer center • Website/SNS
Suppliers	• Industrial safety & health management • Win-win support • Guarantee of fair trade	• Support for supplier worksite safety management • Supplier ESG management support • Supplier capacity-building support	• Website • Surveys • Worksite visits
Employees	• Internalization of human rights management • Capacity-building support • Industrial safety & health management	• Building a human rights management system • Operating employee capability-development programs • Strengthening worksite safety & health management	• Labor-management council • Grievance channels • In-house bulletin board

Patents & Affiliated Associations and Initiatives

Domestic & Overseas Patent Status

Category	Domestic		Overseas		Remarks
	In Review	Registered	In Review	Registered	
Patents	47	132	17	23	• Domestic: accessory assembly device for automotive brake pads, noise-prevention-plate feeder for automotive brake pads, etc. • Overseas: raw-material leveling device for brake-friction-material molding machines, drying and mixing device for raw-material feeders for automotive brake-pad molding, etc.
Designs	3	136	7	4	• Domestic: lining-shoe assembly for automotive drum brakes, chamber bracket for automotive drum brakes, etc. • Overseas: gauge for measuring wear of automotive pneumatic disc brakes
Trademarks	-	37	24	354	• Domestic: Hi-Q, SB Sangsin Brake, HARDRON, etc. • Overseas: SB Sangsin Brake (USA), SB HARDRON (China), etc.
Copyrights	-	4	-	6	• Domestic: FUJITA, etc. • Overseas: SB PREMIUM, SB GENUINE, SB Torq packaging backing, etc.
Total	**50**	**309**	**48**	**387**	

Affiliated Associations and Initiatives

Federation of Middle Market Enterprises of Korea	Mando Partners Association	Korea World Class Enterprise Association	Daegu-Gyeongbuk Chapter, Korea Environmental Preservation Association
Korea International Trade Association	Korea Industrial Safety Association	Daegu Enterprises Federation	Korea Electric Engineers Association
Daegu Chamber of Commerce and Industry	Daegu-Gyeongbuk Chapter, Korean Society of Environmental Engineers	Korea Automobile Industry Coop. Association	Agro-Industrial Complex Fire Brigade, Daegu Dalseong Fire Station
Korean Society of Automotive Engineers	Korea Fire Safety Institute	Tata Daewoo Mobility Dealers Association	
HKASA (Hyundai-Kia Automotive Suppliers' Association)	Korea Listed Companies Association	Korea Industrial Technology Association	

GRI Index

GRI Standards 2021
- Overview: Sangsin Brake prepared the sustainability information for January 1–December 31, 2025 in accordance with the GRI Standards 2021. GRI 1: Foundation 2021 applies.
- GRI 1: GRI 1: Foundation 2021
- GRI Sector Standards: As of June 2026, when Sangsin Brake publishes this report, there are no applicable GRI Sector Standards.

Universal Standards

GRI Standard	Disclosure	Page
2-1	Organizational details	5~8
2-2	Entities included in the organization's sustainability reporting	2
2-3	Reporting period, frequency and contact point	2
2-4	Restatements of information	49~56
2-5	External assurance	Appendix
2-6	Activities, value chain and other business relationships	5~8, Annual Report
2-7	Employees	52~53
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2-11	Chair of the highest governance body	45
2-12	Role of the highest governance body in overseeing the management of impacts	11
2-13	Delegation of responsibility for managing impacts	11
2-14	Role of the highest governance body in sustainability reporting	11
2-15	Conflicts of interest	45
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2-17	Collective knowledge of the highest governance body	-[1]
2-18	Evaluation of the performance of the highest governance body	47, Annual Report[2]
2-19	Remuneration policies	47, Annual Report[2]
2-20	Process to determine remuneration	47, Annual Report[2]
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3-3	Management of material topics	15

1) Reason for non-disclosure: confidentiality constraints
2) Business report VIII. Matters concerning executives and employees, 2. Executive remuneration, etc.
3) Reason for non-disclosure: confidentiality constraints

Topic Specific Standards

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	302-2	Energy consumption outside of the organization	50
	302-3	Energy intensity	50
	302-4	Reduction of energy consumption	18, 20
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	50
	305-2	Energy indirect (Scope 2) GHG emissions	50
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	305-4	GHG emissions intensity	50
	305-5	Reduction of GHG emissions	20
	305-7	NOx, SOx, and other significant air emissions	51
Material Issue 2. Resource Management			
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GRI 306: Waste	306-3	Waste generated	50
	306-4	Waste diverted from disposal	50
	306-5	Waste directed to disposal	50
Material Issue 3. Product Quality & Customer Safety			
GRI 416: Customer Health & Safety	416-1	Assessment of health and safety impacts of products/services	41
	416-2	Incidents of non-compliance concerning health and safety impacts	55~56
Material Issue 4. Innovation & R&D			
-	-	-	22~23
Material Issue 5. Supply Chain			
GRI 308: Supplier Environmental Assessment	308-1	New suppliers screened using environmental criteria	36~37
	308-2	Negative environmental impacts in the supply chain and actions taken	36~37
GRI 414: Supplier Social Assessment	414-1	New suppliers screened using social criteria	36~37
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GRI Index

Topic Specific Standards

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GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	49
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	401-2	Benefits provided to full-time employees not provided to temporary/part-time employees	33
	401-3	Parental leave	54
GRI 403: Occupational Health & Safety	403-1	Occupational health and safety management system	34
	403-2	Hazard identification, risk assessment, and incident investigation	35
	403-3	Occupational health services	35
	403-4	Worker participation, consultation, and communication on OHS	34~35
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	403-7	Prevention and mitigation of OHS impacts directly linked by business relationships	35
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GRI 404: Training & Education	404-1	Average hours of training per employee	54
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	404-3	Employees receiving regular performance and career development reviews	54
GRI 405: Diversity & Equal Opportunity	405-1	Diversity of governance bodies and employees	53, 56
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SASB Index

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		Percentage grid electricity	-
		Percentage renewable	50
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		Percentage hazardous waste	50
		Percentage recycled	50
Product Safety	TR-AP-250 a.1	Number of recalls issued	55
		Number of units recalled	55
Design for Fuel Efficiency	TR-AP-410 a.1	Revenue from products designed to increase fuel efficiency and/or reduce emissions	52
Materials Sourcing	TR-AP-440 a.1	Description of the management of risks associated with the use of critical materials	36~37, 39
Materials Efficiency	TR-AP-440 b.1	Percentage of products sold that are recyclable	-
Competitive Behavior	TR-AP-440 b.2	Percentage of input materials from recycled or remanufactured content	-
	TR-AP-520 a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	56

Independent Assurance Statement

INDEPENDENT ASSURANCE OPINION STATEMENT

To: The Stakeholders of Sangsin Brake

Overview

The British Standards Institution (hereinafter referred to as the "Assurer") was requested to verify the 2026 Sangsin Brake Sustainability Report (hereinafter referred to as the "Report"). The Assurer is independent to Sangsin Brake and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the Sangsin Brake's report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the Sangsin Brake. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate.

Sangsin Brake is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the Report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Sangsin Brake only.

The Assurer is responsible for providing Sangsin Brake's management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of Sangsin Brake. The Assurer will not, in providing this Independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the Independent assurance opinion statement may be read.

Scope

The scope of engagement agreed upon with Sangsin Brake includes the following:

- Report contents during the period from January 1st to December 31st 2025 included in the Report, some data of 2026 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report's compliance with the AA1000 AccountAbility Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

Assurance Level and Type

The assurance level and type are as follows;

- Moderate level based on AA1000 AS and Type 1 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the Assurer reviewed the following disclosures based on the sampling of information and data provided by Sangsin Brake.

[Universal Standards]
2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

[Topic Standards]
101-3, 201-1, 203-1, 205-1~3, 206-1, 301-1, 302-1~4, 303-3~5, 305-1~5&7, 306-3~5, 308-1&2, 401-1~3, 403-1~9, 404-1~3, 405-1, 406-1, 407-1, 408-1, 409-1, 410-1, 411-1, 413-1&2, 414-1&2, 416-1&2, 417-2&3, 418-1

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation.
- Review of the materiality issue analysis process and prioritization and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures.
- An assessment of Sangsin Brake's reporting and management processes against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the HQ of Sangsin Brake to confirm the data collection processes, record management practices

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by Sangsin Brake. It implies that the Assurer is therefore subject to limitations relating to inherent risks that may exist without the identification of material errors. The Assurer does not provide assurance on possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Independent Assurance Statement

Competency and Independence

British Standards Institution (BSI) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with Sangsin Brake. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

The assurance was conducted by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the verification and collected sufficient evidence to explain Sangsin Brake's approach to the AA1000 Assurance Standard and to provide confidence in its self-declaration of compliance with the GRI Standards.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards is set out as below.

Inclusivity: Stakeholder Engagement and Opinion

Sangsin Brake categorizes its key stakeholders, who exert a significant influence on the company's business activities, into the government, local communities, customers, suppliers, and employees, and operates tailored communication channels for each group. Through these communication channels, the company regularly collects stakeholder feedback and requirements to reflect them in its management activities, including strategy formulation and implementation, and transparently discloses this entire process through the report.

Materiality: Identification and reporting of material sustainability topics

Sangsin Brake has established a process to formulate its sustainability strategies and derive significant reporting issues. By applying the Double Materiality Assessment methodology, the company conducted this process from a comprehensive risk management perspective—encompassing environmental, social, governance, and ethical dimensions—while actively reflecting the feedback of internal and external stakeholders. The company performed international disclosure standards analysis, industry benchmarking, and media research to assess both financial materiality and socio-environmental materiality. The company identified five key material issues with the highest impact: climate change response, resource management, product quality and customer safety, innovation and R&D, and supply chain management. The major activities and future plans related to these issues are transparently disclosed in this Report.

Responsiveness: Responding to material sustainability topics and related impacts

Sangsin Brake operates a management process for key material issues identified within the context of sustainability through its materiality assessment. To effectively reflect the expectations of relevant key stakeholders, the organization utilizes its unique, established management methodology. In accordance with this approach, the company transparently discloses its major response performances including the management methodologies, outcomes, and improvement plans related to the reported material issues through the Report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

Sangsin Brake has established a process to identify and assess the impacts of its core reporting issues on the organization and its stakeholders. The results of the analysis regarding the impacts, risks, and opportunities associated with these core reporting issues are utilized in decision-making to formulate tailored response strategies for each specific issue, and this entire process is transparently disclosed through the Report.

Recommendations and Opportunity for improvement

The Assurer provides the following observations to the extent that they do not affect the assurance opinion;

- It is commendable that Sangsin Brake has established a foundation for ESG governance by reviewing and approving ESG agenda items at the Board of Directors level, it is recommended to formally establish an independent "ESG Committee" under the Board to preemptively respond to rapidly changing global regulations and disclosure standards. Moving forward, the company can further solidify the trust of stakeholders and investors by disclosing the clear roles and approval frameworks of the ESG Committee, alongside transparently reporting governance-level management activities for sustainability led by the Committee

GRI-reporting

Sangsin Brake has self-declared compliance with GRI Standards. Based on the data and information provided by Sangsin Brake, the Assurer confirmed that the Report is prepared in accordance with the GRI Standards, and confirmed there are no errors in the disclosures related to the Universal Standards and Topic Standards Indicators. No sector standard is applied.

Issue Date: 29/05/2026

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

BSI representative

Doowon Kim,
Lead Assurer (LCSAP)

Seonghwan Lim,
Managing Director of BSI Korea

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 844648

AA1000
Licensed Report
000-4/V3-YNWT9

GHG Emissions Verification Statement

LRQA Independent Assurance Statement

Relating to Sangsin Brake Co., Ltd.'s GHG Emissions Inventory for the calendar years 2022 and 2025

This Assurance Statement has been prepared for Sangsin Brake Co., Ltd. in accordance with our contract.

Terms of engagement

LRQA was commissioned by Sangsin Brake Co., Ltd. to provide independent assurance on its GHG emissions inventory for the calendar years 2022 and 2025 (hereafter referred to as "the report") against the assurance criteria below to a limited level of assurance and materiality of 5% using ISO 14064-3:2019, 'Specification with guidance for verification and validation of greenhouse gas statements'.
Our assurance engagement covered the operations of Sangsin Brake Co., Ltd.'s domestic sites[1] and its overseas subsidiaries, and specifically the following requirements:

- Evaluating conformance with World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, revised edition[2]
- Evaluating the accuracy and reliability of data and information for direct GHG emissions (Scope 1) and energy indirect GHG emissions (Scope 2).

The main activities of Sangsin Brake Co., Ltd. and its overseas subsidiaries include manufacturing of automotive parts and the GHG emissions have been consolidated using an operational control approach.

LRQA's responsibility is only to Sangsin Brake Co., Ltd. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Sangsin Brake Co., Ltd.'s responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Sangsin Brake Co., Ltd.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Sangsin Brake Co., Ltd. has not, in all material respects:

- Met the requirements above; and
- Disclosed accurate and reliable data and information as summarized in Table 1 and Table 2 below.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of 5%.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

1) Sangsin Brake Co., Ltd.'s domestic subsidiaries were excluded from this assurance engagement.
2) https://www.ghgprotocol.org

LRQA's Recommendation

For Sangsin Technology America, Inc., applying utility-specific emission factors is recommended to ensure more precise market-based Scope 2 calculations and reporting in future periods.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Interviewing key people of the organization responsible for managing GHG emissions data and records;
- Reviewing processes related to the control of GHG emissions data and records;
- Reviewing remotely additional evidence made available by Sangsin Brake Co., Ltd.;
- Verifying historical GHG emissions data and records at an aggregated level for the calendar years 2022 and 2025; and
- Reviewing whether Sangsin Brake Co., Ltd. reflected the Greenhouse Gas Management Manual for Hyundai Motor and Kia Suppliers (Ver. 2.0).

LRQA's standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.
LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.
This verification engagement is the only work undertaken by LRQA for Sangsin Brake Co., Ltd. and as such does not compromise our independence or impartiality.

Dated: 25 March 2026

Chan-Sik Yun
LRQA Lead Verifier
On behalf of LRQA

2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu, Seoul, Republic of Korea
LRQA reference: SEO00001666

GHG Emissions Verification Statement

LRQA Independent Assurance Statement

Table 1. Summary of GHG Emissions Inventory 2022

Region	Corporate entity (Site)	Scope of GHG emissions (tCO_2e)			
		Direct GHG emissions (Scope 1)	Energy indirect GHG emissions (Scope 2, Location based)	Total	Energy indirect GHG emissions (Scope 2, Market based)
Korea	Sangsin Brake Co., Ltd. (Headquarters)	176	4,742	4,918	Excluded
	Sangsin Brake Co., Ltd. (Factory #1)	31	10,227	10,258	Excluded
	Sangsin Brake Co., Ltd. (Factory #2)	8	1,511	1,519	Excluded
	Sangsin Brake Co., Ltd. (Factory #3)	0	95	95	Excluded
China	Sangsin Brake (Wuxi) Co., Ltd.	33	7,966	7,999	7,966
	Sichuan Sangsin Brake Co., Ltd.	15	1,907	1,922	1,907
India	Sangsin Brake India Pvt. Ltd.	966	5,241	6,207	5,241
Mexico	SANGSIN BRAKE MEXICO S. DE R.L. DE C.V.	14	4,013	4,027	4,013
United States	Sangsin Technology America, Inc.	5	130	135	130
Total		1,247	35,833	37,080	

Note 1: Scope 2, Location based and Market based are defined in the GHG Protocol Scope 2 Guidance, 2015

Table 2. Summary of GHG Emissions Inventory 2025

Region	Corporate entity (Site)	Scope of GHG emissions (tCO_2e)			
		Direct GHG emissions (Scope 1)	Energy indirect GHG emissions (Scope 2, Location based)	Total	Energy indirect GHG emissions (Scope 2, Market based)
Korea	Sangsin Brake Co., Ltd. (Headquarters)	181	4,054	4,234	Excluded
	Sangsin Brake Co., Ltd. (Factory #1)	33	8,114	8,147	Excluded
	Sangsin Brake Co., Ltd. (Factory #2)	6	1,099	1,105	Excluded
	Sangsin Brake Co., Ltd. (Factory #3)	0	293	293	Excluded
China	Sangsin Brake (Wuxi) Co., Ltd.	40	9,350	9,390	9,350
	Sichuan Sangsin Brake Co., Ltd.	12	1,929	1,941	1,929
India	Sangsin Brake India Pvt. Ltd.	950	1,026	1,976	1,026
Mexico	SANGSIN BRAKE MEXICO S. DE R.L. DE C.V.	11	2,524	2,535	2,524
United States	Sangsin Technology America, Inc.	10	186	196	186
Total		1,243	28,573	29,816	

Note 1: Scope 2, Location based and Market based are defined in the GHG Protocol Scope 2 Guidance, 2015

SANGSIN BRAKE