KKDC
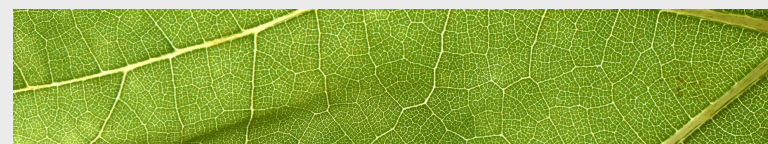
SUSTAINABILITY REPORT

2023

ABOUT REPORT

REPORT WRITING STANDARDS

This report is the company's first published ESG report and refers to the global reporting guidelines 'GRI Standards 2021' .

ESG Report

The Data compiled within this report is based on objective data in accordance with international accredited institutions and consultation from Intertek.

Service Details

- Sustainable management diagnosis and ESG package services.

- Greenhouse gas establishment, product carbon footprint calculation and third-party verification.

CFP (Product Carbon Footprint) Third-Party Verification Certification

- Completion of the international standard carbon footprint verification audit (ISO 14067) from the ISO 17029 verification footprint for CFP conducted as part of the ESG package (December 14, 2023).

- ISO 14067: Specifies principles, requirements and guidelines for quantifying and reporting the carbon footprint of products, as well as standard international specifications for life cycle assessment (LCA).

- Third-party verification was conducted according to these standards and certification is scheduled to be issued first half of 2024.

REPORTING PERIOD AND SCOPE

Reporting period : 2020.1~2022.12

Latest report publication date : First report

Reporting cycle : 2 years

Reports and ESG information : sgkim@kkdc.co.kr

Report prepared with consultation from **Intertek Testing Services Korea Ltd**.

intertek
Total Quality. Assured.

VERIFICATION OF INTERNATIONAL PRODUCT ENVIRONMENTAL FOOTPRINT

Statement No. IPEF-2024-001 / Date of issue: 30/04/24

CONTENTS

OVERVIEW

CEO MESSAGE

Since its inception in 2003, KKDC has grown into a specialized LED lighting company by accumulating technological independence and know-how in LED lighting development and manufacturing. It has promoted continuous management innovation by introducing a private management system throughout management. In addition, by realizing business diversification from focusing on the LED lighting business, we have expanded our business area to include development and electrical work. We have now grown into a company specializing in LED lighting. We constantly strive to become a global lighting company that goes beyond Korea and competes on the world stage.

In addition, the waste LED resource recycling field, which KKDC focuses on as a comparative advantage business and a new growth engine business, continuously expands its business area based on abundant technology and know-how, skilled human resources, and government-supported R&D support projects. Through specialized research institutes and large/medium/small cooperation projects, we are emerging as Korea's best 'rare earth recovery and recycling technology.' In addition, in the field of LED lighting, we are fulfilling our mission and responsibility as a leading landscape and indoor lighting company by introducing a higher level of performance and systematic management system.

In the future, KKDC will not be satisfied with its current position but will continue to pursue challenges and changes. By doing so, we will grow into a friendly company that receives love and trust from customers, gives customers joy, and fulfills social responsibility through respect for humanity and transparent management. Please watch with much interest and affection as KKDC creates a new history of challenge and change, which will unfold the Korean lighting equipment culture in a new way.

Keon-Kuk Choo, CEO of KKDC Co., Ltd
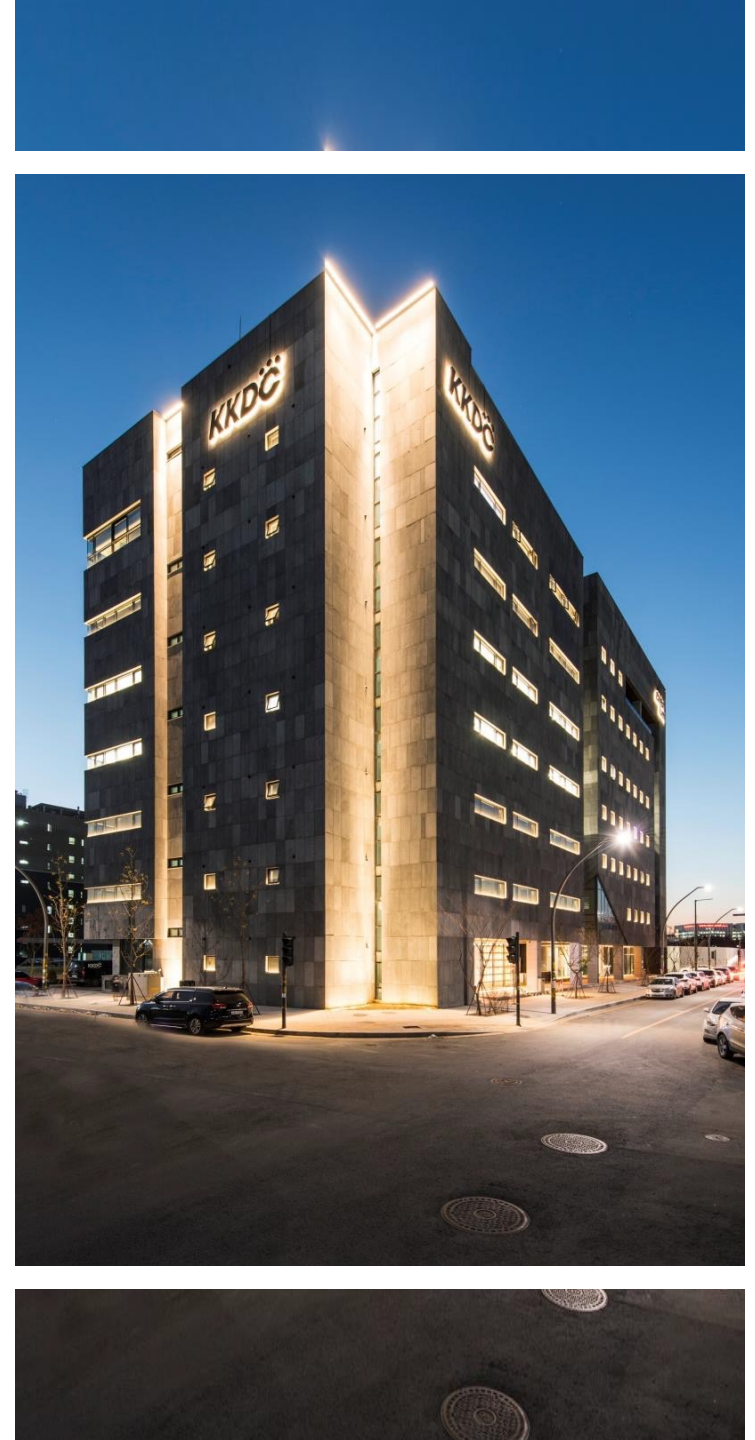
COMPANY OVERVIEW

KKDC started as a company specializing in servers and security in the IT field in 2003. In 2006, it established a corporate research center to develop differentiated technologies and stable production in the LED lighting field. It also produces innovative LED lighting equipment and related products based on R&D., a global lighting company.

To strengthen strategic collaboration with 'Global Set Makers' in North America, Europe, China, and Japan and provide close customer support, we have established and operated 14 sales corporations and branches worldwide. KKDC will continue to lead the global LED lighting market and offer more excellent value to customers based on advanced technology and stable production capabilities.
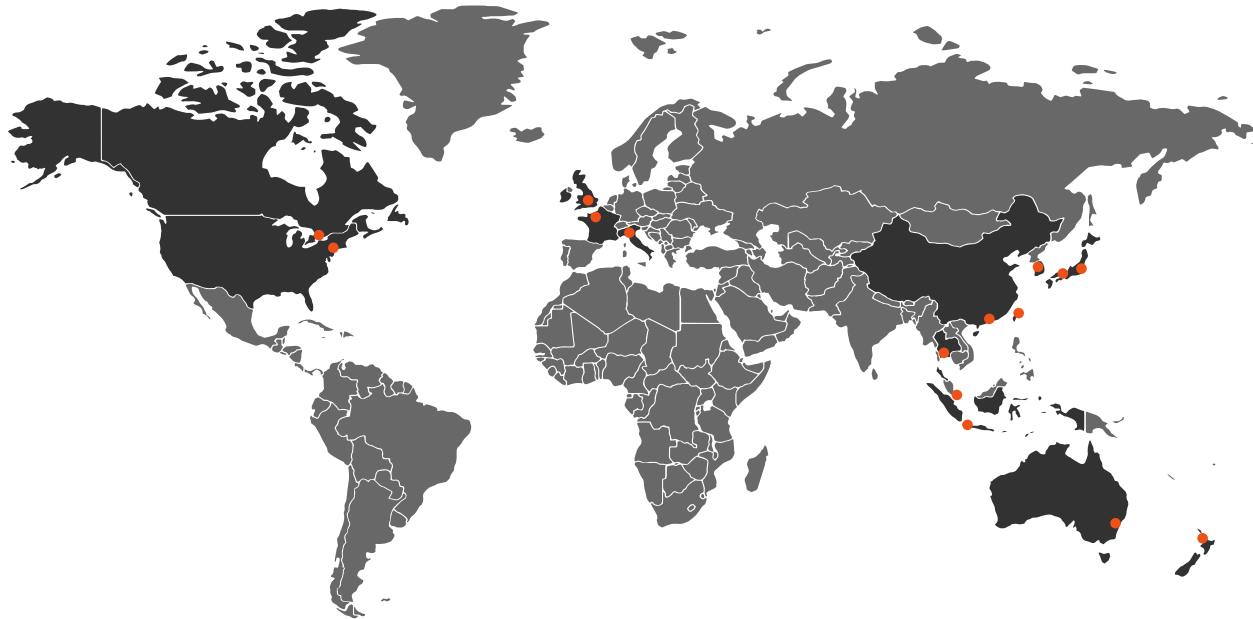
Company name	KKDC
Representative	Keon-Kuk Choo
Home page	http://www.kkdc.co.kr
Address	11-23, Gajwa-ro 50beon-gil, Ilsanseo-gu, Goyang-si, Gyeonggi-do, Republic of Korea
Sectors	(C28422) General purpose electric lighting equipment manufacturing
Main products/service	LED manufacturing
Number of employees	64
Company size	Medium enterprise
Phone number	031-942-9332
Company type	External appearance
Date of establishment	2003-02-06

COMPANY HISTORY

2005
KKDC PTY LTD
Jack Choo founded KKDC Pty Ltd., in Sydney Australia specialising in architectural linear LED lighting.

FIRST PRODUCT LAUNCHED
'TIMI' designed, a tiny minimalist LED profile at just 9.5 x 6.8mm. Suitable for interior applications such as joinery and coves.

2012
FIRST APPEARANCE AT FRANKFURT LIGHT + BUILDING
KKDC design and build a bespoke stand for Light + Building 2012, to showcase the company on the global stage with first Catalogue and range of new interior product series including GROOVE Light, LINI & TANA.

2008
NEW FACTORY IN PAJU
With increased demand for LED products a dedicated factory/R&D facility is built in Paju, South Korea.

2014
KKDC DESIGN HOUSE
office is established in the UK to manage global design and marketing demands.

2017
R&D CENTRE OPENS IN SEOUL
Clients and KKDC teams are invited to the grand opening of the purpose built KKDC R&D centre and production facility in Seoul.

MILAN OFFICE OPENS
KKDC Italy sets up Milan office to focus on high-end retail business and develop relationships with key designers.

2019
NEW WEBSITE LAUNCHED
Improvements made to add more features and functionality to aid specifiers.

2022
KKDC is back at LIGHT + BUILDING show Messe Frankfurt after global pandemic.

LIGHT BEAN coffee brand established with first KKDC coffee shop/lighting showroom concept setup in Bangkok.

2003
COMPANY SETUP
Jack Choo and Konkuk Choo setup 'Konkuk Data Communication Co. Ltd' in Seoul, South Korea.

2006
The first exterior product profiles are launched. Beautifully constructed, 'MIMI' at just 13 x 15mm and fully homogenous 'MOMO' at 25 x 26.5mm. The focus on high quality materials and LED packages was now set in stone.

2009
LONDON OFFICE SETUP
KKDC London is officially opened to target the growing lighting design industry with global specification reach. Ideas for new products begin to flourish with range expansion.

2013
SHANGHAI OFFICE OPENS
KKDC Shanghai is opened to meet the growing appeal of KKDC globally and target the market in Asia.

2015
KKDC OFFICES OPEN: TOKYO, BANGKOK, MELBOURNE & NEW YORK
Global expansion continues with offices setup in Tokyo, Bangkok, Melbourne and New York with a focus on breaking into the US market.

2018
KKDC NEW ZEALAND
Opens new office and showroom in Auckland.

2021
UK PRODUCTION
KKDC England establishes assembly premises in the Wiltshire countryside to serve the UK/EU client base and diversify custom product range.

TAIWAN OFFICE OPENS
KKDC Taipei office is established to further expand KKDC reach within Asia.

2023
MAISON & OBJET
KKDC France office launches to coincide with KKDC's first appearance at Maison & Objet show, Paris.

KKDC INDONESIA
Office opens to expand KKDC presence in South East Asia.

PRODUCT RANGE

We continuously improve and develop innovative technologies (such as PIXEL Matrix and Asymmetric lenses) within our lighting equipment groups:
Linear, Flexible, Power, System, Spots & Decorative.

LINEAR

01. TIMI
TIMI Micro
TIMI Glow
TIMI
TIMI-M
TIMI Asymmetric
TIMI-C
TIMI-D
TIMI Cove

02. LINI
LINI-S
LINI Asymmetric
LINI-S Glow
LINI-S XL
LINI Glow
LINI Glow XL
LINI Blade-S
LINI Blade-H
LINI-R
LINI-R XL

03. TIA
TIA 26 Asymmetric
TIA 26
TIA 40
TIA 26-R Asymmetric

04. TANA
TANA Nano 1
TANA Nano 2
TANA Nano 3
TANA Micro
TANA SP
TANA
TANA Asymmetric
TANA Spot

05. PICO
PICO Asymmetric

06. MIMI
MIMI Glow
MIMI
MIMI SL
MIMI Poki

07. MOMO
MOMO
MOMO Sauna
MIOMO-L
MOMO-R
MOMO-F
MOMO Bloc

08. SEN
SEN
SEN Asymmetric
SEN-F Asymmetric
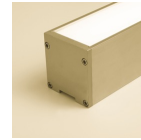
09. SUMO
SUMO

10. GROOVE
GROOVE Light
GROOVE Light IP67
GROOVE In

11. FLO
FLO Pool
FLO Stem
FLO Drop
FLO Lume

FLEXIBLE

12. KURV
KURV Groove
KURV-X
KURV-Y
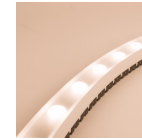
13. MOMO Flex
MOMO Flex

14. FX
FX
UNI FX

15. LUNA
DUO Luna
QUADRO Luna

POWER

16. MOMO Power
MOMO Power
MOMO-L Power
MOMO-R Power
MOMO-F Power

17. SEN
SEN CV
SEN CC
SEN CV Indoor
SEN Louvre CV
SEN Louvre CC
SEN-F CV
SEN-F CC

SYSTEM
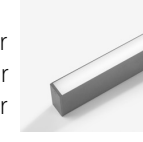
18. KOH
KOH 40-S
KOH 40-R
KOH 40-H

19. PIXEL
PIXEL Matrix

SPOTS

20. LINI Spot
LINI XL Spot Recessed
LINI XL Spot Trimless

21. PUK
PUK-L

22. TAYO
TAYO Spot
TAYO Micro
TAYO Ceiling

MAJOR PARTICIPATING PROJECTS
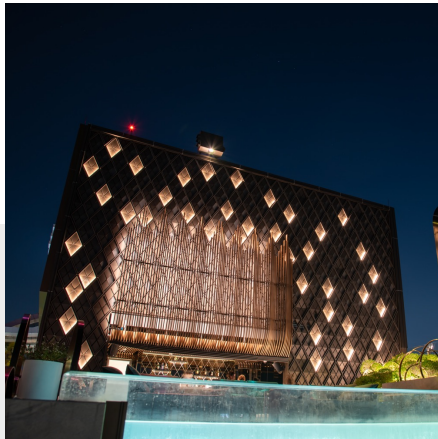
INNSiDE by Melia,
Bangkok Sukhumvit Hotel

Studio Frantzén at Harrods

Starfiled SUWON,
Byeolmadang Library
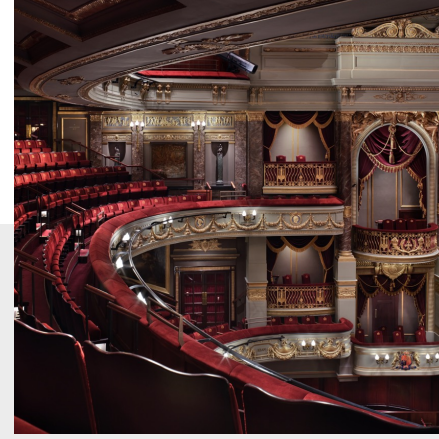
Theatre Royal Drury Lane,
London
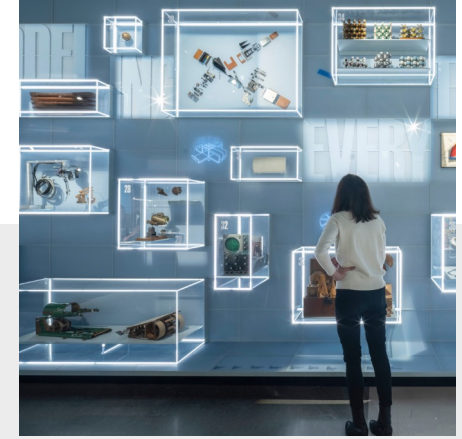
MIT Museum, Boston

ESG MANAGEMENT PHILOSOPHY

KKDC seeks to share its vision and commitment to ESG (environment, society, and governance).

ESG plays an essential role in building a better future. This is not just about fulfilling our corporate social responsibilities; it is vital to ensuring our business performance and long-term sustainability.

01 | Ethical management

In the rapidly changing business environment of infinite competition, social demands and expectations for corporate transparency and morality have increased significantly over time, and corporate ethical management is no longer an option but a core management element for corporate survival and sustainable growth and development. It is being highlighted.

To more actively and proactively respond to these changes in the business environment and social demands, we are bringing about fundamental changes in the consciousness and behavior of executives and employees by promoting system maintenance and education based on the CEO's strong will to practice ethical management.

KKDC executives and employees will participate in practicing ethical management and will not slow down our efforts to become a truly Clean Company.

02 | Quality management

In order to achieve the best quality and customer satisfaction, KKDC is leaping forward as a top-tier company in the era of infinite competition by meeting quality management requirements such as obtaining ISO 9001 certification and building high trust among customers through quality reliability, sincerity, and responsibility as a company.

03 | Safety and health management

KKDC aims to achieve the Dynamic KKDC 2030 Vision under a 'responsible company' philosophy based on the "3S" spirit of three major management policies: Safety, Smart Management, and Superior Quality. We will establish and implement a safety and health system.

04 | Green environmental management

KKDC is deeply aware of its social responsibility to preserve a pleasant global environment, ensure human health, and promote sustainable green environmental management.

KKDC ESG RATING

Synthesis	76/100

Environmental (E)	Social (S)	Governance (G)
E1	S2	G2

Evaluation date	28.08.2023

ENVIRONMENTAL / SOCIAL / GOVERNANCE

KKDC conducted an ESG diagnostic evaluation by Korea Credit Bureau (KCB) in 2023. As a result of the comprehensive ESG evaluation, we received grade 2, demonstrating excellent sustainable management performance based on environmental, social, and governance factors. This means that the three core elements for achieving a company's sustainable management activities - environmental management, social responsibility, and risks related to sound and transparent governance - are all managed at a high level, indicating excellent non-financial risk management capabilities from a mid-to-long-term perspective.

For the **environmental (E)** item evaluation, we received grade 1, showing excellent environmental management performance based on various innovation activities, production process management, and supply chain management. This means that management systems and policies related to environmental opportunities and risks have been established, and the policies are effectively operated, resulting in excellent environmental risk management capabilities from a mid-to-long-term perspective.

We received a grade 2 in the **social (S)** category evaluation, demonstrating excellent ethical and social responsibility management performance based on human resource management, supply chain management, customer management, and activities within the local community. This means that management systems and policies related to social opportunities and risks have been established and operated, resulting in excellent social risk management capabilities from a mid-to long-term perspective.

We received a grade 2 in the **governance (G)** item evaluation, we are building an excellent governance structure for sustainable management based on information transparency, the composition and activities of the board of directors, and sustainable management infrastructure. This means that management systems and policies related to opportunities and risks in terms of governance have been established and are being operated. The governance-related risk management capabilities are excellent from a mid- to long-term perspective.

ESG STRATEGY

Our Goals & Objectives

ENVIRONMENT AND CLIMATE CHANGE POLICY

KKDC strives to ensure the quality and safety of all our products and services while creating a more socially responsible and environmentally friendly tomorrow.

KKDC is continuously improving its business performance to minimize the impact of its business activities on the environment and effectively contribute to slowing climate change.

To this end, KKDC presents environmental goals and action plans at the global group level to all countries and regional offices where it conducts business activities

KKDC's environmental goal

- environmental laws, regulations, and standards in each country and region where our office operates.

- Suppress the generation of hazardous substances resulting from our activities and services within the communities where

- Reduction of greenhouse gases

Action plan to achieve environmental goals

- Reduce waste and carbon emissions and save resources (energy, water, paper) through effective waste management and circulation systems.

- Raise employees' awareness of environmental issues and encourage environmentally responsible behavior

- incidents that may harm people or the environment are recorded, reported, and investigated, and preventative action is taken where necessary.

- Continuously evaluate environmental performance and Monitor and improve (audit)

ENVIRONMENT AND CLIMATE CHANGE POLICY (CONTINUED)

To effectively implement the Action Plan, KKDC monitors greenhouse gas emission limits and energy consumption reduction activities in all countries and regions where it conducts business.

This monitoring is done through a dashboard to provide a glance overview of total emissions. The dashboard makes it easier to manage greenhouse gas emissions and encourages all KKDC members to take ownership of greenhouse gas reduction and take the necessary actions.
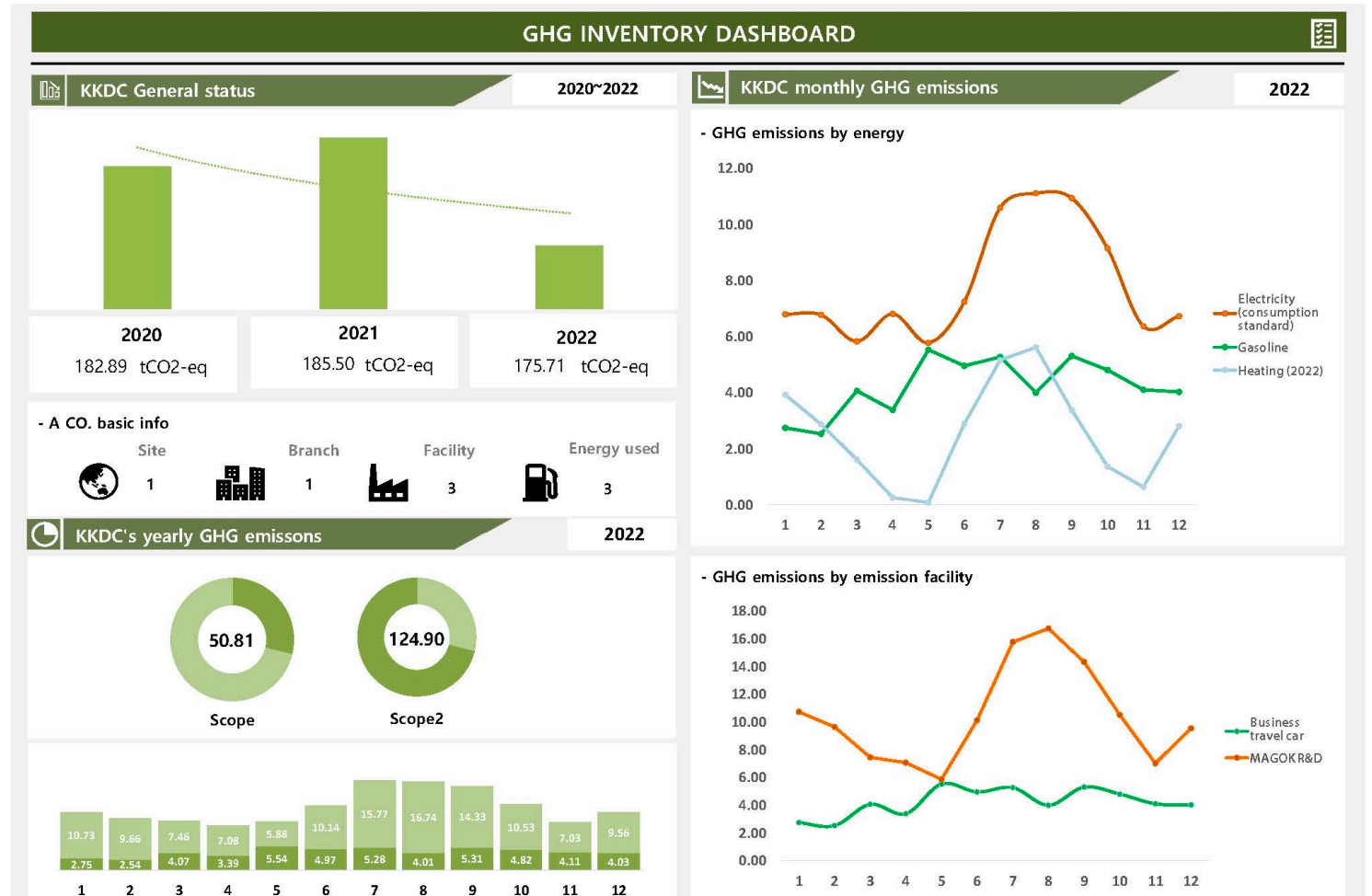
KKDC's GHG management dashboard

GHG INVENTORY DASHBOARD

KKDC General status — 2020~2022

2020	2021	2022
182.89 tCO2-eq	185.50 tCO2-eq	175.71 tCO2-eq

- A CO. basic info

Site	Branch	Facility	Energy used
1	1	3	3

KKDC's yearly GHG emissons — 2022

Scope: 50.81
Scope2: 124.90

	1	2	3	4	5	6	7	8	9	10	11	12
Top	10.73	9.66	7.46	7.08	5.88	10.14	15.77	16.74	14.33	10.53	7.03	9.56
Bottom	2.75	2.54	4.07	3.39	5.54	4.97	5.28	4.01	5.31	4.82	4.11	4.03

KKDC monthly GHG emissions — 2022

- GHG emissions by energy

Legend:
- Electricity (consumption standard)
- Gasoline
- Heating (2022)

- GHG emissions by emission facility

Legend:
- Business travel car
- MAGOKR&D

ACTION PLAN TO REDUCE GHG EMISSIONS AND ENERGY USE

Regarding greenhouse gas reduction, KKDC has set a reduction target of reducing greenhouse gas emissions by 1% per employee each year by 2023. To achieve the goal, implementation goals and annual action plans are set for each country and office, and the We are checking the progress . KKDC has set six implementation goals for Scope 2 reduction and six implementation goals for Scope 3 reduction .

GOAL			
Scope 2	• Replacing old equipment with energy-efficient equipment • Optimize building temperature to reduce power consumption • Use a programmable thermostat • Change lighting to LED and install vacancy sensor with short off delay • Conduct a survey of your computer monitor and adjust its brightness level and power off when inactive • Promoting and establishing an energy-efficient culture	**Scope 3**	• Review and optimize travel policies to focus on necessary travel • Encourage public transportation where possible (introduce a "train-first" policy overflights) • Review of car allowance policy to support electric vehicles for existing and new employees • Installation of electric vehicle charging station at work • Introducing a flexible work system to minimize daily commuting • Promote and encourage low-carbon transport (public transport, walking or cycling)

ACTION PLAN			
Scope 2	• Replacement of 40% of labor equipment used for more than 10 years • Maintaining appropriate building temperatures with the goal of sustainable building operations • Building with a lower carbon footprint using proven methodologies and metrics • Implement energy-efficient lighting and lighting control and reduce energy costs • Estimation of digital carbon footprint and energy usage of desktops, laptops and monitors • Creating a virtuous cycle of corporate growth and environmental protection and contributing to a sustainable society	**Scope 3**	• Evaluate all short-term travel requests • Set business travel policy to include calculation of CO2 emissions based on distance and traffic in approval forms • By 2030, only electric vehicles will be supported for car allowance refunds • Obtaining approval from the building owner and permission from the local government • Implement various flexible work strategy options • 30% reduction in carbon emissions when employees commute to work

ACQUIRED ISO MANAGEMENT SYSTEM CERTIFICATION

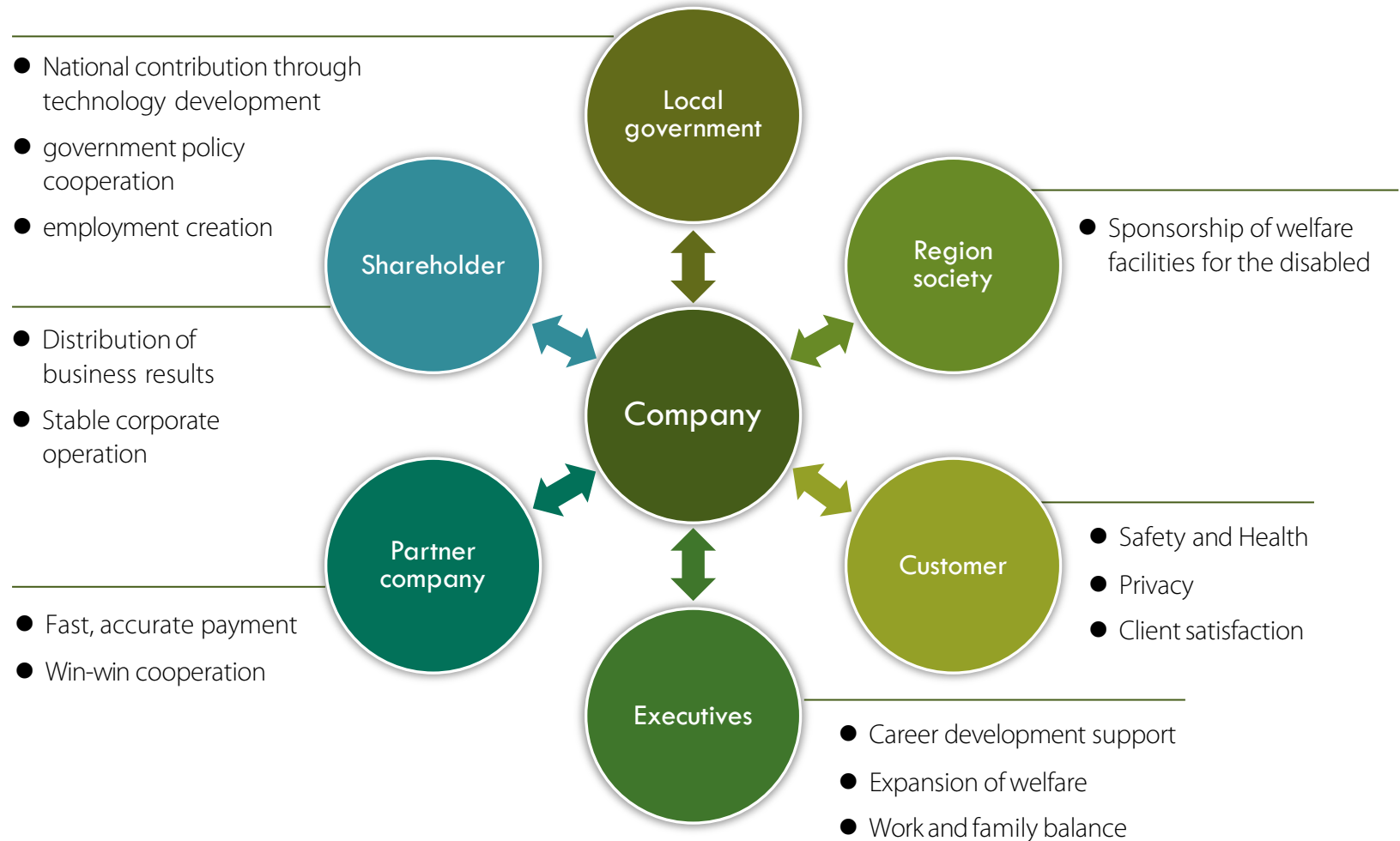KKDC has established an ESG management system including product quality, environment, and safety and health by obtaining and operating ISO 9001 (quality management system), ISO 14001 (environmental management system), and ISO 45001 (safety and health management system) certification.

In 2022, KKDC acquired and renewed certification through Gcerti Co., Ltd., a management system certification body, valid until 2025.
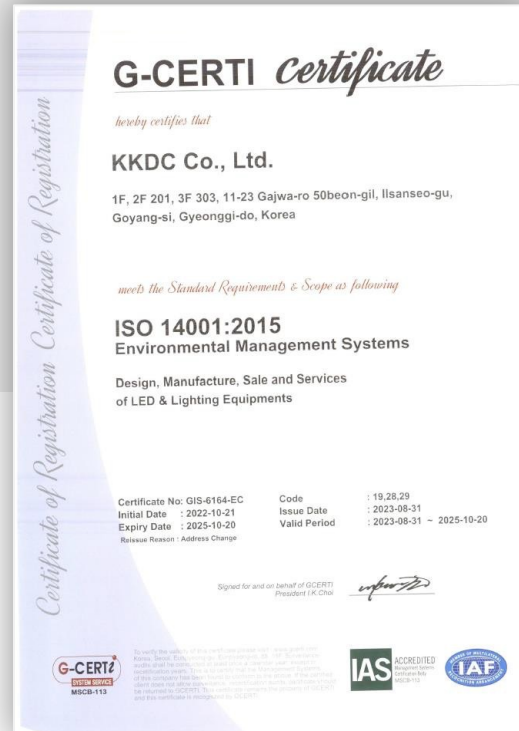
STAKEHOLDER PARTICIPATION

KKDC operates various communication channels to identify the company's stakeholders and collect their needs and opinions through active communication with them. Primary stakeholders include the local community, customers, executives, employees, partners, shareholders, and local governments, taking into account their influence and importance on management activities. We operate communication channels for each stakeholder to raise expectations for the company actively. We are trying to accommodate this.

- National contribution through technology development
- government policy cooperation
- employment creation

- Distribution of business results
- Stable corporate operation

- Fast, accurate payment
- Win-win cooperation

Local government

Shareholder

Region society

Company

Partner company

Customer

Executives

- Sponsorship of welfare facilities for the disabled

- Safety and Health
- Privacy
- Client satisfaction

- Career development support
- Expansion of welfare
- Work and family balance

MATERIALITY ASSESSMENT

To conduct a materiality assessment, KKDC first uses the GRI Standard, a global initiative to disclose corporate sustainability information, MSCI report

evaluation criteria, and 42 issue pools created through benchmarking in the same industry.

Based on the issue pool, we investigated the internal conditions and external environment, quantified the impact of the company on society and the impact on the company from society, and identified five core issues. Finally, the in-house ESG TF reviewed these and confirmed the critical reporting issues.

KKDC 's sustainability-related issues selected through the materiality assessment are GHG and energy reduction, Respect for human rights, Anti-corruption, Labor-Management Relations / Safety and Health, Supply chain management, Customer Satisfaction / Personal Information Protection, and Marketing.
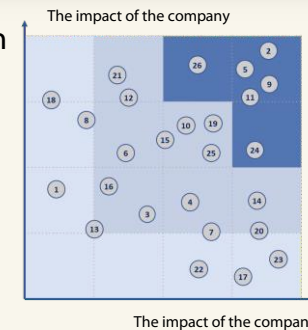
Issue pool composition	Materiality assessment in progress	Selection of crucial reporting issues
❑ GRI Index ❑ MSCI Report Evaluation Criteria ❑ Sustainability management report in the same industry **KKDC Sustainability Issue Pool**	❑ External environment investigation • Status of industry legal system • International trends • Press article • Competitor Status ❑ Internal conditions investigation • Employee survey	❑ Finally, the two core reporting issues selected through internal TF review were confirmed.

Issue pool table (KKDC Sustainability Issue Pool):

Category	Part	Issue
2	Enviromental	GHG emissions & Energy use reduction efforts
5	Enviromental	Wastewater & Waste Management
9	Social	Customer information security
26	Governance	Compliance
24	Governance	Corporate ethics
19	Social	Community contribution
10	Social	Worker safety & health
25	Governance	Revitalizing stakeholder communication
15	Social	Fair performance compensation
21	Social	Customer management
12	Social	Work & Life balance
6	Enviromental	Wastewater & Waste reduction efforts
16	Social	Diversity & Equal opportunity
3	Enviromental	Air pollutants management
4	Enviromental	Air pollutants reduction efforts
14	Social	Talent recruitment

The impact of the company

A total of 42 issue pools are composed.

Reflecting the principle of 5 key issues

A total of 7 key reporting issues were selected

ESG FACTBOOK

Our Strategy in Action

GHG AND ENERGY REDUCTION

Activities to reduce greenhouse gases

As part of our intensive efforts to reduce our environmental impact, KKDC has been supplying our products using recyclable and sustainable packaging since 2020.

Recyclable kraft paper boxes, tape, paper, and document envelopes instead of existing disposable vinyl and plastic packaging materials can reduce waste generated and product carbon emissions.

Before	Now
❌ Vinyl packaging & Bubble wrap	✅ Recyclable packaging
❌ Plastic tape	✅ Craft tape
❌ A4 paper	✅ Craft paper
❌ Plastic document cover	✅ Craft document envelope

GHG AND ENERGY REDUCTION (CONTINUED)

Calculate product carbon footprint and obtain certification

As efforts are being made to reduce the carbon footprint of products worldwide, KKDC has calculated the carbon footprint of our products.

We performed carbon footprint calculations by ISO14067 for TIMI and DUO LUNA products. We used LCA software SimaPro and Ecoinvent DB to quantify carbon footprints throughout the entire product process and analyze reduction potential.

The prepared CFP report, we plan to obtain International Footprint Certification from the Korea Institute of Industrial Technology, an affiliated organization of the Ministry of Trade, Industry, and Energy.
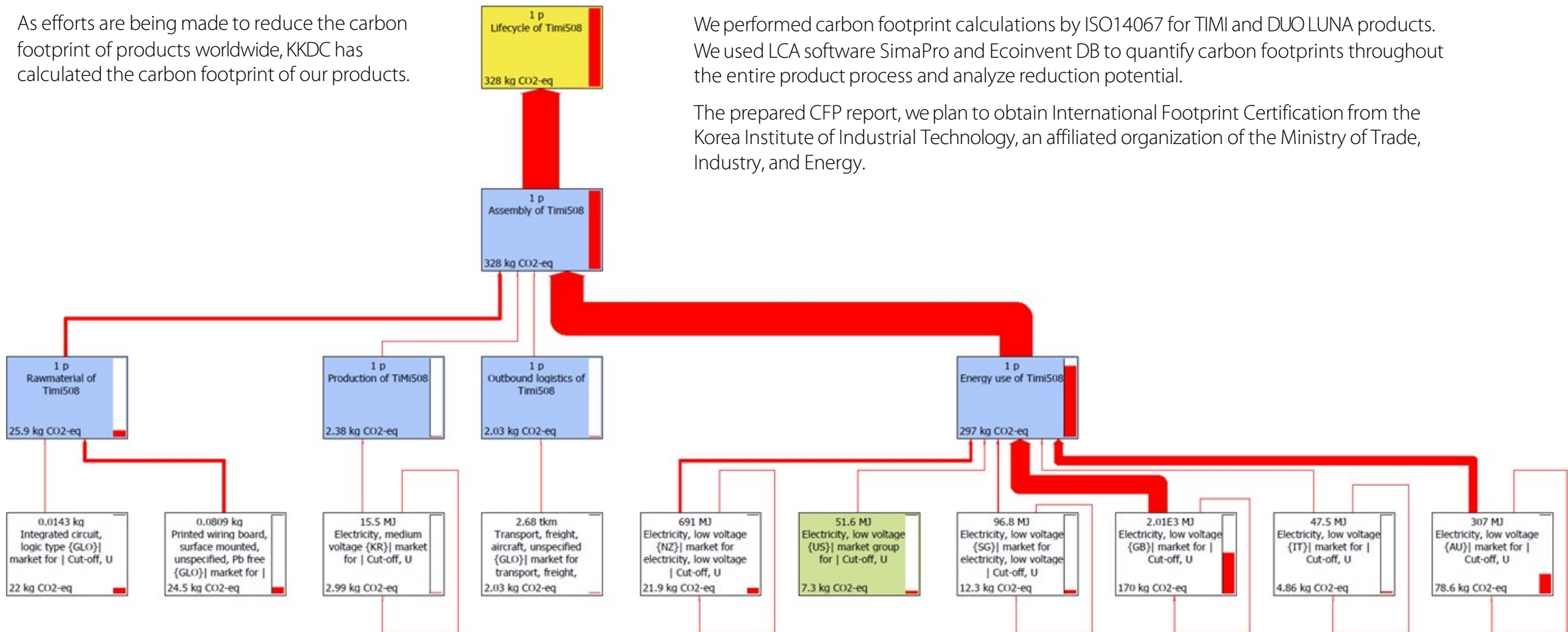
GHG AND ENERGY REDUCTION (CONTINUED)

Acquired high-efficiency equipment certification

KKDC will receive a contract for LED lighting from the Korea Energy Agency in 2023. We have obtained high-efficiency equipment certification for TIMI products. The LED lighting 'high-efficiency equipment' certification obtained is a Korea Energy Agency certification that recognizes products based on high efficiency and quality.

Certified LED lights provide bright, uniform illumination while minimizing energy consumption. In addition, it reduces maintenance and replacement costs in the long run, thereby increasing the cost efficiency of businesses and homes. Moreover, in terms of environmental protection, high-efficiency LED lighting reduces carbon emissions and minimizes ecological burden.

KKDC 's energy-efficient LED lighting contributes to responding to climate change, thereby establishing itself as a part of a sustainable society.

고효율기자재 | **KKDC**

GHG AND ENERGY REDUCTION (CONTINUED)

Establishment of greenhouse gas inventory

KKDC confirmed greenhouse gas emissions for Scope 1 and 2 and energy use by energy sources by establishing a greenhouse gas inventory at business sites for the past three years (2020-2022).

The R&D Center owned and operated by KKDC was investigated, and the most significant greenhouse gas emissions were confirmed from electricity use at the workplace.

The trend was confirmed by checking KKDC 's annual sales and greenhouse gas emission intensity based on the number of employees, and the greenhouse gas emission intensity based on the number of employees decreased every year from 2.68tCO2-eq/ person in 2020 to 2.53tCO2-eq/ person in 2022.
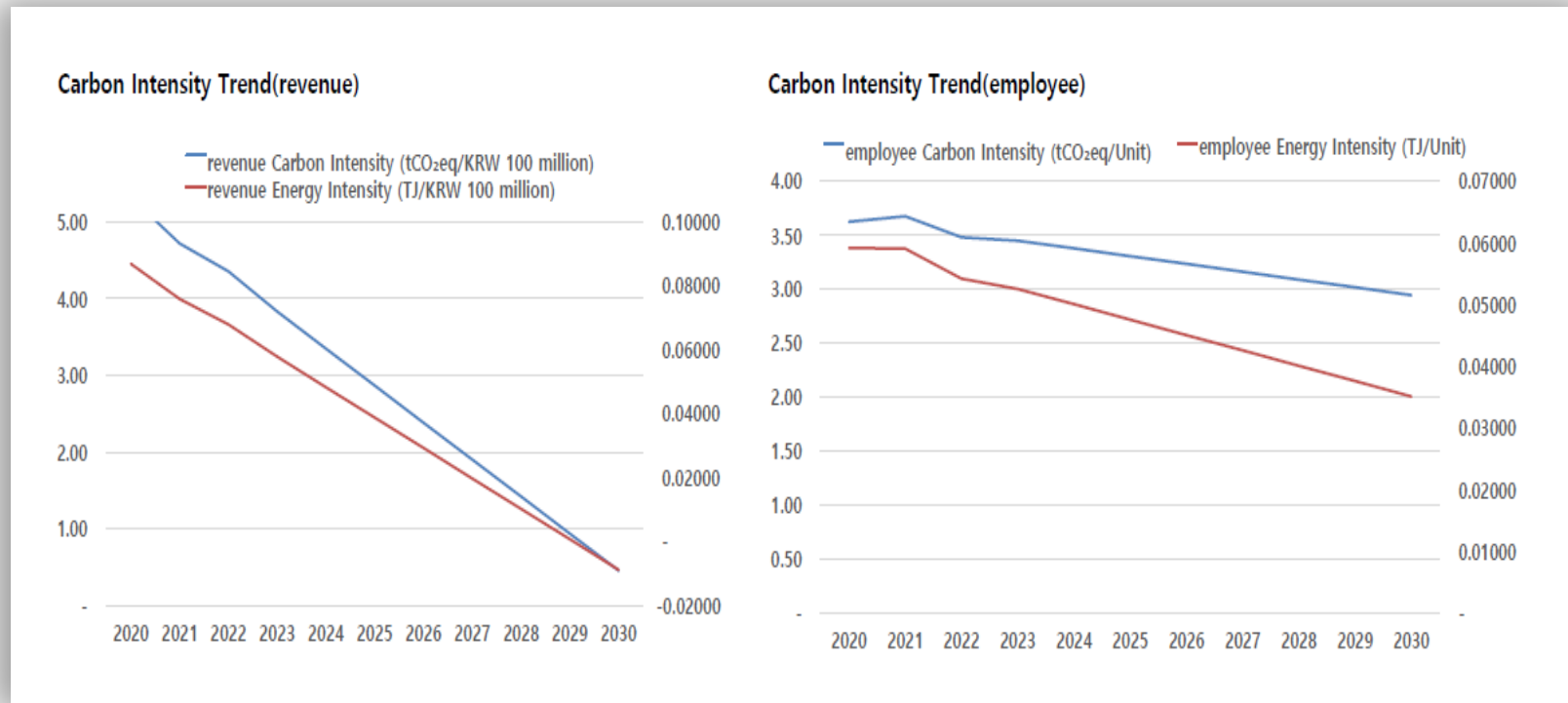
GHG AND ENERGY REDUCTION (CONTINUED)
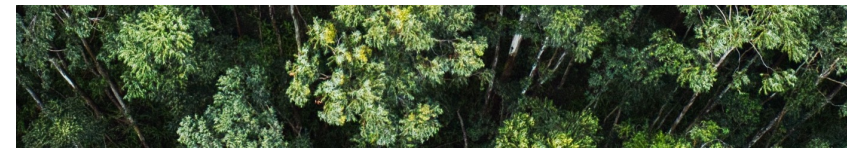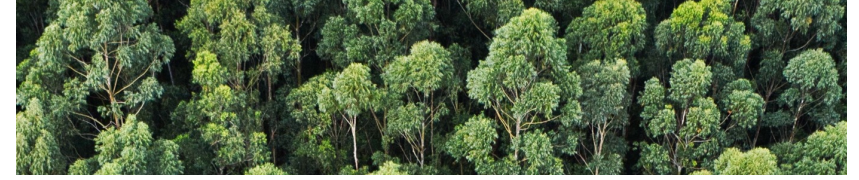
Details of greenhouse gas emissions and energy usage

Classification		2020	2021	2022	Unit
GHG emission (Scope1, 2)	Total	177.15	183.97	171.76	tCO_2-eq
	Scope 1	48.16	47.29	49.25	tCO_2-eq
	Scope 2	128.98	136.68	122.51	tCO_2-eq
	CO_2	152.86	152.42	141.34	tCO_2
	CH_4	17.49	17.20	17.77	$kgCH_4$
	N_2O	7.31	7.23	7.20	kgN_2O
	HFCs	-	-	-	kgHFCs
	PFCs	-	-	-	kgPFCs
	SF_6	-	-	-	$kgSF_6$
	Sales	1.09	0.42	0.81	tCO_2-eq/억 원
	Employee	2.68	2.67	2.53	tCO_2-eq/명
Energy usage	Total	410.52	444.60	400.04	MWh
	Electricity	233.62	234.50	206.14	MWh
	External heat	176.90	210.10	193.90	MWh
Energy intensity		2.53	1.00	1.89	MWh/억 원
Renewable energy usage		-	-	-	MWh

RESPECT FOR HUMAN RIGHTS

The company's efforts to respect the human rights of its employees

KKDC prevents bullying and harassment in the workplace and conducts internal monitoring and prevention activities, as well as regular training to prevent gender discrimination and sexual harassment.

The employment rules stipulate the prohibition of discrimination in hiring and promotion, and anyone can report human rights violations such as discrimination. We strive to protect victims by conducting confidential relief procedures until the case is concluded.

One of the most essential human rights of workers in the manufacturing industry is the guarantee of safety and health. KKDC is working to maintain facilities and improve the working environment to prevent industrial and severe accidents. We provide regular health checkups (including special checkups) to our employees yearly, control exposure to hazardous substances, and take measures to prevent noise exposure.

KKDC is preparing to introduce human rights management and plans to enact and announce a human rights declaration in 2023.

The company's efforts to prevent discrimination

KKDC 's employment rules clearly state that there should be no discrimination due to differences in gender, race, nationality, etc. This applies not only to recruitment but also to the entire personnel process, including self-development and promotion. Therefore, our company provides equal opportunities for self-development to all employees and operates a program to ensure that rewards and promotions are based on performance rather than external factors such as academic background.

The company's efforts to prevent discrimination

The employment rules specify regulations to implement efforts and measures to eliminate the root cause of employee grievances, and unethical and inhumane issues such as discrimination and sexual harassment can be reported through the grievance saying window on the company intranet or through the in-house grievance reporting box. You can receive relief by registering the behavior. During the grievance process, labor and management work together to resolve grievances.

Number of incidents of discrimination   Unit : Case

Item	2020	2021	2022
Number of incidents of discrimination	0	0	0

Number of grievances handled   Unit : Case

Item	2020	2021	2022
Number of grievances handled	0	0	0

ANTI-CORRUPTION

Ethical Management Policy

KKDC has established a code of ethics for all executives and employees, using it as a standard for proper behavior and value judgment and motivating them to comply faithfully. The code of ethics states, "To establish a sound market economy, we will not engage in unethical, illegal acts such as collusion," and "We will promote shared growth with our partners and prohibit giving or receiving inappropriate profits from our partners. " In addition, we have established a separate code of conduct for suppliers and recommend that supply chains themselves comply with KKDC-level ethical management.

The Company's Efforts to Anti-Corruption

KKDC, meals are held for business discussions, and gifts are often exchanged as expressions of gratitude during the two major holidays, Lunar New Year's Day and Chuseok. To prevent unethical behavior during this process, we clarify the price and scope of meals and gifts and   comply with them. To internalize anti-corruption management, we operate a cyber reporting center to receive reports from internal and external stakeholders. In addition, we are continuously upgrading our financial accounting system to prevent accounting corruption at the source.

The company's efforts for fair competition

KKDC complies with the Fair Trade Act and practices fair play in all business. As a result, not a single modest competition-related fine, non- monetary sanction, or lawsuit has been filed in the past three years.

However, we are not satisfied with this and continue to educate and monitor the importance of fair competition centered on the sales and marketing departments to prevent unethical issues. KKDC believes that fair competition will enable the company to grow on a solid foundation and will never allow unfair practices for immediate performance in the future.

Confirmed cases of corruption and related actions

Unit : Case

Item	2020	2021	2022
Number of Corruption Incidents	0	0	0
Number of actions	0	0	0

Number of legal actions against unfair trade , such as

Unit : Case

Item	2020	2021	2022
Total fine amount (KRW)	0	0	0
Number of non-monetary sanctions	0	0	0
Number of lawsuits filed	0	0	0

LABOR-MANAGEMENT RELATIONS/SAFETY AND HEALTH

Efforts for labor-management relations (social dialogue)

KKDC believes that communication is the most critical factor in the relationship between workers and management. For such communication, we hold labor-management councils and industrial safety and health committees every quarter to listen to workers' difficulties and collect their demands. Consultations with employee representatives selected by workers are conducted regularly and frequently, and the results of the consultations are linked to improvements in wages, welfare, safety, health, and working environment. These efforts benefit both workers and the company and lead to win-win activities.

Efforts to ensure employee safety and health

KKDC has acquired ISO45001 system certification to prevent safety accidents in the workplace and operates scientific and reasonable safety and health management procedures based on it. We aim to be an accident-free workplace by conducting risk assessments within the workplace regularly and thoroughly managing safety and health risks.

All hazardous work is permitted only upon obtaining a prior safe work permit application, and personal protective equipment is placed in appropriate locations within the factory and the in-house partner offices. We have an emergency preparedness process and conduct regular training to prepare for various emergency disasters gradually increasing.

Number of complaints related to working environment   Unit : Case

Item	2020	2021	2022
Dispute or Complaint	0	0	0

accident rate   unit : %

Division		2020	2021	2022
Entire	KKDC	0.00	0.00	0.00
	Same industry average	0.21	0.28	0.23
Accident	KKDC	0.00	0.00	0.00
	Same industry average	0.18	0.23	0.19
Disease	KKDC	0.00	0.00	0.00
	Same industry average	0.03	0.05	0.04

Accidental death rate   unit : ‰

Division	2020	2021	2022
KKDC	0.00	0.00	0.00
Same industry average	0.00	0.22	0.11

SUPPLY CHAIN MANAGEMENT

Supply chain management policies and strategies

KKDC has established a quality assurance system for purchased products by the ISO9001 quality management system and is founding and operating purchasing and partner management procedures to develop a reasonable work system between our company and outsourced factories.

Stipulates the methods and procedures for selecting, registering, and managing raw materials and suppliers purchased by our company.

Through this process, we can select a company with excellent quality and price competition as a specialized company. We can contribute to cost reduction for our company for each item and replace companies with weak development capabilities and competitiveness among existing business partners.

Outsourcing company management system

Category	Supplier	C.M	H.M	Note
Plan	Apply for registration	Evaluation → Approval (N/Y)		Survey of suppliers (Material responsibility)
Perform		Selection → registration		Supplier registration ledger
Review		Follow up management	Approval (N/Y)	Follow-up investigation
Follow up		Re-registration	Suspend Business	Registration maintenance / Re-registration
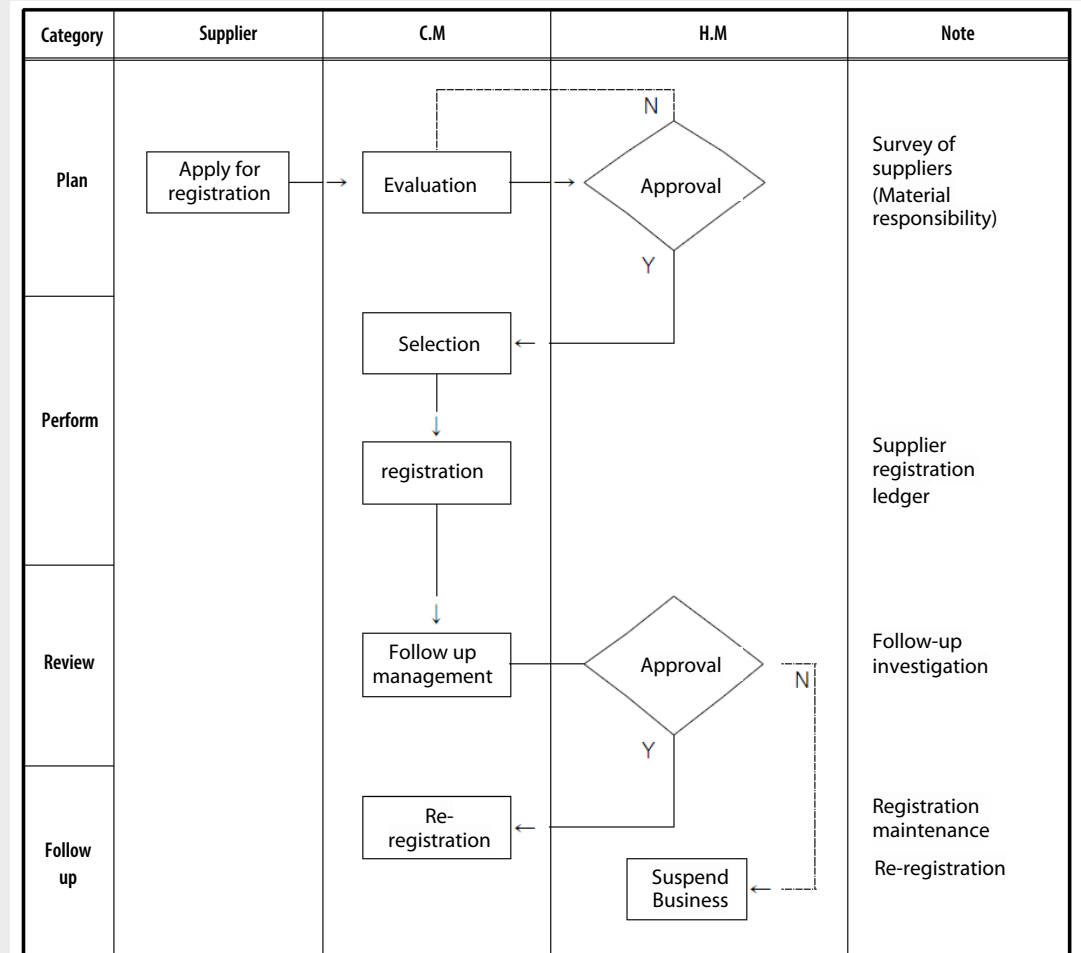
CUSTOMER SATISFACTION/PERSONAL INFORMATION PROTECTION

The company's efforts for customer satisfaction

KKDC operates a customer consultation corner to communicate and communicate with customers.

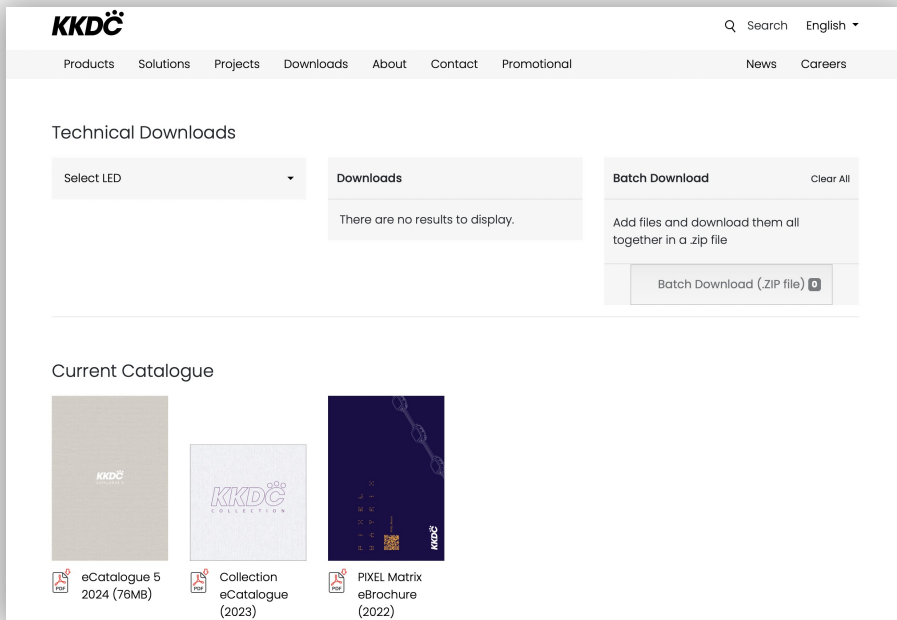We operate a download center through our website to assist customers in obtaining product information (company product promotional brochures, videos, product manuals).
https://kkdc.lighting/en/downloads

Information security and customer privacy protection policy

KKDC stipulates and manages information security and customer personal information protection through the company's ethical guidelines, personal information processing policy, and internal information management regulations.

We provide frequent employee training to protect personal information. In the case of documents containing customers' personal information, if the expiration date specified in the personal information protection agreement has expired, we shred all related records using a shredder.

Every year, we receive a pledge from our employees to prevent customer information leaks, and we also receive a promise related to information protection from employees of external companies linked to our business to fulfill third-party information protection obligations.

Number of cases to protect customer personal information

Unit : Case

item	2020	2021	2022
Violation of customer privacy Number of related complaints	0	0	0
Customer data leakage, theft or Total number of losses	0	0	0

MARKETING

Guaranteed product transportation period service

Due to the high demand for LED products within building projects, we understand that product arrival time is paramount.

Therefore, KKDC has announced a ten-day delivery time for various core custom interior product lines using the most popular *CCT, providing customers with quality products with prompt and accurate delivery.

List of products included in 'Light on Time' (10-day delivery)

Product	TiMi / TiMi -C	LiNi -S/ LiNi Glow	TiMi Glow
IP	40	40	40
Orderable Length (m)	500	500	500
CCT	2700K/ 3000K	2700K/ 3000K	2700K/ 3000K
Strip Type	A020, A010, R020 (TIMI-C only), R014, R007	R020, R014, R007 (LINI-S only)	A020, A010, R020, R014

The company's efforts for responsible promotion and marketing

KKDC strives to build trust with customers by avoiding illegal and exaggerated advertising.

Our company has never been subject to administrative action or fines for violating laws related to lies, exaggeration, or false advertising in promotional materials for our products.

Number of marketing-related violations

item	2020	2021	2022
Number of marketing-related violations (violation of law)	0	0	0
Number of marketing-related violations (self-discovery only)	0	0	0
Due to violation of relevant regulations Penalty or Fine Amount	0	0	0

APPENDIX

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