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Sustainability Connecting Tomorrow

PI Advanced Materials 2025 Sustainability Report

(C) PI Advanced Materials

PI Advanced Materials
an Arkema affiliate

About This Report

PI Advanced Materials regularly publishes its Sustainability Report to transparently share its sustainability activities, performance, and future commitments with stakeholders. This year marks the publication of our fourth Sustainability Report. We will continue to share our ESG strategy and key achievements while incorporating stakeholder feedback into our business activities and decision-making processes.

Principles for Report Preparation

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021. The financial information presented in this report is based on separate (standalone) financial statements prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS).



Reporting Period

This report covers sustainability management activities from January 1, 2025 to December 31, 2025, and includes some activities in the first half of 2026. For key indicators, data from the past three years prior to the reporting period are included for comparison.



Report Verification

To ensure the objectivity and credibility of the reporting process and information disclosed, this report has been independently assured by Korea Management Registrar (KMR). The assurance was conducted in accordance with AA1000AS, and detailed results are provided in the Third-Party Assurance Statement.



Reporting Scope

This report includes sustainability performance of all domestic business sites of PI Advanced Materials, including the Seoul Office, production sites in Jincheon and Gumi, and the R&D Center. Any differences in reporting scope or changes in reported data are separately disclosed where applicable.



Report Publication and Information

This report is published in both Korean and English, and information on our sustainability activities is also available on our corporate website. The company regularly discloses management information to enhance transparency. Additional information is available in the Company's Business Report, Audit Report, and filings on the Financial Supervisory Service (FSS) DART system.



This report has been published as an interactive PDF, featuring navigation to relevant pages and links to external websites. It is optimized for viewing in Adobe® Acrobat®.

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Introduction

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CEO Message

Dear Stakeholders of PI Advanced Materials,

It is my great honor to present PI Advanced Materials' fourth Sustainability Report. Our polyimide products play a critical role in enabling technologies across electric vehicles, AI, semiconductors, and displays, contributing to a more sustainable future. Guided by our mission to connect a better world through advanced materials technology, we remain committed to sustainable growth and responsible management.

Despite a challenging operating environment characterized by slowing smartphone market growth, persistent global supply chain uncertainties, and heightened foreign exchange volatility, PI Advanced Materials delivered solid results, recording KRW 263.4 billion in sales and reinforcing its business fundamentals. At the same time, these challenges also provided an opportunity to reaffirm our long-term growth potential. Leveraging synergies with the Arkema Group, we made meaningful progress in expanding our customer base in North America and Europe. In addition, growing demand for polyimide materials in emerging sectors such as AI, data centers, and electric vehicles continued to reinforce our long-term growth prospects. To capitalize on these opportunities, PI Advanced Materials is accelerating the development of new businesses and innovative products, including powders and molded parts, gas separation membranes, and display varnishes.

Alongside these business achievements, we also made meaningful progress in strengthening our sustainability performance. We were awarded the EcoVadis Silver Medal, granted to companies ranking within the top 15% of all assessed organizations, and achieved a score placing us within the top 7% globally, in recognition of our strong performance across all assessment areas, including environment, labor and human rights, ethics, and sustainable procurement. In addition, we obtained an AA grade for our Strategic Trade Compliance Program in recognition of the excellence of our export control compliance system. We were also honored with the Minister of Trade, Industry and Energy Commendation on Trade Day and the Korea Technology Award. Furthermore, building on the lessons learned in 2024, we will continue to enhance our company-wide HSE management system and strengthen our efforts to foster a safer and more responsible workplace culture.

In 2026, PI Advanced Materials will continue to strengthen its sustainability management agenda, guided by three strategic priorities.

First, we will further advance our climate action initiatives. Building on the carbon neutrality roadmap established in 2025, we will actively implement our Scope 1 and Scope 2 greenhouse gas reduction strategies while expanding the application of Life Cycle Assessment (LCA) across our product portfolio. In alignment with Arkema Group's climate ambitions, we will accelerate our decarbonization efforts and further extend these initiatives throughout our value chain.

Second, we will continue to foster a safe and responsible workplace culture. Guided by the principle that HSE is a core management priority, we will further enhance our company-wide safety management system and work closely with our suppliers to strengthen HSE standards across the value chain.

Third, we will continue to strengthen transparent and accountable governance. We will further enhance our Board-led ESG governance framework and expand sustainability-related disclosures to reinforce stakeholder trust. In addition, we will continue strengthening our internal control and compliance systems in line with global best practices to support sustainable long-term value creation.

The advanced materials developed by PI Advanced Materials contribute every day to a future that is lighter, safer, and more efficient through countless products used around the world. Guided by this purpose, we remain committed to delivering sustainable growth, creating long-term value for our stakeholders, and generating positive impacts for society.

I would like to express my sincere appreciation to all stakeholders for their continued trust and support as we continue our journey toward a more sustainable future.

Thank you.

PI Advanced Materials

Chief Executive Officer ***Kevin Song***



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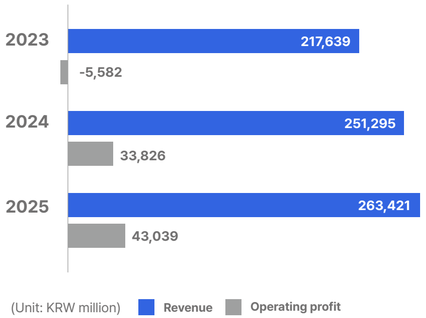
Company Overview

PI Advanced Materials develops and manufactures high-performance materials based on its proprietary polyimide (PI) technology, serving a wide range of advanced industries, including IT devices, electric vehicles, displays, semiconductors, and rechargeable batteries. Leveraging its technological expertise and manufacturing capabilities, the company has established a leading position in the global PI film market and has maintained the No. 1 global market share since 2014. In addition, PI Advanced Materials is expanding into new growth areas, including varnishes for electric vehicle applications and molded products, while continuously strengthening its portfolio of high value-added products through ongoing research and development, as well as manufacturing innovation. Through these efforts, the company continues to build on its technological strengths while supporting sustainable growth as a global advanced materials company.

Company Overview

Company Name	PI Advanced Materials Co., Ltd.
Business Areas	Production of polyimide films, varnish, and powder mold products
Vision	Polyimide Leader, Mobility Provider, Value Innovation
CEO	Kevin Song (since March 2023)
Revenue	KRW 263.4 billion (as of 2025)
Number of Employees	328 (as of the end of 2025)
Date Founded	June 2, 2008
Headquarters	27 Godeung 1-gil, Iwol-myeon, Jincheon-gun, Chungcheongbuk-do, Korea

PI Advanced Materials 3-Year Financial Performance



Market Share of PI Film

30.1%

As of the end of 2025
Source: Yano Research Institute; company estimates

Global No.1 PI Film Market Share

1st

Global No.1 PI Film Production Capacity

6,000t

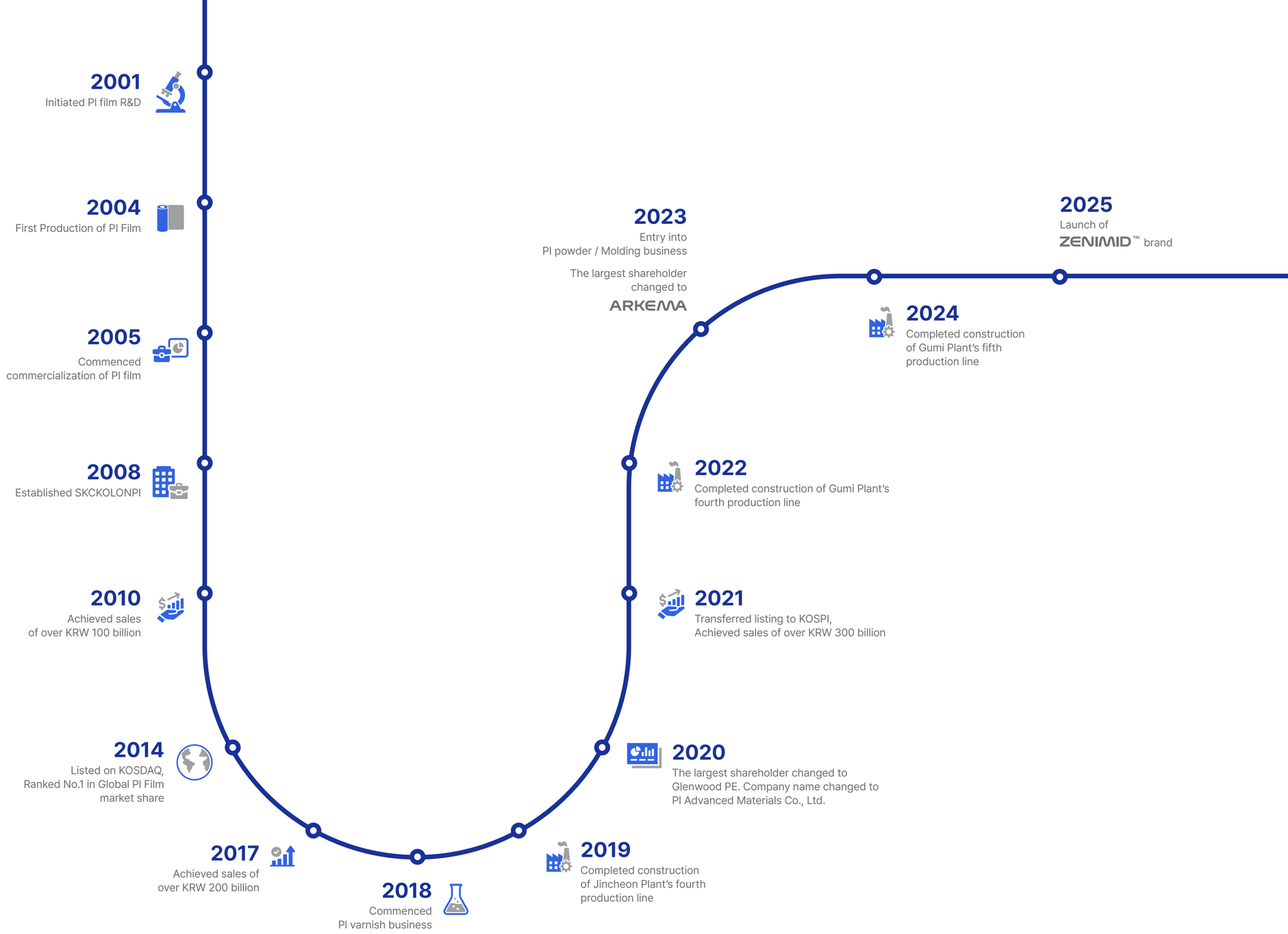
End of 2025



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Company History

Since its founding as SKCKOLONPI in June 2008, PI Advanced Materials has evolved into a global leader in polyimide materials, driven by its proprietary technology and expanding global footprint. Following its rebranding to PI Advanced Materials in 2020, the company broadened its business portfolio across a range of advanced industries, including mobile devices, displays, and electric vehicles, further solidifying its leadership in the global PI film market. In December 2023, Arkema, a leading global specialty materials company, became the largest shareholder of PI Advanced Materials, enhancing the company's global reach and sustainability capabilities. Building on synergies with the Arkema Group, PI Advanced Materials is accelerating its growth and expanding its presence in North America and Europe. In 2025, the company launched Zenimid™, an integrated global brand encompassing its entire product portfolio, including PI Film, PI Varnish, and PI Powder & Mold products, marking another milestone in its evolution as a global advanced materials company. Going forward, PI Advanced Materials will continue to strengthen its competitiveness through technological innovation, operational excellence, and sustainable business practices.



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Global Network



ARKEMA

Arkema (China) Investment Co., Ltd.

Building 12, TaiYangGong Middle road,
Chaoyang District, Beijing 100028

- Arkema
- Headquarters & Plants
- Overseas Distributors & Agents

Global Sales Network

Sales Organization

Specialized organizations by region and end market
Product and service delivery via dedicated staff and distribution channels

Korea

Seoul

Eulji Twin Tower 12F(East), 170 Eulji-ro, Jung-gu, Seoul

Corporate management | Sales / Sales Management | Office

Jincheon

27, Godeung 1-gil, Iwol-myeon, Jincheon-gun, Chungcheongbuk-do

R&D Center | Production | Plant
Support | Quality Management | R&D Center

Gumi

48, Suchul-daero, Gumi-si, Gyeongsangbuk-do

Plant | Production | Quality Management | Support

Europe

ARKEMA

Arkema Group Global HQ

51 Esplanade du General de Gaulle 92800 Puteaux La Défense, France

America

ARKEMA

Arkema Inc.
Corporate Headquarters

155 King of Prussia Rd, Radnor, PA
19087 United States of America

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Business Portfolio

In 2025, PI Advanced Materials launched Zenimid™, an integrated brand encompassing its entire product portfolio, including PI Film, PI Varnish, and PI Powder/Mold products. Built upon the core values of Performance, Innovation, and Durability, Zenimid™ delivers high-quality polyimide material solutions to customers worldwide.

ZENIMID™

Zenimid™ PI Film

As a core product of PI Advanced Materials, PI Film is used in a wide range of applications, including FPCB, thermal management sheets, rechargeable battery insulation, ultra-high-speed communication, and displays. The product provides excellent thermal stability from cryogenic temperatures up to 400°C, along with superior dimensional stability, electrical properties, and flexibility. Backed by the world's largest production capacity, PI Advanced Materials ensures a stable and reliable supply to global customers.



Zenimid™ PI Varnish

PI Varnish is a liquid-type polyimide material used in advanced applications such as semiconductors, electric vehicle (EV) drive motors, and flexible OLED displays. Offering exceptional thermal stability with a decomposition temperature exceeding 560°C, along with excellent insulation and adhesion properties, it enables customized solutions tailored to diverse customer requirements. The product has also been adopted for the drive motor of the world's first dedicated battery electric vehicle (BEV) platform, demonstrating its technological excellence and reliability.



Zenimid™ PI Powder/Mold

PI Powder/Mold is a high-performance engineering material manufactured by compression molding polyimide powder. Its applications continue to expand across a wide range of industries, including display and semiconductor manufacturing, electric vehicles, aerospace, and defense. With outstanding heat resistance, wear resistance, and dimensional stability, the product delivers highly reliable performance even in the most demanding operating environments.



Application	PI Film	PI Varnish	PI Powder/ Mold
Mobile & FPCB	●		
Graphite sheet	●		
Display	●	●	●
Semiconductor	●	●	●
EV·Rechargeable battery	●	●	
Aerospace & Defense	●		●
5G·AI	●		

Detailed information about the products can be found on our website and via the QR code.

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Material Topics. 2
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ESG Highlight

Environmental

Establishment of a Carbon Neutrality Roadmap

GHG Emissions Reduction

5,516 tCO_2eq

Reduction of greenhouse gas emissions through process optimization and energy-saving projects

Waste Recycling Rate

96.1 %

Water Reuse Rate

47.2 %

* Water reuse rate = Reused water volume ÷ (Reused water volume + Wastewater discharge volume) × 100
* Based on the Gumi Plant



Social

Suppliers Subject to ESG Assessments

42

Suppliers Requiring Corrective Actions

15

Corrective Action Completion Rate

100 %

Serious industrial accidents

0

Industrial Accident Rate

2024 **0.31** %

2025 **0** %

2026 **0** % (Ongoing Target)

Governance

Board Diversity

Foreign directors ratio on the Board **29** %

Female directors ratio on the Board **29** %

(As of end of 2025)

Certified under the Internal Compliance Program (CP)

AA Tier

ESG Evaluation Results

EcoVadis	Sustinvest	KCGS			
		Overall	Environmental	Social	Governance
Silver	A	B+	B+	B+	B

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Sustainability Strategy

Vision and Strategy

PI Advanced Materials is committed to creating sustainable value for all stakeholders through responsible business practices, safe and environmentally sound operations, and transparent stakeholder engagement. Guided by its sustainability strategy and vision, the company continues to strengthen its environmental, social, and governance (ESG) initiatives and pursue its long-term sustainability objectives.

ESG Journey

2022
Certified as a Family-Friendly Company

2023
Publication of the First Sustainability Report

2024
Selected as One of Sustinvest's Top 100 Companies / Selected as an Excellent Disclosure Company by the Korea Exchange

2025
Launch of the Zenimid™ Brand / Achieved AA Tier under the Internal Compliance Program (CP) Awarded EcoVadis Silver Medal / Establishment of Carbon Neutrality Roadmap

Vision	**Establish zero-accident, eco-friendly workplaces and enhance stakeholder communication.**		
Pillar	**Environmental**	**Social**	**Governance**
Slogan	**Embracing Green Innovation**	**Shaping Social Impact**	**Governing Responsibly**
Goal	**Build an environment-first work culture**	**Create safe workplaces and communities**	**Clearly communicate our goals to stakeholders and align interests**

Pursuing Eco-friendly Innovation
· Minimizing environmental impact on the planet

Responding to Climate Change
· Adapting to changes in the global business environment
· Achieving environmental goals, including carbon neutrality

Practicing Environmental Sustainability
· Developing eco-friendly processes, technologies, and products
· Contributing to environmental protection in local communities

Creating a Safe Environment
· Creating an environment where everyone can enjoy a safe and fulfilling life

Fostering Shared Growth and Collaboration
· Promoting cooperation among companies and between businesses and local communities
· Pursuing sustainable shared growth

Fulfilling Social Responsibility
· Implementing core policies on safety, environment, and security
· Contributing to improving the quality of life for all members

Promoting Transparent Communication and Information Disclosure
· Sharing goals and values with employees and stakeholders
· Sharing achievements through transparent communication and fair information disclosure

Strengthening Stakeholder Engagement
· Building stronger partnerships with stakeholders for sustainable growth
· Enhancing a sense of community

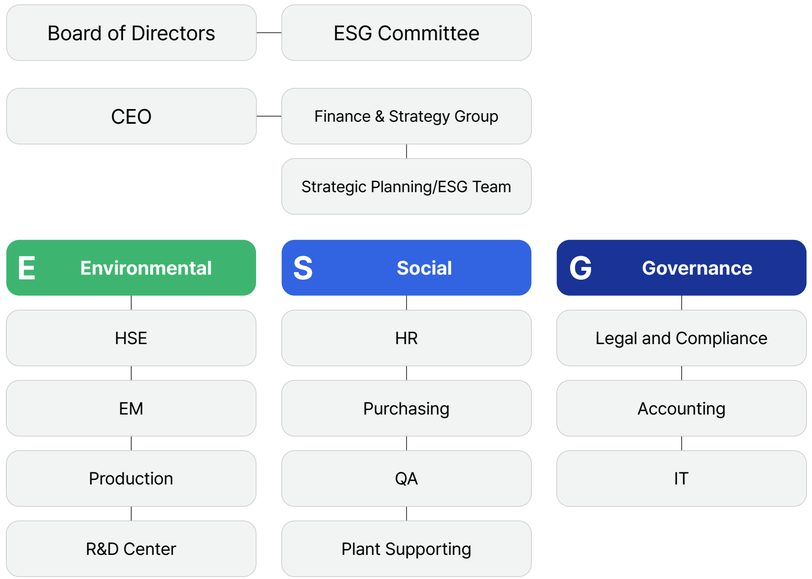
Achieving Shared Goals and Values
· Realizing common goals together with stakeholders
· Pursuing sustainable growth

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Sustainability Strategy

ESG Management and Organizational Structure

PI Advanced Materials has established a dedicated ESG team to drive sustainable management and achieve its long-term ESG objectives. The team monitors emerging sustainability trends, establishes strategic priorities, and works closely with relevant functions—including HSE, Human Resources, Management Support, Procurement, and R&D—to systematically implement ESG initiatives across the organization. To further strengthen its sustainability governance framework, PI Advanced Materials established an ESG Committee under the Board of Directors in April 2026. The Committee is responsible for overseeing key ESG matters and supporting the company in responding proactively to stakeholder expectations. The ESG Committee will review mid- to long-term sustainability strategies, monitor progress on key ESG initiatives, and provide recommendations to management on material ESG issues. Through enhanced oversight and risk management, the Committee will help reinforce accountability, transparency, and sustainable value creation for the benefit of the company and its stakeholders.



ESG Performance Management

PI Advanced Materials integrates sustainability into its day-to-day operations and encourages active participation from employees at all levels. By linking safety and environmental performance to KPIs and incorporating sustainability-related objectives into the evaluation of C-level executives, the company promotes organization-wide engagement and reinforces management accountability for ESG performance. In addition, PI Advanced Materials continues to expand environmental disclosures and invest in environmental improvements as part of its commitment to building safe and environmentally responsible workplaces.

ESG Performance Evaluation Overview

PI Advanced Materials has implemented an effective sustainable management system, focusing on strategic oversight, risk monitoring, and effective response, in alignment with the Environmental (E), Social (S), and Governance (G) frameworks. In 2025, the company received a B+ rating from the Korea Institute of Corporate Governance and Sustainability (KCGS) and an A rating from Sustinvest. Furthermore, in its inaugural review by the global ESG rating agency EcoVadis, the company obtained a Silver grade — a distinction awarded to companies ranking within the top 15% of all EcoVadis-evaluated organizations globally — with PI Advanced Materials achieving a score that places it within the top 7% worldwide.

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Communication with Stakeholders

PI Advanced Materials identifies and manages key stakeholder groups through a variety of communication channels tailored to their specific characteristics and interests. Through ongoing engagement, the company seeks to understand stakeholder expectations and incorporate their feedback into its decision-making processes, sustainability initiatives, and business operations, thereby contributing to sustainable growth and long-term value creation.

Stakeholders	Employees	Customers	Investors	Partners	Local Communities	Government
Definition	Stakeholders who are responsible for product manufacturing and all supporting business activities	Customers of PI Advanced Materials' products and services	Stakeholders who provide financial capital, enabling PI Advanced Materials to implement strategies, operate its business, and sustain sustainable growth	Stakeholders responsible for supplying raw materials, equipment and logistics services essential to PI Advanced Materials	All stakeholders impacted by business activities, including local residents near the company's business sites	Government agencies and public institutions that establish policies, laws, and regulations relevant to the Company's business operations
Communication Channels	· Labor-Management Council, collective bargaining; · Employee workshop ('CAN Meeting') · Industrial Safety and Health Committee and Working Group · Satisfaction Survey	· Online/offline meetings · Website · Customer inquiries · Trade shows · Press releases	· Shareholders' meetings · Board of Directors meetings · Public disclosures / IR meetings · Press releases · Sustainability report	· Website · Safety and Health Committee · Supply chain evaluation	· Community volunteer activities · Community engagement meetings · Website	· Press releases · Meetings and seminars · Industry association activities
Key Issues	· Talent development · Work-Life balance · Health, safety, and environmental management · Welfare systems and fair compensation	· Creating innovative and ecofriendly products tailored to customer needs · Quality management · Providing information on ESG management status	· Financial performance disclosures · Sustainable corporate value · Corporate governance · Risk management	· Use of eco-friendly and ethically managed products · Safety and health management · Fair and ethical trade practices	· Local environmental protection and ecosystem conservation · Local community support programs	· Compliance and ethical management

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Response to Global Initiatives

PI Advanced Materials supports the UN Sustainable Development Goals (UN SDGs) and incorporates them into its sustainability management framework. Guided by its ESG pillars — Embracing Green Innovation, Shaping Social Impact, Governing Responsibly — the company aligns its sustainability initiatives with the SDGs that are most relevant to its business and stakeholders.

SUSTAINABLE DEVELOPMENT GOALS

ESG Slogan	Material Issue	Key Activities	UN SDGs
Embracing Green Innovation	Hazardous Chemical Management	Conducting Regular Hazardous Chemical Inspections and Management Training	3 GOOD HEALTH AND WELL-BEING; 6 CLEAN WATER AND SANITATION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Waste Reduction and Management	Achieving a Circular Economy through Maximized Waste Recycling and Water Circularity	11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Climate Change Response	Analyzing Climate-related Risks and Establishing Carbon Reduction Targets	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION
Shaping Social Impact	Workplace Health and Safety	Enhancing Workplace Safety through Major Accident Risk Management	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH
	Labor Relations	Building Constructive Labor-Management Relations and Enhancing Collaboration through Open Communication	8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Product Responsibility Management	Strengthening Product Quality and Safety Management	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Supply Chain Management	Building a Sustainable Supply Chain through Supplier Evaluation, Management Systems, and Supply Chain Risk Management	8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 17 PARTNERSHIPS FOR THE GOALS
Governing Responsibly	Compliance Management	Strengthening Compliance Management through the Implementation of Arkema Group's Global Compliance Framework	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Financial Soundness	Operating Internal Accounting Management System based on Best Practice Guidelines	8 DECENT WORK AND ECONOMIC GROWTH
	Information Security	Establishing Personal Data Protection Guidelines and Information Security Incident Management Guidelines for Information Protection, and Conducting Regular Trainings and Assessments	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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Double Materiality Assessment

PI Advanced Materials conducts materiality assessments to identify sustainability-related risks and opportunities and to incorporate the results into its strategy and decision-making processes. In particular, the company conducted a double materiality assessment based on the GRI Standards and the European Sustainability Reporting Standards (ESRS) to evaluate both the impacts of its business activities on society and the environment (Impact Materiality), and the effects of sustainability-related factors on the Company's financial performance (Financial Materiality). In 2025, an ESG issue pool consisting of 20 topics was developed through an analysis of domestic and international disclosure requirements and benchmarking of industry peers. A quantitative survey of internal and external stakeholders was conducted to assess the significance of each issue from both impact and financial perspectives. The assessment results were reviewed by the Board of Directors, and the final 10 material topics were identified following discussions with relevant departments. PI Advanced Materials transparently communicates its management approach, key activities, and performance related to these material topics through this Sustainability Report.

Step 1.

Establishment of the ESG Issue Pool

- Business Activity Analysis
- Peer Group Issue Analysis
- Global Reporting Standards Analysis(GRI, ESRS, etc.)
- Global ESG Assessment Frameworks Analysis
- Review of Prior-Year Material Issues and Internal KPIs



Step 2.

Materiality Assessment and Prioritization

- Analysis of Relevant Domestic and Global Regulations and Guidelines

* Peer Benchmarking

Stakeholder Survey (Conducted in December 2025)

- Survey of employees and business partner employees
- Total respondents: 230

Category	Assessment Method
Impact Materiality	Assessment of each issue's social and environmental impact using a 5-point scale
Financial Materiality	Assessment of each issue's financial impact on the business using a 5-point scale

Step 3.

Selection of Material Topics

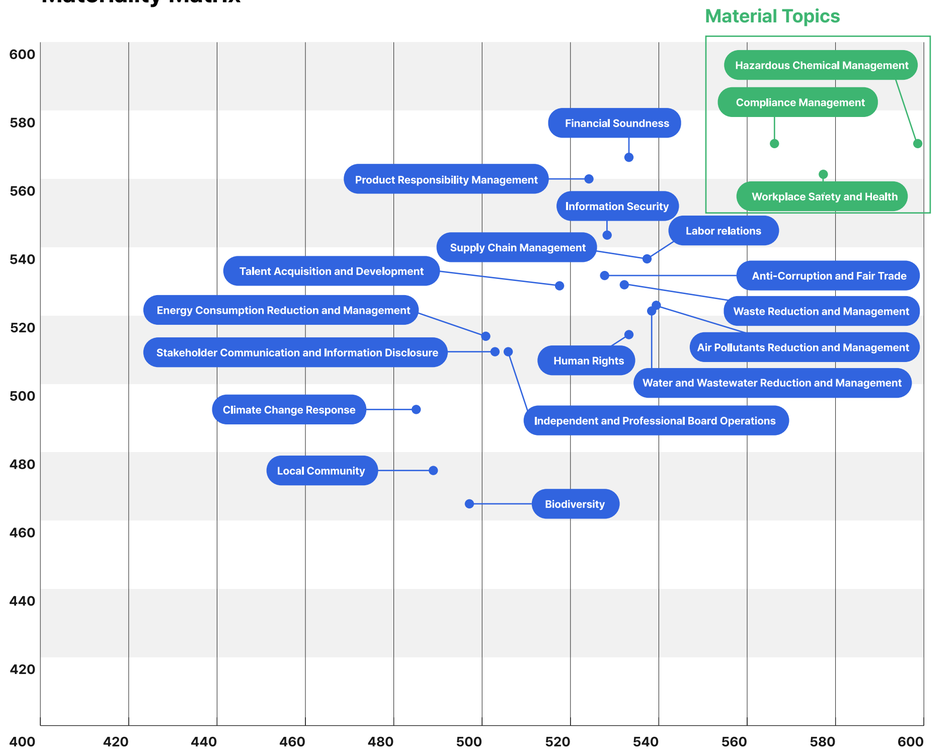
- Review of ESG Issues in Alignment with ESG Strategy
- Prioritization of Material Topics Relevant to PI Advanced Materials' Sustainability Management
- Determination of ESG Topic Priorities through Internal Discussions with Working-Level Teams
- Final Selection of Material Topics and Reflection in the Sustainability Report

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Materiality Assessment Results

Based on its 2025 Double Materiality Assessment, PI Advanced Materials assessed 20 sustainability-related topics and identified 10 priority issues, including three highly material topics. Hazardous Chemical Management emerged as the most material issue, moving up from the previous year's ranking. Product Responsibility Management, Labor Relations, Waste Reduction and Management, and Supply Chain Management were also newly included among the top 10 priority issues.

Materiality Matrix



Material Issues

Rank	Category	Material Issue	Impact Materiality	Financial Materiality	Overall Materiality	Change vs. 2024	Page
1	Environmental	Hazardous Chemical Management	●●●	●●●	●●●	▲ +6	18 - 19
2	Social	Workplace Safety and Health	●●●	●●●	●●●	▼ -1	20 - 22
3	Governance	Compliance Management	●●●	●●●	●●●	▲ +2	23 -24
4	Governance	Financial Soundness	●●○	●●●	●●○	▲ +2	60
5	Social	Product Responsibility Management	●○○	●●●	●●○	New	50
6	Social	Labor Relations	●●○	●●○	●●○	New	44
7	Governance	Information Security	●○○	●●○	●●○	▼ -3	61
8	Environmental	Waste Reduction and Management	●●○	●●○	●●○	New	36
9	Environmental	Climate Change Response	●●○	●○○	●●○	▼ -1	27 - 31
10	Social	Supply Chain Management	●●○	●○○	●●○	New	48 - 49

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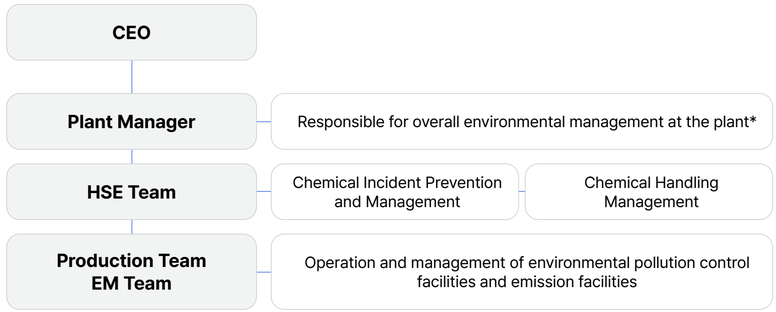
Material Topics 1.

Hazardous Chemical Management

Chemical Substance Management Overview

PI Advanced Materials uses a variety of chemicals in its manufacturing processes and R&D activities. To ensure safe and systematic management, the company has established an internal management framework covering the entire chemical lifecycle, from receipt and use to storage and disposal. When introducing new chemicals, legal compliance reviews and sample testing are conducted based on the Material Safety Data Sheet (MSDS) and RoHS regulated substance analysis reports. New chemicals are subsequently registered through the company's internal approval procedures. At its manufacturing sites and R&D Center, safety inspections of hazardous chemical handling facilities are conducted at least once a week to identify potential risks and implement preventive measures. In 2024, a chemical leakage incident involving N,N-Dimethylformamide (DMF) occurred at the Jincheon Plant. In response, PI Advanced Materials conducted a thorough review of its chemical management framework and implemented corrective measures in 2025. The company installed chemical leak detection sensors and monitoring systems across all business sites and further enhanced its equipment and operational standards. In addition, PI Advanced Materials expanded employee training and self-inspection activities while enhancing the Chemical Management KIOSK system at its R&D Center laboratories to improve chemical information management and the traceability of chemical usage records. Through these efforts, the Company continues to strengthen its chemical safety management practices and foster a safer working environment.

Governance



* Including the R&D Center

Chemical Substance Management System

PI Advanced Materials has established and operates a management framework and operational procedures to ensure compliance with applicable requirements throughout the entire chemical lifecycle, including the manufacture, storage, import, and use of chemicals. Through this framework, the company seeks to prevent adverse impacts on the health of stakeholders and the environment arising from hazardous chemicals, while strengthening its capabilities to respond rapidly to chemical incidents and proactively mitigate risks.



Preliminary Process

- Management of compliance obligations
- MSDS management
- Approval of raw materials

Input Information

- New chemical substance

Output Information

- Permission to use
- Facility permit

Subsequent Process

- Human resource management
- Internal communication
- Waste management
- MSDS management

Chemical Substance Safety Training

To prevent safety incidents involving hazardous chemicals, PI Advanced Materials provides mandatory annual chemical safety training at all business sites in compliance with legal requirements. The company also requires employees to wear personal protective equipment (PPE) and provides appropriate protective gear to support safe working practices. In addition, hazardous chemical leak detection systems, emergency shut-off devices, emergency showers, and eyewash stations are installed across business sites to reduce chemical-related risks and minimize potential injuries in the event of an incident. Through these measures, PI Advanced Materials strives to prevent chemical accidents and maintain a safe working environment.

Category	Dedicated Personnel Training			Worker Training
Target Audience	Technical Staff, Managers	Handling Personnel	Chemical accident prevention plan preparers	Workers (at Hazardous Chemical Handling Workplaces)
Frequency	every 2 years	every 2 years	Initial(once)	Annual
Duration	16 hours	16 hours	16 hours	2 hours
Training	Korea Chemical Management Association	Korea Chemical Management Association	Korea Institute of Chemical Safety	Korea Institute of Chemical Safety or manager-led in-house training

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Material Topics 1.

Hazardous Chemical Management

Chemical Lifecycle Management

PI Advanced Materials uses a variety of chemicals in its manufacturing processes and operates a systematic chemical management system covering the entire chemical lifecycle, from receipt and use to storage and disposal. New chemicals undergo regulatory compliance reviews based on Material Safety Data Sheets (MSDS) and RoHS substance analyses and are approved only after a multi-stage evaluation process. To prevent environmental impacts and safety incidents, the Company conducts regular inspections, monitors chemical usage, and provides chemical safety training to all employees, with additional emergency response training for personnel directly handling chemicals. Chemicals are safely treated in accordance with applicable regulations after use, while certain materials are recovered and recycled to support resource circularity. In addition, volatile substances are managed through combustion and absorption processes to minimize emissions.



Introduction

1. New chemical approval process
2. Review of applicable laws and regulations to determine permit requirements
3. Two-stage sample testing → Registration of new chemicals

Use

1. Weekly inspections of hazardous chemical handling facilities
2. Chemical usage monitoring
3. Regular training for all employees
4. Chemical spill and leak response drills

Disposal

1. Off-site treatment and disposal of liquid waste
2. Solvent recycling

Management of Environmentally Hazardous Substances in Products

	Certification Standards	Certification Coverage
RoHS[1)]	Regulations on the use of ten major hazardous substances in electronic products.	SGS All products / Annual
REACH[2)]	Regulates restricted, authorized, and candidate substances (SVHC3)) under REACH due to high risk to human health/ environment.	SGS All products / Annual

1) RoHS: Restriction of Hazardous Substances Directive
2) REACH: Registration, Evaluation, Authorization and Restriction of Chemicals
3) SVHC: Substance of Very High Concern

	Site	Unit	2023	2024	2025	2026(Target)
Chemical Emissions	Jincheon	ton	4.36	14.52	20.35	19.94
	Gumi		4.26	4.78	4.65	4.60
	Total		**8.63**	**19.30**	**25.00**	**24.54**
Usage of Hazardous Chemicals	Jincheon	ton	10,738.08	19,718.74	20,431.96	-
	Gumi		4,023.94	6,648.02	6,519.08	-
	Total		**14,762.02**	**26,366.76**	**26,951.04**	-

* Data have been revised to reflect the designation of acetic anhydride as a hazardous chemical in 2024

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Material Topics 2.

Workplace Safety and Health

Policy Framework

PI Advanced Materials considers providing a safe and healthy workplace and environment for its employees, business partners, and local communities to be a core value and actively pursues initiatives to achieve this goal. The company's occupational health and safety management system aims to achieve a zero-accident workplace for all employees, while also extending its safety culture and management practices to business partners to promote a broader zero-accident culture. PI Advanced Materials has established a dedicated occupational health and safety organization to systematically manage workplace risks. Safety and health managers, together with supervisors at each site, play a central role in fostering a strong safety culture and implementing preventive measures to mitigate workplace risks and prevent accidents. In addition, the Company regularly evaluates its health and safety performance, develops improvement plans, and reports the results and key initiatives to the CEO on an annual basis. PI Advanced Materials remains committed to continuously strengthening its occupational health and safety management system and achieving its goal of zero workplace accidents.

Safety and Health Policy

1 We regard safety, health, and the environment as our top priorities and are committed to protecting all stakeholders—including employees, business partners, customers, and local communities—from accidents and environmental risks.

2 We have the authority and responsibility to identify and eliminate hazards and risks, and we actively participate in efforts to prevent workplace accidents and occupational illnesses.

3 We regularly review applicable safety, health, and environmental laws, regulations, and procedures, and ensure full compliance with all requirements.

4 We encourage all stakeholders—including employees, business partners, customers, and local communities—to actively communicate their concerns and suggestions regarding safety, health, and environmental matters, and incorporate this feedback into our efforts to create a safer and healthier workplace.

5 We provide safety, health, and environmental education and training, and foster a strong safety culture through active participation and continuous awareness-building.



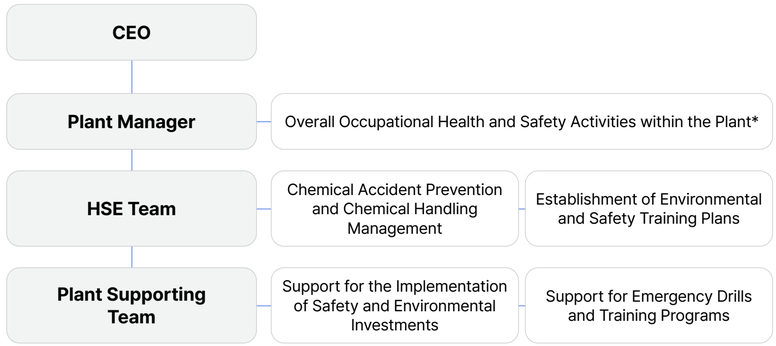
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Workplace Safety and Health

Occupational Health and Safety Management System

PI Advanced Materials has established and operates an occupational health and safety management system to systematically manage workplace hazards and risks and prevent accidents in accordance with the Occupational Safety and Health Act and the Serious Accidents Punishment Act. The company identifies, assesses, and manages potential risks by applying risk assessment methodologies tailored to the characteristics of each site and operation, and conducts regular risk assessments based on criteria updated annually. In addition, PI Advanced Materials promotes a company-wide safety culture through safety management activities involving employees and on-site contractors. The company also continuously monitors the implementation of its Process Safety Management (PSM) system at each site. In collaboration with external experts, regular self-audits are conducted to evaluate compliance with PSM requirements and areas for improvement. Furthermore, internal audits on compliance with the Serious Accidents Punishment Act are conducted semi-annually, and regular evaluations of responsible managers and supervisors help strengthen accountability for workplace safety. To protect employee health, PI Advanced Materials conducts regular workplace environment monitoring and health examinations in cooperation with external medical institutions. The Company continuously monitors potential exposure to hazardous substances, implements preventive measures, and evaluates ergonomic risks associated with musculoskeletal disorders to improve working conditions and promote employee well-being.

Governance



* Including the R&D Center

Safety and Health Management Objectives

PI Advanced Materials sets clear and measurable safety and health goals that reflect its commitment to operational excellence and employee well-being. The company's objectives include:

01 Achieve zero major accidents and zero workplace accidents

02 Achieve 100% compliance with safety and health regulations and full implementation of Process Safety Management (PSM) protocols.

03 Strengthen workplace risk assessments across all sites.

04 Achieve 100% participation in safety and health training and promote awareness and engagement in safety practices.

Safety and Health Management KPIs

KPI	Unit	2023	2024	2025	2026(Goals)
Zero Accidents/ Zero Injuries(TRIR*)	Per 200,000 hours	0.25	0.48	0	0
Risk Factor Improvement Proposals (PHAs and control of Risk)	Case	162	558	401	200
Emergency Response Drill	Case	8	13	17	42

* TRIR: Total Recordable Injury Rate

Safety and Health Trainings and Activities

PI Advanced Materials believes that a high level of safety awareness is fundamental to protecting the safety and well-being of its employees and local communities. The company provides occupational health and safety training to strengthen safety awareness and equip employees with the knowledge, skills, and safe work practices required to perform their duties safely.

Category	Training	Frequency	Target
Safety	Regular safety and health training	Once a month	All employees
	Supervisor Training	16hrs/year	Supervisors
	Emergency response drill	Once a quarter	All employees (including resident contractors)
	Confined Space Rescue Drill	Every 6months	EM Team
	PSM (Process Safety Management) Training	Once a quarter	PSM Process Department
Chemicals	Chemical Safety Training (Workers)	2hrs/year	All employees (including resident contractors)

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Workplace Safety and Health

Emergency Response Drill

PI Advanced Materials conducts regular emergency response drills based on various scenarios simulating accidents, disasters, and other emergency situations to enhance emergency preparedness and response capabilities. Through these drills, the company identifies gaps and establishes improvement measures to maintain a safe and resilient workplace. In addition, the company contributes to community safety by conducting joint emergency response drills with local government authorities and emergency response agencies.





Industrial Safety and Health Committee and Consultative Body

PI Advanced Materials operates an Occupational Safety and Health Committee in accordance with the Occupational Safety and Health Act. The Committee consists of equal representation from labor and management and meets quarterly to review and approve safety and health policies, chemical management, training plans, and workplace risk assessments, including work environment monitoring results. Key outcomes and improvement actions are communicated throughout the Company. The company also operates a joint inspection council involving employees and on-site contractors, which conducts quarterly inspections and shares improvement measures related to safety and environmental risks. In addition, PI Advanced Materials regularly participates in regional chemical safety community meetings to share safety and environmental management information with local stakeholders and reflect community feedback in its environmental and safety management practices.

Contractor Safety and Health Support

PI Advanced Materials has established regulations to ensure the safety and health of workers engaged through contracting, outsourcing, and consignment arrangements, and manages the safety of contractor personnel accordingly. The company also conducts routine site inspections and joint inspections to prevent potential workplace accidents during operations. For resident contractors, regular Safety and Health Council meetings are held to proactively coordinate work areas, schedules, and movement routes and minimize potential safety risks. In addition, to enhance safety awareness and promote health, the company provides chemical safety training for employees handling hazardous substances and supports regular medical checkups. Contractor selection requires the submission of a safety and health management plan, and the company evaluates contractors' safety management performance. Contractors with identified deficiencies are required to implement corrective actions, and only those meeting the company's safety and health standards are eligible for selection.

Safe Environment Communication Channels

In accordance with Article 4(1)7 of the Enforcement Decree of the Serious Accidents Punishment Act, PI Advanced Materials has established a Safety and Health Suggestion Box within its worksites, enabling employees and contractor personnel to freely submit safety-related suggestions. The company has also implemented the "Safety 100" system, which allows immediate reporting of potential hazards through QR codes posted across the sites, with reports automatically routed to the Safety and Environment Team. Through these mechanisms, PI Advanced Materials fosters a proactive and systematic safety culture in which employees, contractors, and outsourced workers actively contribute to identifying and addressing workplace safety risks.



Scan this QR code with your mobile phone camera to access the safety suggestion submission page.

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Material Topics 3.

Compliance Management

Compliance Management Overview

PI Advanced Materials focuses on proactive risk management and strengthening sound corporate governance through compliance management. The Legal and Compliance Team serves as the dedicated compliance function, leading the establishment and implementation of internal compliance policies and procedures. Regular training and education are conducted to ensure that all employees are familiar with and comply with applicable laws and internal regulations. To ensure the effectiveness of the compliance system, the company conducts regular internal audits and compliance inspections, and promptly implements identified improvement measures. In addition, PI Advanced Materials operates multiple reporting channels through its website (email, fax, telephone, and mail) to enable employees and external stakeholders to report potential violations. Through transparent communication, the company continues to strengthen trust in its compliance management practices.

Operation of the Compliance and Ethics Reporting Center

PI Advanced Materials operates a Compliance and Ethics Reporting Center to ensure fairness and transparency in the implementation of compliance and ethical management. To protect whistleblowers from any form of disadvantage, the company regularly operates a whistleblower protection program and publicly discloses related information on its website, thereby encouraging active reporting and participation from employees.

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Certification of the Internal Compliance Program

PI Advanced Materials operates an export control system for strategic goods to ensure strict compliance with global export control and strategic trade regulations, and continuously strengthens these efforts as part of its compliance management activities. As a result of these initiatives, the company was designated as a Certified Internal Compliance Program (ICP) operator (AA grade) by the Ministry of Trade, Industry and Energy in September 2025. This designation formally recognizes the company's internal control systems and management processes related to strategic goods exports, and provides administrative benefits such as reduced export screening time and simplified documentation, thereby enhancing operational efficiency in global business activities. PI Advanced Materials also operates a dedicated Export Compliance Team and has further strengthened its strategic export control system following this designation. The team continuously monitors compliance with relevant export control regulations and manages end-to-end internal control processes, including product classification, screening of counterparties, and verification of end use and end users. Through these measures, the company proactively identifies and manages regulatory risks across its global supply chain and continuously strengthens its export compliance capabilities.

Export Compliance Governance

Head of Finance & Strategy Group	Organizational Oversight	Supervision and Management of the Autonomous Export Control Team
Strategic Planning / ESG Team	General Management Export Management	Overall management and supervision of strategic item exports / Strategic item classification, export permit applications, customer information management, and internal training
Legal and Compliance Team	Audit	Enactment and revision of regulations, audit execution, and improvement recommendations
Plant Supporting Team, QA Team	Shipment Management	Review of strategic materials shipment documentation and database management
IT Team	Information Security Management	Enactment and revision of information security regulations and oversight of related operations

In 2025, PI Advanced Materials invited external experts to conduct training sessions for employees on strategic goods and export control regulations, thereby enhancing understanding of relevant laws and strengthening practical compliance capabilities. The company plans to continuously reinforce export control compliance through regular training and internal monitoring going forward.

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Material Topics 3.

Compliance Management

Compliance Risk Management

PI Advanced Materials upholds transparent and equitable business practices by implementing a compliance management system aligned with international standards, serving to ensure responsible corporate practices in a stable legal environment.

1. Minimizing Legal Risks

The company adheres to domestic and international regulations including trade laws and local statutes, proactively preventing legal disputes and mitigating regulatory risks.

2. Building Stakeholder Trust

Honest and transparent operations reinforce stakeholder confidence, including customers, partners, and investors.

3. Fostering a Sustainable Management Environment

Through compliance-driven management, the company fulfills its social responsibilities, advancing environmental protection and social value creation.

4. Establishing a Risk Management System

The company integrates compliance risks into the company-wide risk management system, identifying, assessing, and addressing risks across its business.

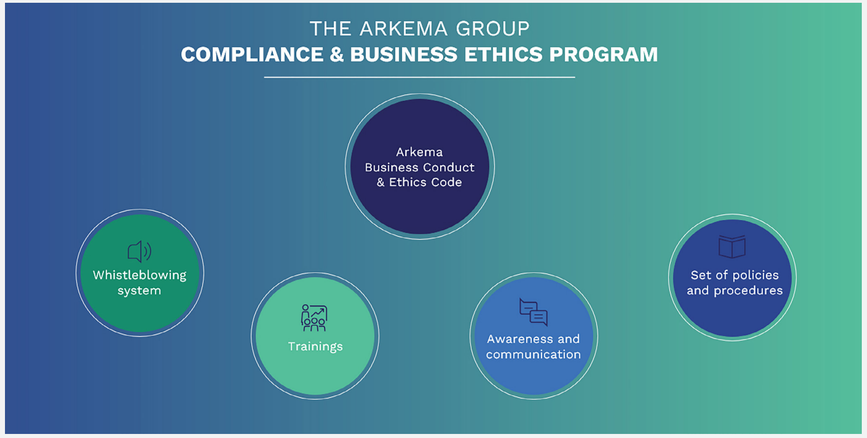
5. Promoting Shared Growth through Compliance with Partners

By extending its compliance management principles to partners, the company promotes ethical practices and legal compliance throughout the supply chain.

In 2025, PI Advanced Materials recorded zero cases of legal violations or regulatory sanctions across major legal compliance areas including fair trade, environment, and labor — a result of the substantive implementation of the company-wide compliance management system.

As a member of the Arkema Group, PI Advanced Materials has established and implemented a rigorous ethics and compliance management system aligned with global standards across its operations. The company has developed its own Code of Ethics and Ethical Practice Guidelines, which are applied throughout all business activities. In addition, multiple reporting channels (email, fax, telephone, and mail) are operated through the company website to enable all employees to report potential ethical violations.

Since June 2025, PI Advanced Materials has applied the Arkema Group's Compliance & Business Ethics Program. The program consists of five pillars: the Arkema Business Conduct & Ethics Code, the Whistleblowing System, Trainings, Awareness and Communication, and Policies and Procedures. It is shared with and applied to all employees of PI Advanced Materials. The Arkema Group Compliance Program is composed of eight key policies, which are internally disseminated within PI Advanced Materials to ensure full employee awareness and compliance with these requirements.



Policy 1
Arkema Business Conduct & Ethics Code

Policy 2
Arkema Anti-Corruption Policy

Policy 3
Whistleblowing Procedure

Policy 4
Guidelines on Conflicts of Interest

Policy 5
Procedure Relating to Commercial Intermediaries

Policy 6
Export Control Procedure

Policy 7
Practical Guide to Competition Law

Policy 8
Insider Trading Policy

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Customer-Centric Management

Governing Responsibly

Responsible Corporate Governance
Protection of Stakeholder Rights
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Financial Stability
Information Security
Strategic Material Management



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Embracing Green Innovation

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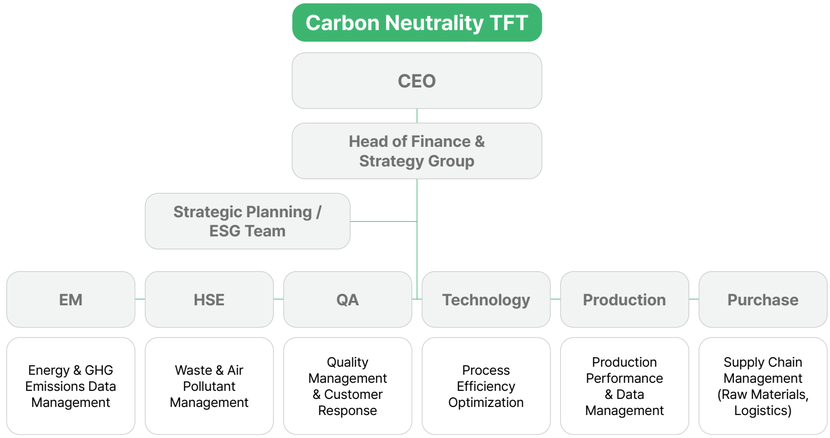
PI Advanced Materials aims to enrich people's lives through better products and to create positive value for both people and the environment across the entire product lifecycle, from production to end-of-life. The company continuously advances environmental management initiatives, including climate change response and resource circularity, to minimize environmental impacts. Based on a structured environmental management system, PI Advanced Materials is building environmentally responsible operations and pursuing a sustainable future.

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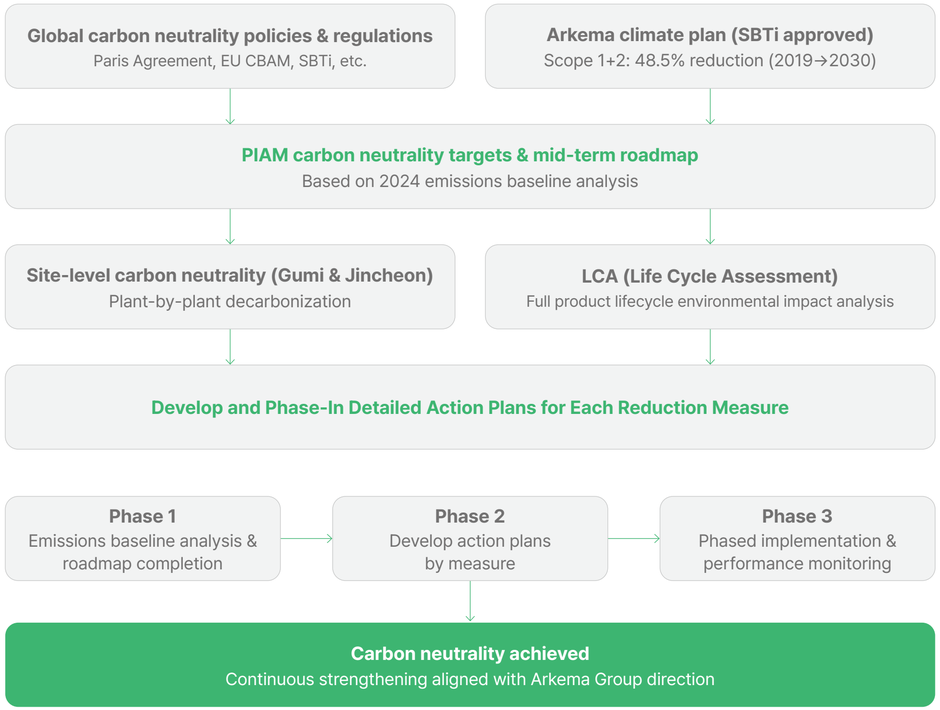
PI Advanced Materials operates a dedicated organization and governance system to systematically manage climate-related impacts. The team implements activities to achieve climate change response targets, responds to regulatory and policy developments, and integrates climate considerations into strategic planning and major investment decisions. The company also identifies and manages financial risks and opportunities related to carbon emissions trading and operates a greenhouse gas inventory system to collect and manage greenhouse gas emissions data.



Strategy

PI Advanced Materials continuously reviews greenhouse gas reduction measures across its value chain to respond to global carbon neutrality policies and regulatory trends. The company applies a phased approach to strengthen site-level carbon neutrality initiatives and Scope 3 emissions management, including conducting Life Cycle Assessment (LCA) to quantify environmental impacts across the product lifecycle. In 2025, PI Advanced Materials analyzed greenhouse gas emissions across all sites and established a carbon neutrality target and mid- to long-term roadmap. Based on this roadmap, the company plans to develop and progressively implement detailed emission reduction initiatives. Meanwhile, its major shareholder Arkema strengthened its climate strategy in May 2023 by setting SBTi-approved science-based targets, aiming to reduce Scope 1 and 2 greenhouse gas emissions by 48.5% by 2030 compared to 2019 levels. PI Advanced Materials aligns its decarbonization efforts with this direction and continues to enhance its greenhouse gas emission reduction activities.

CO2 Reduction Framework



Community Partnership Agreement

In January 2025, PI Advanced Materials entered into a voluntary agreement with Chungcheongbuk-do Province, where its Jincheon plant is located, to reduce greenhouse gas emissions and particulate matter in support of carbon neutrality. Through this agreement, the company shared awareness of the climate crisis and committed to advancing voluntary emissions reduction efforts to support both regional public health and carbon neutrality goals. The agreement reflects a shared commitment between the company and local stakeholders to address climate change through collaborative action. PI Advanced Materials will continue to fulfill its environmental responsibilities based on close partnership with local stakeholders.

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Greenhouse Gas Management

PI Advanced Materials recognizes the importance of climate change and integrates it as a core element of its sustainability management, continuously implementing various initiatives to reduce greenhouse gas emissions. The company is strengthening its company-wide management system, covering emissions accounting, target setting, and regulatory compliance. It operates an inventory-based system to systematically and accurately manage greenhouse gas emissions data, and enhances data reliability and transparency through third-party verification to meet stakeholder expectations.

1. Establishment and management of greenhouse gas inventory
PI Advanced Materials has established a greenhouse gas inventory to systematically manage Scope 1 and Scope 2 emissions. Through this system, the company regularly monitors direct and indirect emissions and utilizes the data as a basis for developing greenhouse gas reduction strategies.

2. Reduction targets and implementation plans
Each business site establishes emission reduction plans and integrates them into key performance indicators (KPIs). The company carries out phased improvement initiatives based on actionable tasks to achieve these targets.

3. Response to the Emissions Trading Scheme
As an entity subject to the Emissions Trading Scheme, PI Advanced Materials complies with relevant regulations and policy developments while continuously managing emission allowances and reduction activities. Through these systematic efforts, the company aims to minimize its environmental impact and contribute to global climate action.

Category		Unit	2023	2024	2025
GHG emissions	Scope1	tCO_2eq	17,769	24,963	22,168
	Scope2		71,877	90,248	87,527
	Scope1+2		89,645	115,210	109,694
Revenue		KRW billion	217.6	251.3	263.4
Greenhouse Gas Intensity		tCO2eq /KRW billion	411.9	458.5	416.4

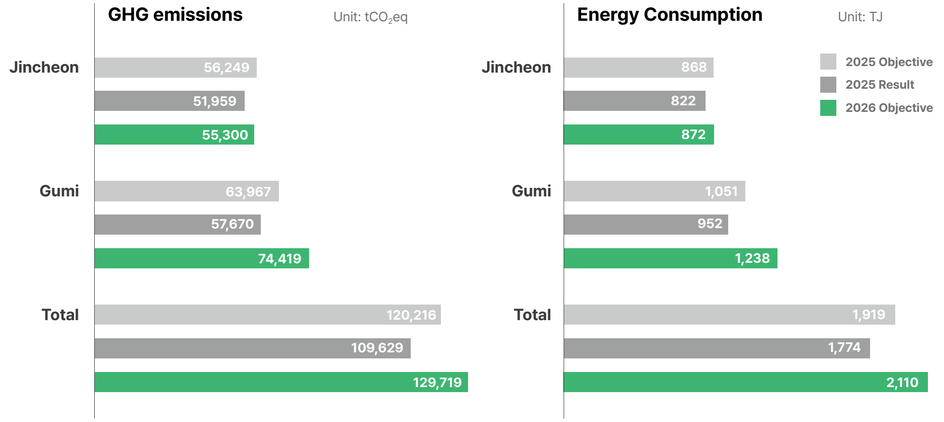
* Figures have been revised to correct data entry errors identified in the previous year. Values are presented after truncation below the decimal point.
* Total greenhouse gas emissions may not equal the sum of emissions reported by individual sites due to rounding differences arising during aggregation at the company level.
* Based on the Korean Greenhouse Gas Inventory and Research Center (GIR) Guidelines for Greenhouse Gas Accounting and Reporting (2025 Edition).

Energy Management

Excessive energy consumption is a key contributor to climate change, and addressing it requires efficient energy management and efforts to reduce carbon emissions. PI Advanced Materials has established and continuously operates a structured energy management system to improve energy efficiency and reduce greenhouse gas emissions. The company strengthens process optimization through the introduction of high-efficiency equipment and regular maintenance, while continuously monitoring energy consumption and identifying and implementing improvement opportunities. Through these efforts, PI Advanced Materials achieves both energy savings and emissions reductions. While absolute emissions may increase as production grows, emissions intensity per unit of revenue continues to improve. In 2025, the company integrated energy efficiency considerations into production planning and promoted energy savings through efficient utility operations, process optimization, and enhanced equipment maintenance. PI Advanced Materials will continue to expand its energy efficiency initiatives to support climate change mitigation efforts and strengthen the foundation for sustainable growth.

Category	Unit	2023	2024	2025
Energy Consumption	TJ	1,495	1,867	1,775
Revenue	KRW billion	217.6	251.3	263.4
Energy Intensity	tCO2eq /KRW billion	6.87	7.43	6.74

Current-Year Performance and Next-Year Targets



* Excluding Seoul Office

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Carbon Neutrality Roadmap

PI Advanced Materials has established a 2050 carbon neutrality roadmap in recognition of the significant impacts of climate change on humanity and industries, and in order to meet the expectations of various stakeholders, including customers, while contributing to national carbon neutrality goals. The company has set 2024 as the base year and 2035 as an interim review point, and is pursuing Scope 1 and Scope 2 greenhouse gas emission reductions centered on renewable energy transition and energy efficiency improvements. Specific quantitative reduction targets will be defined and disclosed in line with the further development of implementation plans. In 2024, the company's total greenhouse gas emissions were approximately 115,000 tCO_2eq, with the Jincheon and Gumi plants accounting for the majority of emissions. Analysis of the emissions structure shows that approximately 60% of total emissions originate from indirect emissions (Scope 2) associated with electricity consumption, highlighting the transition to renewable energy as a critical lever for achieving carbon neutrality. Accordingly, PI Advanced Materials plans to gradually introduce renewable energy procurement through solar and wind-based Power Purchase Agreements (PPAs) starting from 2027, thereby increasing its renewable energy share. In parallel, the company continues to implement energy efficiency improvement initiatives in its operations. It identifies and implements energy-saving measures equivalent to approximately a 3% year-on-year reduction, including heat recovery from RTO systems, replacement of aging chillers, and installation of inverters based on site-specific conditions. Furthermore, the company is reviewing medium- to long-term initiatives that involve technical and operational constraints, such as converting LNG boilers to electric boilers, replacing RTO auxiliary fuels with biomethane, and transitioning externally supplied steam at the Gumi plant to more environmentally friendly sources, while continuously monitoring technological developments and market trends to assess feasibility. PI Advanced Materials will continue to transparently disclose the progress of its carbon neutrality roadmap, proactively respond to climate-related risks, and capture opportunities arising from the transition to a low-carbon economy.

Key Reduction Measures

2025

2025 — 2035 Short term

Renewable Electricity Procurement through PPAs

Phased execution of solar and wind PPAs beginning in 2027

Process Energy Efficiency Improvements

Annual implementation of energy-saving initiatives, including RTO waste heat recovery, replacement of aging chillers, and inverter installation

Transition of Company Vehicles to Electric Vehicles (EV100)

Assessment of the full conversion of all 15 company vehicles to EVs

2036

2036 — 2050 Mid-to-long term

Fuel Switching Assessment

Assessment of LNG-to-electric boiler conversion and monitoring of the feasibility of replacing RTO auxiliary fuel with biomethane

RTO Energy Efficiency Improvements

Reduction of LNG consumption through F-RTO restart, VOC inlet characteristic management, and performance measurement of regenerative media

Transition to Low-Carbon Steam

Laying the Foundation for the Low-Carbon Transition of Externally Supplied Steam at the Gumi Plant

Process efficiency and improvement

Renewable energy

Fuel switching and offsets

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Climate Change Risk Analysis

PI Advanced Materials has established and operates a risk management process to identify, analyze, and systematically respond to climate-related risks and opportunities. The process comprehensively considers stakeholder requirements and the internal and external business environment to identify risks and analyze their financial impacts and response measures.

Category		Risk Factor	Risk/Opportunity Type	Potential Financial Impact	Response Measure	Timeframe
Physical Risk	Acute	Increasing Frequency of Extreme Weather Events (Floods/Typhoons, etc.)	• Typhoons·monsoon flooding and facility loss from natural disasters	• Economic·physical losses from production delays caused by facility damage • Transaction losses from shipping delays due to natural disasters	• Establish emergency response system and conduct regular safety inspections • Develop flexible production plans • Build logistics emergency contact network and secure insurance	Short-term
	Chronic	Rising Temperatures·Water Shortage, etc. Chronic Climate Change	• Higher energy costs from strain on cooling and ventilation systems • Lower process efficiency as cooling-water temperatures rise	• Higher production costs from increased power use. • Process quality decline and added cooling-equipment investments	• Ongoing energy efficiency improvement activities • Secure cooling-capacity buffer and strengthen water-temperature monitoring • Strengthen monitoring systems for sustainable resource management	Mid/long-term
Transition Risk	Policy & Regulation	Rising Carbon Prices (carbon tax introduction and K-ETS expanded paid allocation ratio)	• Higher Carbon Compliance Costs Resulting from Stricter GHG Regulations and Reduced Free Allocation	• Direct carbon cost increase tied to allowance market price and allocation cuts • Higher reduction-technology investment and operating costs	• Pursue process improvements and energy efficiency. • Minimize actual vs. allocated emissions via site-level reduction roadmaps. • Pursue surplus allowance strategy in parallel	Mid/long-term
		Expanding and Strengthening GHG emissions disclosure requirements	• Data Accuracy Risks Associated with Expanded Scope 1, 2, and 3 Disclosure Requirements	• Higher costs associated with system development and data collection	• Build Scope 3 emissions measurement and management systems • Enhance emissions data transparency through comprehensive verification	Mid/long-term
		Strengthening environmental regulations and expansion of the Serious Accidents Punishment Act	• Tightening environmental regulations and the expansion of the Serious Accidents Punishment Act may increase compliance costs and expose executives to greater legal and regulatory liabilities in the event of major industrial or public incidents. • Climate change-driven extreme weather events may indirectly increase workplace safety risks and operational disruptions.	• Exposure to Fines and Regulatory Sanctions for Non-Compliance. • Serious accidents may lead to business suspension, legal liabilities, and significant financial losses, compounded by reputational damage.	• Manage ESG framework for legal review and policy reflection • Build safety & health management system per Serious Accidents Punishment Act·implementation monitoring • Strengthen workplace safety standards for extreme-weather conditions	Short-term
	Market & Technology	Increasing Customer Demand for Carbon Reduction and Scope 3 Emissions Management	• Increasing customer requirements for Scope 3 emissions management are driving the need for Product Carbon Footprint (PCF) calculation, emissions reduction, and broader low-carbon transition efforts. • Failure to adequately respond may result in lower sustainability ratings and the potential loss of customer orders.	• Higher costs associated with the low-carbon raw material transition, process improvement, and PCF system development • Financial impact from order losses due to inadequate responses	• For key products: Build PCF calculation system • Reduce via renewable energy transition for Scope 2 and pursue source-analysis-based reductions	Mid/long-term
	Reputation	Growing Investor Interest in Climate Response Efforts	• Declining ESG Ratings Leading to Reduced Investor Confidence and Investment Opportunities	• Investment withdrawal and customer loss	• Expand internal and external sustainability disclosures • Improve ESG ratings and achieve rating upgrades • Actively address stakeholder requests	Short-term
Opportunity	Energy	Transitioning to Renewable Energy and Improving Energy Efficiency	• Cost savings from renewable energy transition • Returns on energy-efficiency investment	• Reduced energy costs and increased surplus allowances through process and efficiency improvements	• Expand renewable energy procurement and invest in facility upgrades	Mid/long-term
	Market	Expanding Climate-Related Disclosure Requirements	• Stronger market credibility and investor access through advanced disclosures	• ESG rating upgrades enable ESG preferential rates on ESG-linked financing. • Stronger order competitiveness via improved customer supply-chain due-diligence response	• Build TCFD based disclosure framework • Improve domestic and overseas ESG assessment response. • Review Scope3 external verification adoption	Mid/long-term

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Climate Scenario Analysis

PI Advanced Materials conducted climate risk and opportunity analysis based on the IPCC AR6 SSP scenarios to systematically assess and proactively respond to the impacts of climate change on business operations and corporate value. In line with TCFD recommendations, the company classified physical and transition risks and evaluated their financial impacts from short-, medium-, and long-term perspectives using both qualitative and quantitative approaches. Climate scenario analysis is not intended to predict future outcomes, but rather to assess potential risks and opportunities under different climate pathways and support informed decision-making. PI Advanced Materials integrates the results into its carbon neutrality roadmap, energy transition investments, and site-level risk management, and plans to further enhance the sophistication of its climate-related risk and opportunity assessment processes going forward.

Risk	Scenario	Scenario Description	Analysis Period	Covered Sites
Physical	SSP1-2.6	Strong Carbon Emission Reduction Scenario (1.5°C-aligned)	2025~2050	Gumi, Jincheon
Physical	SSP5-8.5	High-Carbon Emissions Pathway with Continued Fossil Fuel Dependence (3°C+ warming)	2025~2050	Gumi, Jincheon

Key Risk Factors

Flooding and Storms (Acute Physical Risk)
High flood exposure at the Jincheon Plant may result in flooding, facility damage, operational disruptions, and recovery costs.

Heatwaves and Cooling Water Temperature Rise (Chronic Physical Risk)
Heat island effects in the Gumi Basin may reduce the efficiency of PI processes, increase cooling equipment investment, and lower worker productivity.

Water Stress and Drought (Chronic Physical Risk)
Drought conditions in the Chungcheong region may disrupt operations due to water supply risks at the Jincheon Plant and reduced water quality at the Gumi Plant.

※ The exposure levels (high, medium, low) are internally assessed based on qualitative analysis, referencing IPCC AR6 SSP scenario-based regional climate projections, the geographic characteristics of the company's sites (Gumi: Nakdong River tributary and basin terrain; Jincheon: proximity to the Miho River and inland Chungcheong region), and climate change scenario data from the Korea Meteorological Administration. The financial impacts of transition risks have not been quantified due to uncertainties associated with long-term carbon price forecasts and future regulatory developments.

Site-Specific Risk Exposure SSP1-2.6 (1.5~2°C)

SSP1-2.6 (Sustainability Pathway): Strong climate policies and carbon pricing limit global warming to below 2°C. Transition risks such as carbon costs and regulatory requirements increase in the short term, while physical risks remain relatively limited.

Key Risk Factors	Gumi			Jincheon		
	Short (~2030)	Mid (~2040)	Long (~2050)	Short (~2030)	Mid (~2040)	Long (~2050)
[Physical] Acute risks						
Flooding & inundation Nakdong River / Miho River overflow	●	●	●	●	●	●
Typhoon & storm Extreme precipitation	●	●	●	●	●	●
[Physical] Chronic risks						
Heat stress Site cooling efficiency degradation	●	●	●	●	●	●
Cold stress Pipe / equipment freezing risk	●	●	●	●	●	●
Water stress Process water supply shortages	●	●	●	●	●	●

Site-Specific Risk Exposure SSP5-8.5 (3°C+)

SSP5-8.5 (High-Emission Pathway): Continued fossil fuel dependence and weak climate policies lead to >3°C warming. Physical risks (flooding, heatwaves, water stress) increase significantly, with high exposure at both Gumi and Jincheon, while transition risks remain relatively low.

Key Risk Factors	Gumi			Jincheon		
	Short (~2030)	Mid (~2040)	Long (~2050)	Short (~2030)	Mid (~2040)	Long (~2050)
[Physical] Acute risks						
Flooding & inundation Nakdong River / Miho River overflow	●	●	●	●	●	●
Typhoon & storm Extreme precipitation	●	●	●	●	●	●
[Physical] Chronic risks						
Heat stress Site cooling efficiency degradation	●	●	●	●	●	●
Cold stress Pipe / equipment freezing risk	●	●	●	●	●	●
Water stress Process water supply shortages	●	●	●	●	●	●

● **High** high likelihood of risk materializing
● **Medium** monitoring required
● **Low** limited near-term impact

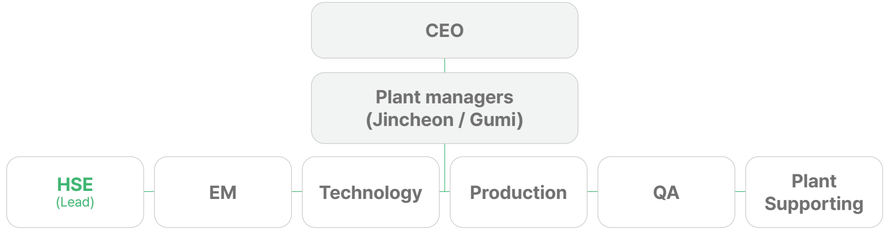
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Environmental Management

Environmental Management System

PI Advanced Materials has established an environmental management policy and systematically manages environmental impacts across its operations, continuously striving to build environmentally friendly sites. Since adopting the ISO 14001 environmental management system in 2007, the company has strengthened its system for identifying, assessing, and managing environmental impacts throughout the product lifecycle, from development to production, services, and operations.
Key environmental aspects, including wastewater management, chemical handling, and waste generation, are managed through preventive management processes in compliance with applicable regulations and internal standards. The company also reduces environmental impacts through equipment upgrades, process optimization, and increased resource recycling, while continuously improving environmental performance at its sites. In addition, PI Advanced Materials has established a company-wide Health, Safety, and Environment (HSE) policy to integrate environmental and safety management. Training and employee engagement are strengthened to ensure that all employees recognize and fulfill their environmental responsibilities in daily operations. The company will continue to enhance its systematic environmental management to achieve sustainable growth and further strengthen its position as an environmentally responsible company that creates long-term value for stakeholders.

Governance



HSE Green management policy development, overall oversight & environmental regulatory compliance
EM / Technology / Production / QA / Plant Supporting Environmental target implementation and performance management by department

Environmental Management Policy Overview

PI Advanced Materials is responsible for minimizing occupational safety, health, and environmental impacts arising from its operations and recognizes this as a core social responsibility. Based on a strong commitment to environmental protection, the company proactively identifies and systematically reduces direct and indirect environmental impacts across the entire value chain, from raw material sourcing to production, use, and end-of-life.
The company integrates environmental and safety and health considerations into its core management framework and strategically manages related risks and opportunities. Management actively supports the necessary human and financial resources to achieve these objectives and continues to strengthen the company-wide governance system. All employees share responsibility for environmental protection and occupational safety and health. In addition to complying with relevant laws and internal standards, they are encouraged to participate in voluntary improvement activities, contributing to the company's sustainable management. Through these efforts, PI Advanced Materials aims to pursue sustainable growth as an environmentally responsible and safety-oriented company.

1. Comply with environmental laws, international agreements, and related requirements.
2. Improve manufacturing processes and adopt advanced technologies to reduce environmental impacts.
3. Implement 3R (Reduce, Reuse, Recycle) initiatives to minimize pollutant emissions.
4. Disclose the environmental management policy to all stakeholders and seek their feedback.
5. Set specific environmental goals and monitor implementation progress.
6. Provide employees with training on the safety, health, and environmental management system and its documented procedures.

Environmental Management Activities

1. Environmental Impact Reduction at Sites
Air pollutant reduction: Regular inspections and expansion of pollution control facilities.
Greenhouse gas reduction: Investment in emission reduction equipment.

2. Resource Management and Circular Economy
Achieved a waste recycling rate of over 96% through resource recycling processes.

3. Development of Low-Carbon Products and Technologies
Continuous development of low-carbon and energy-efficient materials.

4. Promotion of Environmentally Responsible Practices
Implementation of energy-saving initiatives within operational sites.

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Life Cycle Assessment(LCA)

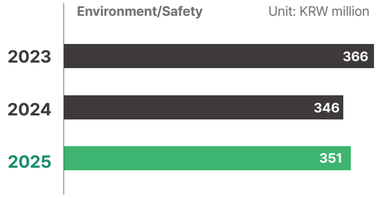
PI Advanced Materials systematically analyzes the environmental impacts of its products through Life Cycle Assessment (LCA) to strengthen its sustainable competitiveness. LCA is a methodology that quantitatively evaluates inputs, outputs, and potential environmental impacts across the entire product lifecycle, from raw material extraction to production, use, and end-of-life. Its importance is increasing as a key tool for responding to global regulations such as the EU Carbon Border Adjustment Mechanism (CBAM), supply chain due diligence requirements, and climate-related disclosures including Scope 3 emissions. Accordingly, the company is progressively expanding LCA application to proactively address product environmental information requirements and meet customer sustainability expectations. PI Advanced Materials first conducted LCA on five products in 2024, identifying key environmental impacts. The assessment was carried out in accordance with the ISO 14040 series standards, applying classification and characterization processes and the EF 3.1 methodology. Based on this foundation, the company expanded LCA coverage to product groups representing approximately 43% of sales in 2025 and plans to further increase coverage to around 75% in 2026, as reflected in its KPIs. In addition, PI Advanced Materials established a Carbon Neutrality TFT under the Finance and Strategy Division, involving key functions across the organization, including technology, production, procurement, safety and environment, and strategy/ESG teams. Through this cross-functional structure, LCA execution is being embedded within the organization, data quality and the reliability of assessment results are continuously enhanced. LCA results are utilized not only to respond to product-level environmental disclosures but also to quantitatively assess the effectiveness of process improvements and carbon reduction initiatives. They are also reflected in the development of low-carbon customer engagement and sustainability value-creation strategies. Moving forward, PI Advanced Materials will continue to advance its LCA framework and expand its application to contribute to the development of a decarbonized and sustainable supply chain beyond carbon reduction.

Low-Carbon Product Development

PI Advanced Materials develops a range of products aligned with global industry trends, including low-carbon and energy-efficient materials and materials for renewable energy applications. The company is also engaged in developing alternative raw-material-based products to replace hazardous chemicals and continues research on material lightweighting to improve energy efficiency. In addition, PI Advanced Materials is advancing the development of materials applicable to various gas separation processes, including biomethane, hydrogen, and carbon capture, utilization and storage (CCUS). Through these efforts, the company aims to contribute to the growth of clean energy and support the transition to a low-carbon economy.

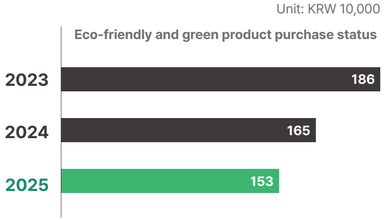
Environmental Investments

In 2025, PI Advanced Materials continuously invested in environmental pollution reduction and strengthened site safety. Investments included the installation of adsorption towers for non-emission facilities to reduce air pollutants, as well as the introduction of chemical management kiosks to enhance safe handling and prevent chemical leakage. The company also expanded infrastructure for pollution prevention, such as installing containment berms in refrigeration rooms and grounding systems for non-emission facilities. In addition, safety-related investments were made, including fire detectors in hazardous material storage areas and oxygen concentration meters in oxidant storage rooms. Through these initiatives, PI Advanced Materials aims to prevent environmental incidents and safety risks before they occur and enhance operational stability while continuously strengthening the foundation for improved environmental performance. Going forward, the company will further advance its environmental investment framework and refine its investment strategy to drive long-term environmental performance improvements and sustainable value creation, thereby pursuing sustainable growth.



Purchase of Eco-Friendly and Green Products

PI Advanced Materials seeks to establish a sustainable management system across its operations based on collaboration with diverse stakeholders. As part of these efforts, the company prioritizes the procurement of environmentally certified products in accordance with its internal Green Procurement Guidelines and promotes the purchase of green products. In office supplies, the company has prioritized large-scale procurement of green products such as recycled paper that do not directly affect product quality. Going forward, PI Advanced Materials plans to expand the procurement of certified green products more directly related to its products and operations, such as packaging boxes made from recycled paper.



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Site Pollution Management

PI Advanced Materials recognizes that pollution management at its sites is a key factor in protecting the surrounding environment and continuously works to systematically prevent and manage various sources of pollution. The company identifies air emissions, water pollution, waste, and soil contamination as key management areas and minimizes environmental impacts by enhancing management standards and operational systems in each area. For air pollution control, the company identifies potential pollutants such as hazardous gases and particulate matter, and minimizes emissions through pollution control equipment and process improvements. Continuous air quality monitoring and data-based management systems are also in place to ensure real-time tracking and timely corrective actions. To prevent water pollution, PI Advanced Materials strictly manages the entire wastewater treatment process and continuously improves treatment efficiency through equipment upgrades and operational optimization. Waste is handled in compliance with relevant regulations, while efforts are made to increase recycling and resource recovery rates to support a circular economy. For soil pollution prevention, the company strengthens chemical handling and storage standards and operates preventive systems such as leakage and spill prevention infrastructure. Regular inspections and improvement activities are conducted to continuously manage potential risks. To support these efforts, PI Advanced Materials continuously upgrades environmental facilities and operates internal environmental management standards that go beyond regulatory requirements. The company will continue to minimize environmental impacts through a proactive and systematic environmental management approach and demonstrate leadership in environmental stewardship through sustainable business practices.

Soil Contamination Management

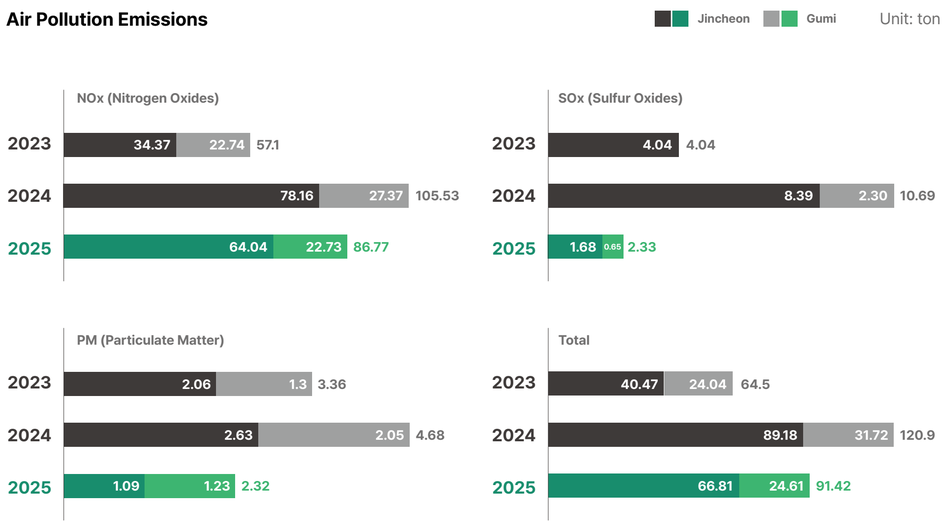
To strengthen environmental risk management at its sites, PI Advanced Materials conducts regular soil contamination testing. Each manufacturing site undergoes soil testing once every two years, and no contamination exceeding applicable regulatory standards has been identified. The company will continue to strengthen continuous monitoring to protect the surrounding environment and ensure compliance with applicable regulations.

Soil Contamination Inspection History	2023	2024	2025
Jincheon	○		○
Gumi		○	

Air Pollution Management

At PI Advanced Materials' sites, air pollutants such as nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter are generated during production, and the company operates a structured management system to minimize these emissions. Scrubbers (absorption towers) are installed in series as secondary treatment equipment to effectively reduce odors and air pollutants. Adsorption towers are also installed for non-emission facilities to prevent potential air emissions and further strengthen emissions management. In addition, air pollutant concentrations are regularly measured and monitored by external specialized agencies, and emission reduction efforts are strengthened through stable operation of air pollution control facilities. The company applies an internal management standard that limits emissions to within 70% of legal thresholds, ensuring a proactive and robust air emissions management system.

Air Pollution Emissions



* Based on the Air Emission Source Management System (SEMS) Standards

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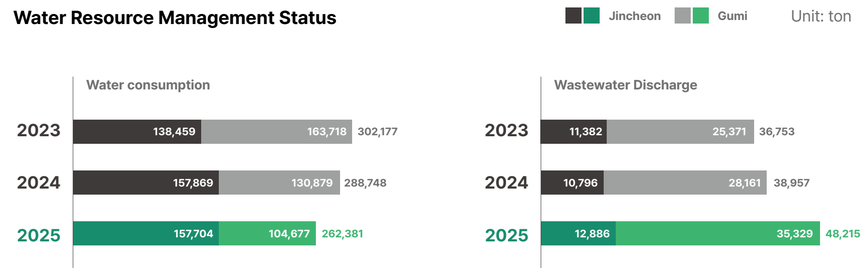
Water Resource Management

PI Advanced Materials continuously promotes systematic water management and efficient use, recognizing that water resources are a key resource for human life and sustainable development. The company is committed to securing stable and sustainable water resources while managing water as a critical element for ecosystem preservation and biodiversity conservation. To this end, we have established a company-wide water resource management system and continuously monitor water usage and operational status at each business site. Additionally, to reduce water usage and enhance resource efficiency, we are promoting various water-saving activities and facility improvements, and we are working to enhance water usage efficiency through process operation optimization. Additionally, we have established a reuse system that utilizes reusable water sources generated during production processes for purification and other purposes, contributing to the reduction of water usage. Going forward, PI Advanced Materials will continue to contribute to water conservation and environmental protection through systematic water resource management and continuous improvement activities, supporting the sustainable use of water resources and creating long-term environmental value.

Water Intake

Water Source		2023	2024	2025
Jincheon	Chungju Dam	149,841	168,665	170,590
Gumi	Nakdong River	189,089	159,040	140,006

Water Resource Management Status

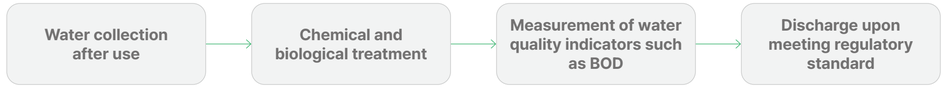


* Water consumption = Intake volume - Discharge volume

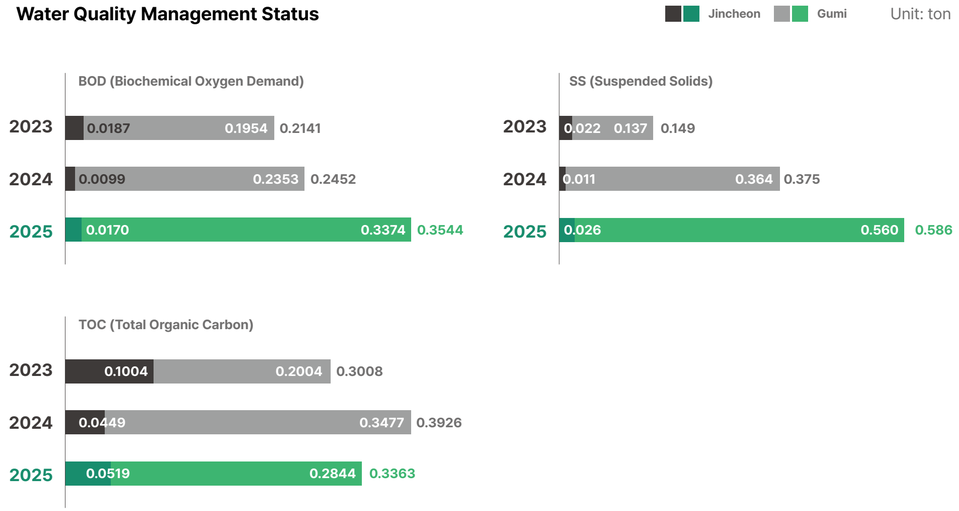
Water Pollution Management

PI Advanced Materials systematically manages pollutants generated during production and process activities to minimize water pollution. The company defines the entire process from wastewater generation to treatment and discharge as part of its environmental management scope and operates a structured system to maintain stable water quality. Regular water quality monitoring and analysis are conducted to continuously assess conditions, and in the event of abnormalities, the company performs root-cause analysis and implements prompt corrective actions to minimize environmental impacts. In addition, efficient operation and continuous improvement of wastewater treatment facilities help reduce pollutant emissions and ensure treatment stability. The company strictly complies with applicable environmental regulations and discharge standards, while also implementing proactive water management practices based on internal standards. Regular environmental training is provided to employees to enhance awareness and strengthen on-site response capabilities.
PI Advanced Materials will continue to enhance systematic water pollution management and ongoing improvement efforts to contribute to the protection of clean water resources and support sustainable site operations and long-term environmental stewardship.

Water Quality Management Procedures



Water Quality Management Status



Environmental Management

Waste Management

PI Advanced Materials has established and systematically operates a waste management policy to protect the environment and promote sustainable resource use. Based on this policy, the company minimizes waste generation and increases the utilization of reusable and recyclable resources, thereby reducing environmental impacts and contributing to the advancement of a circular economy.

1. Waste Classification and Storage

Waste generated from operations is safely stored according to its specific characteristics through the company's waste management system. These procedures are designed to ensure the safe handling of waste and to maximize opportunities for recycling.

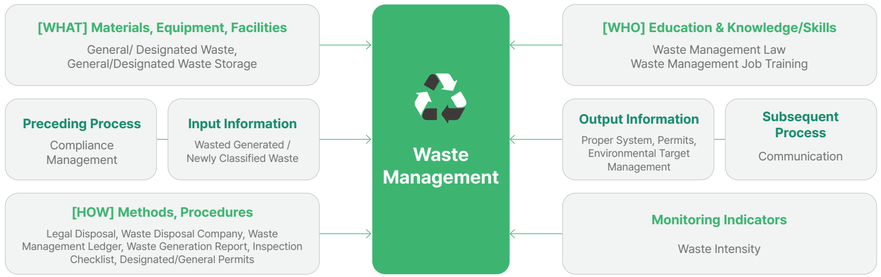
2. Waste Treatment and Recycling

All waste is treated in compliance with applicable environmental regulations. Recyclable materials undergo quality inspections prior to being reintegrated into the production cycle. The Jincheon and Gumi plants operate advanced systems to recover and recycle various by-products, including exhaust gases, thereby contributing to a circular economy through enhanced resource efficiency and value creation.

3. Research and Development for Waste Reduction

To further reduce waste generation, PI Advanced Materials continues to invest in R&D, enhance recycling technologies, and strengthen collaboration with external partners. These initiatives support the development of new technologies, improve production efficiency, and contribute significantly to reducing environmental impacts.

Management Process

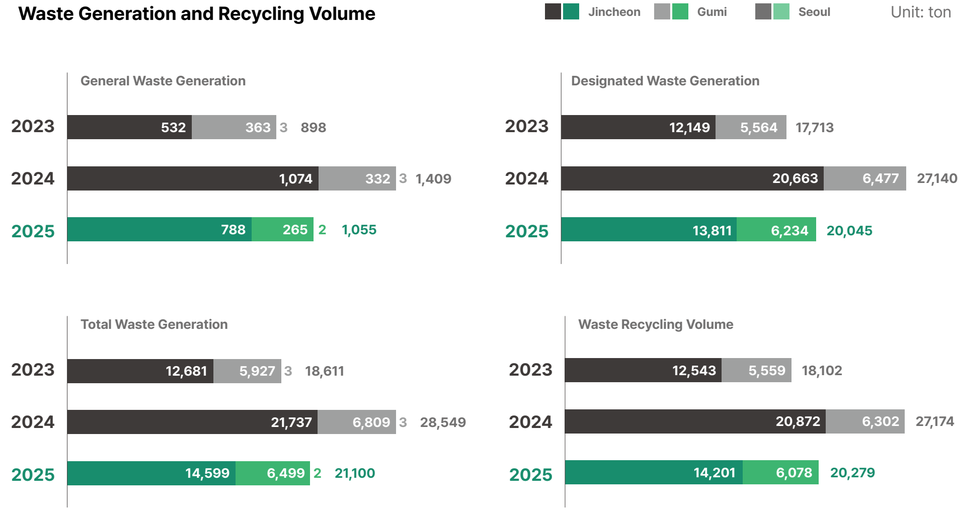


Monitoring and Performance Management

PI Advanced Materials operates a monitoring system to systematically manage the efficiency and operational performance of waste management. The company regularly reviews the entire process from waste generation to treatment and recycling, and uses the recycling rate as a key performance indicator to continuously manage circular economy outcomes. Data collected through monitoring is utilized to improve waste management processes and develop related policies, enabling continuous enhancement of site-level management systems.

The company sets continuous improvement targets for recycling rates and implements various initiatives to increase resource reuse and reduce waste generation. PI Advanced Materials will continue to minimize environmental impacts through systematic waste management and resource circularity initiatives, advancing the transition to a circular economy.

Waste Generation and Recycling Volume



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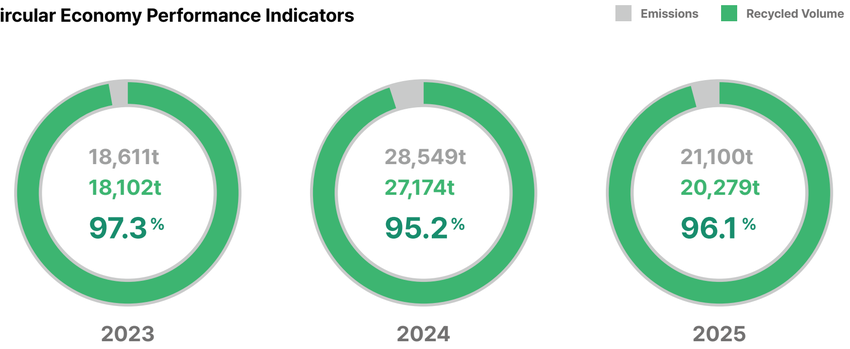
Transition to a Circular Economy

PI Advanced Materials recognizes production waste not as material for simple disposal but as a recyclable resource and continuously advances process improvements and technological development to maximize resource efficiency. The company has established and operates a 3R (Reduce, Reuse, Recycle) strategy as part of its environmental management policy to reduce waste generation and expand raw material recycling. By continuously improving raw material efficiency and enhancing the value recovery of waste resources, the company minimizes environmental impacts while reducing resource waste in its production processes. At the Gumi and Jincheon sites, a resource circulation system is in place to recover exhaust gases generated during production and reuse them as raw materials. Waste is systematically classified and stored according to its characteristics and treated in compliance with applicable regulations and standards. At the Gumi site, organic solvents and liquid catalysts are recovered, purified, and reused as raw materials, while at the Jincheon site, exhaust gases are condensed, liquefied, and reprocessed by external partners before being supplied back as raw materials. As a result of these efforts, the company achieved a recycling rate of 96.1% for reusable waste generated across all sites in 2025. This performance reflects progress toward both environmental protection and resource circularity, further strengthening the foundation for sustainable management. Going forward, PI Advanced Materials will continue to develop technologies for recycling residual PI film into high-value materials such as molding compounds and graphite-based materials. The company will further expand investments in process optimization and recycling technologies to contribute to a circular economy that balances environmental and economic value.

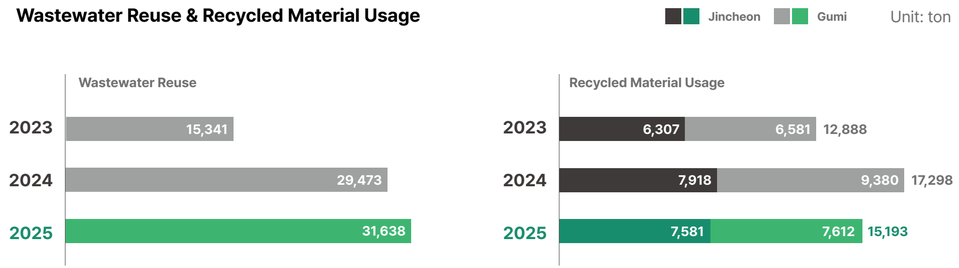
Resource Recycling Process

PI Advanced Materials systematically manages waste resources generated at each site and continuously strives to improve recycling rates and advance circular economy practices. The company regards production by-products and waste not as materials for disposal but as recyclable resources and enhances in-process reuse systems to maximize resource utilization. At the Gumi site, in-house recovery facilities are operated to collect and purify organic solvents and liquid catalysts used in processes that would otherwise be emitted as exhaust gas, enabling their reuse as raw materials. This approach reduces raw material consumption and waste generation while strengthening a resource-circulating production system. In addition, relatively clean wastewater such as process cooling water is separately collected and reused as cleaning tower scrubbing water, contributing to water conservation and improved resource efficiency. At the Jincheon site, a resource circulation system has been established in which exhaust gases generated during production are condensed and liquefied, then reprocessed by external partners and supplied back as raw materials. This system minimizes environmental impacts associated with exhaust gas treatment while expanding material recycling and enhancing both environmental and economic performance. Furthermore, PI Advanced Materials is developing a pulverization process to convert residual PI film generated during manufacturing into high-value materials such as molding compounds and graphite-based materials. This initiative aims to transform production residues into new industrial materials, thereby increasing resource value and minimizing waste generation. Going forward, the company will continue to enhance resource recycling processes through ongoing investment and R&D, and further strengthen circular economy systems across its production operations. Through these efforts, PI Advanced Materials will minimize environmental impacts and continue to pursue sustainable and environmentally responsible business practices.

Circular Economy Performance Indicators



Wastewater Reuse & Recycled Material Usage



Environmental Management

Biodiversity Preservation

PI Advanced Materials recognizes the importance of natural ecosystems and biodiversity and integrates these principles into its environmental management and ethical standards to promote responsible business practices. The company continuously implements biodiversity conservation activities to minimize environmental impacts from its operations and strengthen its sustainable management framework. In particular, environmental impacts that may arise from facility expansion and capacity increases are assessed in advance, and site-specific environmental management measures are implemented based on the characteristics of each location. The company also contributes to local ecosystem protection through various initiatives, including riverbank ecosystem conservation, green space management around sites, and the protection of native plant species.

Conservation Activities

PI Advanced Materials conducts regular environmental improvement activities during the first half of each year at areas surrounding its major sites to support biodiversity conservation and environmental protection. In 2025, the company carried out a cleanup activity at Jangryangcheon in Iwol-myeon near the Jincheon site, with the participation of 15 employees. The company also regularly monitors wastewater treatment and water quality from its operations to minimize impacts on surrounding ecosystems. In particular, the Jincheon site is located near the Miho River, which supports diverse habitats, and the company plans to expand ecosystem conservation and monitoring activities while strengthening collaboration with relevant environmental organizations. In addition, PI Advanced Materials will continue to strengthen systematic management of pollutant and waste reduction to further reduce environmental impacts.



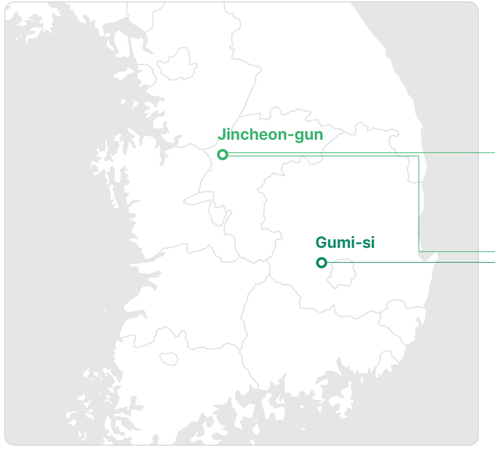
Green Conservation Activities at the Jincheon Plant in 2025

Biodiversity Risk Identification

PI Advanced Materials analyzed ecological conditions and related risks in areas surrounding its sites to minimize and systematically manage the ecological impacts of its business activities. To assess the ecological characteristics of the regions where its facilities are located, the company reviewed the presence of endangered species inhabiting nearby areas based on relevant public agency data. The assessment identified a total of 23 endangered wildlife species in Gumi, Gyeongsangbuk-do, where the Gumi plant is located, and 14 endangered wildlife species in Jincheon-gun, Chungcheongbuk-do, where the Jincheon plant and R&D center are located. Based on these findings, PI Advanced Materials evaluates site-specific ecological risks and plans to progressively establish and implement priority management areas and response measures, taking into account the distribution of endangered species and the nature of its operational activities.

Status of Endangered Species

Jincheon	Gumi
14	23



* Source: National Institute of Ecology (2023), Statistical Data on Endangered Wildlife



Otter (Endangered Wildlife Class I)



Miho Spine Loach (Endangered Wildlife Class 1)

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Shaping Social Impact

PI Advanced Materials prioritizes employee safety and health and operates a systematic occupational safety and health management system, continuously striving toward zero-accident workplaces. The company strengthens employee development through training and support programs and promotes sustainable supply chain management in cooperation with suppliers. In addition, PI Advanced Materials pursues sustainable growth through customer-focused quality management and engagement with local communities.

Human Rights Management
Talent Management
Organizational Culture and Labor Relations
Work-Life Harmony
Community Engagement
Supply Chain Management
Customer-Centric Management



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Human Rights Management

Human Rights Policy

PI Advanced Materials has established a human rights management framework by referencing global guidelines such as the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights, and publicly discloses related policies on its website. The company respects human dignity and equal rights and does not tolerate discrimination based on race, gender, color, language, religion, political opinion, origin, or social status. To clearly define its responsibility to respect human rights, PI Advanced Materials has established and disclosed a Human Rights Management Charter. The company has also implemented a human rights policy covering key areas such as the prohibition of child and forced labor, respect for diversity, and prevention of workplace harassment. These policies are publicly available to all stakeholders. PI Advanced Materials seeks to proactively prevent and manage potential human rights risks across its business activities and will continue to strengthen its human rights management system to protect and respect the rights of all stakeholders.

10 Principles of Human Rights Management

1. Non-discrimination
2. Compliance with Working Conditions
3. Occupational Safety Guarantee
4. Respect for Freedom of Association and Collective Bargaining
5. Prevention of Workplace Harassment
6. Prohibition of Forced & Child Labor
7. Humane Treatment
8. Community Human Rights Protection
9. Human Rights Due Diligence
10. Customer Human Rights Protection

Respect for Diversity, Equity, and Inclusion

PI Advanced Materials complies with labor-related laws and regulations, including employment rules, collective agreements, and the Labor Standards Act, and strives to protect employee rights and foster a fair working environment. The company promotes a culture of respect for differences and ensures equal and fair opportunities for all employees. In recruitment, promotion, compensation, and remuneration practices, PI Advanced Materials does not discriminate based on nationality, gender, or disability and operates a talent management system that embraces diversity and inclusion. The company hires talent without restrictions to promote workforce diversity, and key diversity-related indicators are disclosed annually in its sustainability report. In addition, to strengthen board diversity, at least 20% of the total pool of external director candidates is composed of female candidates. The company also implements relevant training and policies to prevent discrimination and human rights violations within the organization and to promote a culture of mutual respect. Through its Code of Ethics and Supplier Code of Conduct, PI Advanced Materials extends its commitment to human rights protection to external stakeholders, including suppliers.

Human Rights Training

PI Advanced Materials conducts a range of human rights-related training programs for all employees to internalize human rights management and foster a healthy organizational culture. The training focuses on key human rights issues that may arise in the workplace, such as the prevention of workplace harassment, prohibition of discrimination, and respect for diversity, with an emphasis on enhancing employees' human rights awareness and ethical sensitivity. In addition, integrity and ethics training is provided in conjunction with human rights education to promote a respectful working environment and continuously strengthen systems for preventing human rights violations.

Training Details	Unit	2023	2024	2025
Employee Human Rights and Ethics Training*	hour	1,344	1,312	1,296
Ethics Training Completion Rate	%	99	99	100

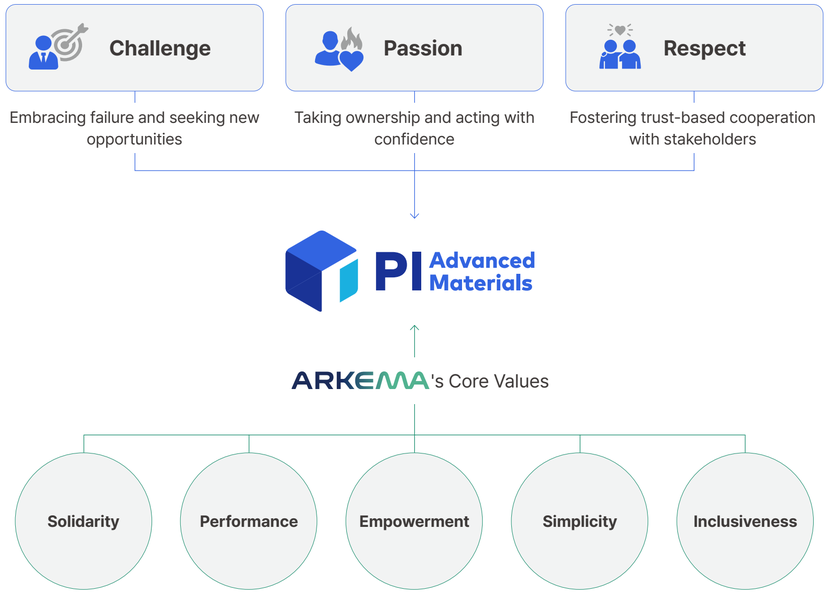
* Prevention of Sexual Harassment, Workplace Harassment, and Disability Awareness Improvement

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Talent Management

Ideal Talent

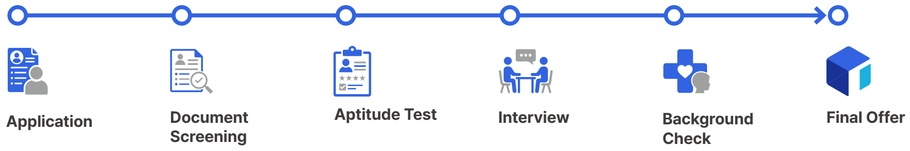
PI Advanced Materials aims to foster talent capable of responding flexibly to a changing business environment and driving sustainable growth, based on its core values of Challenge, Passion, and Respect. The company promotes an organizational culture where employees set their own goals and proactively perform their work, enabling both individual growth and the company's sustainable development. "Challenge" refers to a proactive mindset that seeks new opportunities without fear of failure, while "Passion" represents a responsible and self-driven approach to achieving results. "Respect" reflects an organizational culture that values diverse stakeholders and fosters collaboration based on trust. Based on these core values, PI Advanced Materials is strengthening a culture centered on autonomy and accountability, while enhancing mutual respect and collaboration among employees. In addition, the company incorporates Arkema Group's core values—Solidarity, Performance, Empowerment, Simplicity, and Inclusiveness—into its talent philosophy and HR strategy to reinforce a global-standard organizational culture and talent development system. Based on this framework, PI Advanced Materials operates various training and development programs to support employee capability building and continuous growth, and continues its efforts to secure sustainable talent capable of driving change and innovation.



Human Resources Policy

PI Advanced Materials practices an open recruitment policy that reflects its talent philosophy of Challenge, Passion, and Respect throughout the hiring process. The company believes that innovation and sustainable growth stem from securing outstanding talent and provides equal opportunities to all applicants without discrimination. In addition, PI Advanced Materials ensures a fair and transparent recruitment process based on competency, and fosters an environment where employees can fully realize their potential, strengthening its long-term competitiveness and supporting sustainable growth.

Recruitment Process





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Talent Development

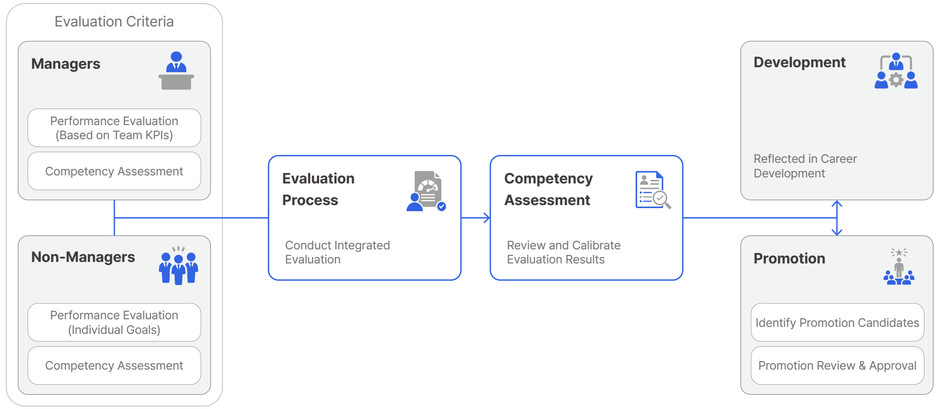
PI Advanced Materials recognizes employee capability enhancement and continuous growth as a key foundation of corporate competitiveness and operates an HR system that fosters a virtuous cycle in which individual development and organizational growth go hand in hand. Based on fair evaluation and a rational compensation system, the company supports employees in clearly understanding their roles and objectives and growing into key talent required by the organization. In addition, PI Advanced Materials fosters a work environment that enables employees to proactively develop their capabilities based on autonomy and responsibility, and operates various training programs to strengthen job expertise and leadership skills in response to the rapidly changing global industrial environment. Through these efforts, the company promotes improvements in both job performance and collaboration capabilities. In particular, PI Advanced Materials identifies the development of core talent as a key element of sustainable growth and operates structured leadership development programs tailored to different job levels and responsibilities. High-potential and strategic talent are selected and supported through leadership capability enhancement, organizational collaboration and networking, and development of business fundamentals and managerial mindset, while providing tailored growth opportunities aligned with individual career development paths. The company also continues to implement various talent development initiatives, including job rotation, professional training, and expanded overseas experience opportunities, to foster diverse talent and strengthen global capabilities. Going forward, PI Advanced Materials will further advance its HR and training systems to support employee growth and capability development, and proactively cultivate global talent capable of responding to evolving industrial environments, thereby reinforcing its sustainable growth foundation.

Reward System

PI Advanced Materials operates a reward system to recognize employees who have made significant contributions to the company's development in celebration of its founding anniversary. This system aims to enhance employee morale and foster organizational commitment, serving as part of its talent management approach to encourage outstanding performance and exemplary behavior within the organization. Awards are categorized into the Grand Excellence Award, Excellence Award, and Merit Award, and recipients are selected through strict review and approval by the Personnel Committee and the CEO. The Grand Excellence and Excellence Awards have been newly introduced in 2025, and selection is based on formal achievement reports. The evaluation process assesses employees based on the company's core values—Challenge, Passion, and Respect—ensuring that the system goes beyond performance-based recognition to identify individuals who embody and practice the company's fundamental values.

Evaluation and Compensation

PI Advanced Materials evaluates employees' job performance and competencies using both quantitative and qualitative criteria to ensure fair and objective human resource management. Evaluation results are reflected in personnel decisions such as promotion, placement, and compensation, enabling the simultaneous development of employees and the organization. Performance evaluation is based on company-wide strategic initiatives and KPI-driven organizational and individual goals, measuring actual contributions while encouraging challenging and development-oriented goal setting. Competency evaluation assesses job-related expertise, attitude, and leadership capabilities, and is designed based on a competency model aligned with the company's vision, business strategy, core values, and talent philosophy. It is structured by job level into common competencies, managerial competencies, and functional expertise. Based on these evaluations, a rational compensation system is applied to enhance employee motivation and foster a culture that balances autonomy and accountability.



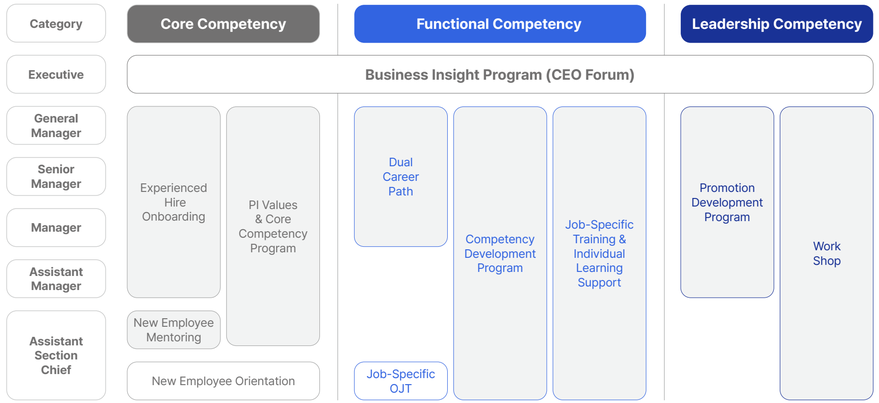
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Competency Development Program

PI Advanced Materials operates a structured education and competency development system to support employees' continuous growth and strengthen professional expertise. Core competencies are classified into core, functional, and leadership competencies, and training programs tailored to job level and role are provided to systematically enhance employee capabilities in line with evolving industry and job requirements. The training system emphasizes both practical, job-oriented education and the creation of a self-directed learning environment. Employees are provided with various learning opportunities to independently develop required skills, while feedback and coaching based on performance and competency evaluations enable individuals to objectively understand their strengths and areas for improvement and define their development direction. Continuous communication between the organization and employees further supports career development and competency enhancement. In addition, the company has established specialized talent development systems by job function to strengthen the cultivation of experts and core talent. Various development initiatives are in place, including support for graduate-level degree acquisition, job-specific professional training, and intensive programs for high-potential employees, reinforcing the foundation for future leaders and specialists. To respond to changes in the global industrial environment, PI Advanced Materials continues to implement mid- to long-term talent development strategies aimed at securing advanced expertise and leadership capabilities. Going forward, the company will further enhance its strategic education framework and foster a culture in which employees can continuously grow and fully realize their capabilities.

PI Training Framework



Graduate Degree Support

PI Advanced Materials supports master's and doctoral degree programs at leading domestic universities for technical professionals such as researchers and engineers to strengthen their capabilities. Through this initiative, the company aims to enhance its R&D and technology-driven functions and secure future technological competitiveness. In addition, the company operates an MBA support program for non-engineering and non-research employees to foster key talent equipped with both business insight and leadership capabilities. By developing professionals who combine job-specific expertise with a strong business mindset, PI Advanced Materials continues to strengthen its organizational capabilities to respond swiftly to changes in the industrial environment.

Category	Unit	2023	2024	2025
Participants in the Degree Support Program (Master's, Ph.D., MBA)	Person	3	2	3
Training Cost per Employee	KRW	1,285,000	1,237,000	797,643
Training Expenditure	KRW million	432.9	408.2	261.6
Training Completion Rate	%	97	99	99

Arkema Asia leadership Academy

PI Advanced Materials continuously invests in developing the leadership competencies of its employees to strengthen the execution of its sustainability management strategy. The Arkema Asia Leadership Academy, operated at the Arkema Group level, is a program designed to cultivate key talent across the Asia region in areas such as leading change, organizational communication, and cross-cultural collaboration. In 2025, PI Advanced Materials employees participated in the 7th Asia program, completing practice-oriented training modules including a change management framework, DISC-based leadership assessment, and workshops. Through this program, participants internalized a leadership mindset aligned with the Group's sustainability direction and enhanced their change management capabilities in support of the company's ESG strategy execution.

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Corporate Culture and Labor Relations

Fostering a Healthy Corporate Culture

PI Advanced Materials recognizes that a healthy organizational culture is a key foundation for sustainable growth and enhanced corporate competitiveness. The company strives to foster a culture in which employees share the Company's vision and core values, and collaborate based on mutual trust and respect, thereby enabling both individual development and organizational progress to advance together. The company places importance on creating a work environment that enables effective communication and collaboration. By encouraging open sharing of opinions and cross-functional cooperation, PI Advanced Materials supports the natural emergence of diverse ideas and continuous improvement initiatives. Through these efforts, the Company aims to respond flexibly to the rapidly changing industrial environment while strengthening organizational innovation and competitiveness. In addition, PI Advanced Materials is committed to cultivating an inclusive and diverse organizational culture in which all employees can fully demonstrate their capabilities without discrimination. The company respects the diverse experiences and perspectives of its employees and continuously strengthens a culture of mutual respect, ensuring that individual expertise and uniqueness are positively reflected within the organization. Going forward, PI Advanced Materials will continue to expand communication with employees to further embed a healthy organizational culture, and will consistently implement various systems and initiatives to enhance employee satisfaction and engagement. Through these efforts, the Company aims to grow together with its employees and develop into a sustainably and socially responsible enterprise that actively fulfills its social responsibilities.

Employee Communication Channels

In addition to the labor–management council, PI Advanced Materials operates a variety of online and offline communication channels to broadly collect employees' concerns and suggestions. Employees may freely submit their opinions through an anonymous online bulletin board, and all submitted matters are promptly reviewed by the relevant departments to analyze root causes and implement appropriate improvement measures. The Company also operates employee participation-based communication programs to encourage the open sharing of concerns and suggestions among employees. The Human Resources and General Affairs team systematically consolidates these inputs and develops practical response measures accordingly. Going forward, PI Advanced Materials will continue to listen to the voices of its employees through diverse communication channels and will further enhance job satisfaction and operational efficiency by fostering a flexible, trust-based organizational culture.

CAN Meeting

Through semi-annual voluntary activities organized by each division and headquarters, the company strengthens relationships and communication among employees across different age groups, job levels, and departments. By facilitating face-to-face interactions between departments, PI Advanced Materials enhances mutual understanding, helps break down organizational silos, and fosters an integrated and collaborative working environment.

Labor Relations

PI Advanced Materials operates a communication framework based on labor unions and labor–management councils to protect employees' rights and promote a mutually beneficial labor–management culture. In accordance with the collective bargaining agreement, the company recognizes and operates a labor union, and the agreement applies to all union members. PI Advanced Materials complies with applicable labor laws and the collective bargaining agreement, and strives to maintain a stable labor–management relationship grounded in mutual trust and respect. The collective bargaining agreement covers key matters related to employees' rights and working conditions, including protection of union activities, employment conditions, occupational health and safety, education and training, and maternity protection. Any additional detailed matters not covered by the agreement are supplemented through internal policies such as the Rules of Employment, thereby supporting employees in performing their duties in a stable working environment. In addition, beyond the labor union, PI Advanced Materials operates labor–management councils at its Seoul, Jincheon, and Gumi sites on a quarterly basis. These councils serve as a forum to listen to employees' opinions and suggestions and reflect them in improvement initiatives. Through these mechanisms, the Company discusses a wide range of issues such as workplace environment improvements, employee welfare, and occupational health and safety, and fosters a labor culture based on open communication, mutual respect, and consideration. Furthermore, PI Advanced Materials collects employee feedback through various channels, including the Occupational Safety and Health Committee and grievance counseling systems and centers, in order to maintain a trust-based and constructive labor–management relationship. Through continuous cooperation and communication between labor and management, the company has maintained stable, strike-free operations across its sites and plans to further strengthen a labor culture that supports mutual growth and sustainable development.

Category		Unit	2023	2024	2025
Collective bargaining		number of times	6	6	6
Labor-Management Council Negotiations	Jincheon	number of times	4	4	4
	Gumi	number of times	4	4	4
	Seoul	number of times	4	4	4

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Work-Life Harmony

Employee Benefits

PI Advanced Materials regards improving employees' quality of life as a key management value and operates a variety of welfare systems and support programs to enable both the organization and its employees to grow together. The Company's welfare policies go beyond simple financial support, focusing on providing practical assistance that enables employees to lead more stable and fulfilling lives both inside and outside the workplace. To this end, PI Advanced Materials continuously expands and enhances tailored welfare programs that reflect employees' diverse lifestyles and life stages, thereby increasing overall satisfaction and perceived benefits. In particular, PI Advanced Materials embraces Work-Life Harmony as a core organizational value and supports employees in harmonizing work with their personal lives, families, health, and self-development. By fostering a flexible working environment, the company promotes both psychological and physical well-being and strives to build an organizational culture in which all employees can pursue sustainable careers with respect and consideration. Furthermore, recognizing that employee happiness and satisfaction are fundamental drivers of corporate competitiveness, the Company continuously advances initiatives to improve both welfare systems and organizational culture. By actively incorporating employee feedback, PI Advanced Materials strengthens a people-centered organizational culture and aims to achieve sustainable growth and enhanced competitiveness based on a healthy working environment and high levels of employee engagement.

Benefit Program	Description
Company Dormitory	Offers company-paid dormitory housing with private bedrooms and shared living spaces for employees working far from home during the week.
Recreation Clubs	Provides financial support for employee-led sports and leisure clubs. 160+ members participate across 10 active clubs as of 2025
Housing Loans	Provides interest-free housing loans to assist employees with home purchase.
Tuition Support	Fully covers tuition for employees' children, including admission and registration fees from elementary school to university.
Substitute Holiday	Grants a substitute day off when the company anniversary falls on a weekend or public holiday.
Summer Vacation	Provides additional summer vacation days each year, in addition to legally mandated annual leave.
Congratulatory and Condolence Leave	Offers special leave and monetary support for major life events, calculated as a percentage of base salary.
Medical Expenses and Check-up	Covers annual health check-ups for employees and spouses, reimburses medical expenses for employees and their immediate families.
Long-Service Reward	Grants bonus vacation days and financial rewards for long-tenured employees to recognize dedicated service.
Welfare Points	Provides welfare points to all employees annually, which can be used to purchase goods and services, or participate in activities that support personal hearth, leisure, and overall quality of life.

Family-Friendly Policy

PI Advanced Materials regards work–life balance as an important organizational value and strives to create a family-friendly working environment that enables employees to maintain stability while balancing responsibilities at home and at work. The company operates various institutional support programs, including family care leave, parental leave, and maternity leave, to prevent career interruptions and provide employees with financial and psychological stability. In addition, PI Advanced Materials offers flexible working arrangements that take into account individual lifestyles and job characteristics, thereby providing a more autonomous and efficient working environment. In particular, the Company has expanded the scope of its selective working-hour system to enable employees to manage work and family responsibilities with greater flexibility. Furthermore, to enhance employees' and their families' health and quality of life, the company provides spouse health check-up support and operates medical expense assistance programs for direct family members, including parents and children. Through these initiatives, PI Advanced Materials helps alleviate employees' caregiving and healthcare-related burdens, enabling them to maintain more stable and balanced lives. Going forward, the Company plans to further strengthen its related policies and support systems so that employees can work stably without undue burden from childbirth, childcare, and family caregiving responsibilities.

Retirement Planning and Re-employment Programs

For employees approaching mandatory retirement age, PI Advanced Materials operates a re-employment system that rehires retirees as fixed-term employees, thereby providing opportunities for continued employment after retirement and enabling them to leverage their experience. In addition, the Company implements an Outplacement program for retiring employees, which offers support in areas such as financial planning, family relationships, and career transition education to help them maintain stability and prepare for post-retirement life.

Category	Unit	2023	2024	2025
Re-employment of Retirees	Person	6	-	1
Retirement Planning Program	Times/Person	1/10	1/12	1/8

Employee Satisfaction Survey

To foster a healthy organizational culture and enhance institutional systems, PI Advanced Materials conducted a new organizational culture satisfaction survey in 2025. The survey was carried out to gather employees' feedback and improvement needs regarding overall working conditions, communication, collaboration, organizational culture, and system operations. The results of the survey are incorporated into organizational KPIs and linked to specific goals and action plans for improving organizational culture. In addition, based on the analysis of the results, the company promotes improvement activities at the organizational level and continuously enhances its culture and systems to increase employee satisfaction and engagement.

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Local Community Partnership

Key Initiatives for Partnership

As a corporate citizen growing together with local communities, PI Advanced Materials continuously promotes various programs for mutual growth with the regions in which it operates. The company regards corporate social responsibility as a key value of its management activities and strives to build trust with local communities while contributing to sustainable development. To this end, PI Advanced Materials carries out structured social contribution activities across three core directions: shared growth, risk management, and the establishment of a sustainability framework. First, the Company promotes mutual growth with local communities by supporting vulnerable groups and participating in and sponsoring local events. It also operates various donation and social contribution programs to support future generations. In addition, to address environmental and safety risks arising from unexpected accidents and disasters, the company strengthens preventive activities and support systems, thereby contributing to the safety and environmental protection of local communities. Furthermore, PI Advanced Materials actively collaborates with a wide range of stakeholders, including regional economic organizations, industry associations, and safety and environmental institutions, to strengthen the foundation of sustainable management. Through these efforts, the Company contributes to enhancing industry-wide sustainability and regional development while fulfilling its corporate social responsibilities in good faith. Going forward, under its business slogan “Polyimide Connecting Tomorrow,” PI Advanced Materials will continue to create social value through ongoing communication and cooperation with local communities and will further expand its social contribution initiatives to build a better and more sustainable future.

Slogan	**Polyimide Connecting Tomorrow**		
Mission	**We engage in social and local initiatives to foster shared growth, safety, and sustainability of the surrounding communities**		
Activity Areas	**Shared Growth**	**Safety and Environment**	**Community Sustainability**
Targets	Vulnerable groups in the community / Future generations	The surrounding local communities	Local associations and organizations
Activities	**Provide financial support** to vulnerable groups in the surrounding communities, such as single elderly households. **Sponsor infants and children** from low-income households in the local communities.	**Establish a community emergency** response system and a damage mitigation plan in case of accidents. **Identify potential risks to the community** in the event of hazardous gas or chemical leaks and establish a prevention plan to contain the spread.	**Join local community associations and business organizations** To support initiatives for the community and business development. **Engage with local health, safety, and environmental organizations** to address community HSE risks. **Participate in local economic and industrial organizations** to share and align visions for future business growth within the community.

Risk Management

PI Advanced Materials engages in regular communication with local residents at each of its business sites to collect diverse opinions and faithfully fulfill its corporate social responsibilities. The company annually reviews the social and environmental impacts of its business activities on surrounding communities and continuously strengthens its response mechanisms. Through regular meetings with local community councils and grievance reporting channels, PI Advanced Materials identifies potential adverse impacts based on collected feedback. The Company evaluates these issues by considering both their significance and likelihood of occurrence, and establishes and operates appropriate response measures accordingly. In addition, the effectiveness of these response systems is continuously monitored and improved through regular reviews.

Category	Details	Potential Financial and Non-financial Impacts	Mitigation Measures	Time
Hazardous Gases	• External release of hazardous gases due to workplace accidents	• Economic and physical losses resulting from air pollution affecting operations and local communities • Potential health impacts from exposure to hazardous gases	• Establish emergency response systems and conduct regular safety inspections and training to prevent chemical incidents	Short-term
Chemical Substances	• External release of chemical substances due to operational or process-related accidents	• Economic and physical losses resulting from contamination affecting operations and local communities	• Establish emergency response systems and conduct regular safety inspections and training to prevent chemical incidents	Mid/Long-term
		• Potential injuries or fatalities resulting from chemical substance releases	• Install decontamination facilities, including emergency showers and eyewash stations, to mitigate the impacts of pollution incidents	
	• Biodiversity loss resulting from water contamination	• Impacts on water resources and community contamination resulting from chemical substance releases	• Establish emergency response systems and conduct regular safety inspections and training to prevent chemical incidents	Short-term
			• Conduct maintenance and improvements to local waterways to prevent water contamination in local communities	
Noise and Vibration	• Community impacts from noise and vibration	• Sleep disturbance and disruption to the daily lives of nearby residents • Potential noise complaints and environmental disputes • Potential long-term health impacts from prolonged exposure	• Comply with noise and vibration emission standards and conduct regular monitoring • Operate a rapid response system for community complaints	Short-term

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Community Assistance Projects for Local Communities and Vulnerable Groups

Since its establishment, PI Advanced Materials has continuously fostered mutually beneficial partnerships with local communities through various support activities. The company has maintained ongoing donations and sponsorships through ChildFund Korea to support children and adolescents who will lead future generations, helping them grow and thrive despite challenging circumstances. In addition, PI Advanced Materials carries out a range of charitable and volunteer activities to support vulnerable members of local communities, including low-income residents and elderly people living alone. Going forward, PI Advanced Materials will continue to fulfill its social responsibilities through ongoing communication and collaboration with local communities while contributing to a culture of sharing and giving.

Local Engagement Programs	Description
Community Outreach Initiatives	PI Advanced Materials carries out various support activities to strengthen mutually beneficial partnerships with local communities near its Jincheon site. The Company strengthens community engagement by operating resident participation programs such as river clean-up activities, traditional holiday events, and filial piety events for local residents. In addition, PI Advanced Materials actively supports vulnerable groups in the community, including donations of essential goods for elderly individuals living alone.
ChildFund Sponsorship	PI Advanced Materials supports children's dreams and aspirations by providing regular donations and holiday contributions for students from low-income and single-parent families in collaboration with ChildFund Korea.

Social Contribution Fund

2023	2024	2025
48.6 KRW million	51.5 KRW million	41.7 KRW million

Community Communication

The company participates in regular meetings with environmental engineers' associations and chemical safety communities in the Gumi and Jincheon business site areas to transparently share information on chemical safety and environmental management with local communities. Feedback and requests collected through these meetings are actively reflected in the Company's environmental management plans. In addition, through a voluntary agreement with Chungcheongbuk-do Province on greenhouse gas and fine dust reduction, PI Advanced Materials translates communication with local communities into concrete management actions.



Delivery of Care Packages to Elderly Individuals Living Alone



River Maintenance Project in Sindang Village

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Supply Chain Management

Supply Chain Management Overview

PI Advanced Materials requires its key suppliers to strengthen sustainability, transparency, and ethical conduct across the supply chain by adhering to its Supplier Code of Conduct. The Code of Conduct is established based on the principles of the UN Global Compact (UNGC) and the standards of the International Labour Organization (ILO), and aims to ensure compliance with legal and ethical responsibilities as well as the establishment of a sustainable operating system across the supply chain. The Code of Conduct covers key responsibilities and standards required in supply chain operations, including compliance with laws and ethical regulations, transparent disclosure of information, protection of intellectual property rights and personal data, respect for human rights, occupational health and safety obligations, environmental protection, and sustainable resource use.

Through this framework, the company supports its suppliers in building responsible management systems and participating in sustainable supply chain operations. In addition, PI Advanced Materials conducts regular surveys and on-site assessments of key suppliers to evaluate compliance with the Code of Conduct. These activities are designed to enhance sustainability and risk management across the supply chain and to strengthen the foundation for mutual growth with suppliers. The Supplier Code of Conduct is publicly available to all suppliers via the PI Advanced Materials website. Going forward, PI Advanced Materials will continue to strengthen its responsible supply chain management system, expand mutually beneficial partnerships with suppliers, and enhance operational efficiency and reliability across the supply chain to secure sustainable corporate competitiveness.

PI Advanced Materials Partner Code of Conduct

Human Rights	Safety & Health	Environment	Ethics Management	Management System
• Prohibition of forced labor • Prohibition of child labor • Working Hours • Wages & benefits • Humane treatment • Non-discrimination	• Occupational safety • Emergency preparedness • Prevention of Occupational Accidents & Diseases • Hazardous substance exposure management • Facility safety management • Safety & health training	• Environmental regulatory compliance • Pollution prevention & resource / energy conservation • Hazardous chemical management • Waste management • Air pollution management • Water resource management	• Anti-corruption & anti-bribery • Information disclosure • Intellectual property protection • Personal data protection • Protection of whistleblowers & non-retaliation	• Compliance commitment • Legal & customer requirements • Risk management • Objective Management • Training & communication • Employee participation & grievance handling • Documentation & records

Supply Chain Management Strategy

PI Advanced Materials operates its supply chain management system based on four key strategic pillars to build a sustainable and responsible supply chain. The Company promotes fair trade compliance grounded in human rights and ethical management, strengthens procurement competitiveness through systematic purchasing strategies and supply chain diversification, advances an environmentally responsible procurement strategy by applying eco-friendly technologies and expanding green purchasing, and implements a shared growth strategy based on technology exchange with suppliers and the protection of intellectual property rights. Through these initiatives, PI Advanced Materials enhances the stability and sustainability of its supply chain while fostering mutually beneficial partnerships with its suppliers.

Supply Chain Management Strategies

Compliance with Human Rights and Ethical Management	Mutual Growth	Eco-friendly Purchasing Strategy	Partner Network Enhancement
- Comply with laws and ethical regulations - Respect labor rights and promote fair trade - Prevent corruption and maintain transparency	- Protect physical and intellectual property rights - Facilitate technology exchange - Build sustainable business models	- Increase waste recycling rate - Strengthen control of conflict minerals - Promote green purchasing	- Establishment of strategic partnerships - Quality and reliability assurance - Risk management and response

Supply Chain ESG Management Process

1. Supplier Registration

- Source high-quality suppliers
- Conduct ESG self-assessments
- Obtain signed pledges for the Supplier Code of Conduct

2. ESG and Performance Evaluation

- Perform on-site inspections of major suppliers
- Review supplier provided self-evaluation reports
- Frequency: Once per year

3. Evaluation Review

- Classify supplier performance based on evaluation grades
- Share results and request corrective actions for non-compliance

4. Post-management Measures

- Apply penalties or remediation steps according to evaluation outcomes
- Confirm and track resolution of non-conformities

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Supply Chain Management System

PI Advanced Materials operates a risk management system based on structured assessments to ensure the sustainability and stability of its supply chain. In 2025, the company further strengthened its supply chain management processes to improve raw material quality and supply chain stability. During the new raw material introduction stage, PI Advanced Materials enhanced laboratory-led verification of raw material characteristics and quality, as well as the establishment of raw material management standards. In the raw material approval stage, the Quality function strengthened supplier Quality Process Audits (QPA), thereby advancing the approval and management system for raw materials. In addition, during the supplier approval and management stage, the Procurement function conducts supplier Quality System Audits (QSA) to systematically manage supplier qualification and ongoing oversight. The Company also evaluates and manages suppliers based on ESG-integrated assessment criteria. For suppliers with insufficient evaluation results, PI Advanced Materials requests corrective actions and provides various support measures, thereby strengthening suppliers' ESG capabilities and fostering a culture of shared growth. Furthermore, the company operates internal regulations to ensure the safety and health of contractors, service providers, and outsourced workers. Regular and joint safety inspections of supplier workplaces, as well as Safety and Health Council operations, are conducted to continuously improve safety management standards and prevent occupational accidents among supplier employees.



Supply Chain Registration Process



Post-Supply Chain Management

PI Advanced Materials operates a systematic post-management framework to ensure the sustainable operation of its supply chain in collaboration with suppliers. Each year, the Company conducts environmental impact assessments of its suppliers to evaluate key environmental factors such as air emissions, water quality, and waste. The assessment results are reflected in decisions regarding contract renewal and continued business relationships. In addition, suppliers are managed in a structured manner according to their risk level and materiality, enabling continuous monitoring of environmental risks across the supply chain. For raw material suppliers and equipment vendors, PI Advanced Materials requires documentation confirming the non-use of hazardous substances in compliance with RoHS and other environmental regulations.

The company also verifies the use of hazardous substances through test reports issued by accredited analytical institutions. Furthermore, waste treatment contractors are subject to on-site evaluations at least once a year, and in cases where improper or illegal disposal practices are identified, strict corrective actions or contract termination measures are applied. In addition, the Company operates ESG assessment criteria and a Supplier Code of Conduct for raw material suppliers and key partners to monitor their environmental management performance and ESG-related risks. The results of these evaluations are reflected in procurement decisions and supplier management policies. Through these measures, PI Advanced Materials continuously strengthens the sustainability and responsible management of its supply chain.

Supply Chain Evaluation Items

Evaluation Items	General Status	Sustainability Management System (SMS)	Quality Management System (QMS)	Environmental Management System (EMS)
Evaluation Contents	• Management status • Credit rating, transaction performance • On-time delivery • Risk management (e.g., insurance coverage)	• Sustainability management Certification (ISO26001) • Labor rights management • Compliance with ethical standards • Anti-corruption management	• Quality management certification (ISO 9001) • Quality indicators and control • Customer satisfaction • Process management	• Environmental management certification (ISO 14001) • Hazardous materials management • Materials and product oversight

Supply Chain Management Status

Category	Unit	2023	2024	2025
Total Number of Partner Companies	Number	238	172	187
Supplier Evaluations	Number	34	34	42
Partner Companies Requiring Corrective Actions	Number	3	9	15
Implementation Rate of Corrective Actions	%	100	100	100
Partner Companies with Terminated Relation	Number	0	0	0

* Total suppliers: All vendors including raw materials, packaging, logistics, and equipment repair services.

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Customer-Centric Management

Customer-Centric Management Overview

PI Advanced Materials places customer satisfaction as its highest priority and practices sustainable management that considers both quality and environmental performance. The company accurately understands customers' needs and expectations and actively reflects them in its products and services, thereby providing stable quality and reliable solutions while continuously striving to build long-term partnerships. To this end, PI Advanced Materials operates a systematic quality management system based on international quality standards and strengthens product quality stability and production efficiency through continuous facility investments and process improvement activities. In addition, the Company minimizes customer inconvenience and enhances customer satisfaction by incorporating customer feedback into product improvements and providing prompt after-sales services. Furthermore, PI Advanced Materials minimizes environmental impact and establishes a sustainable production system by introducing eco-friendly manufacturing processes, reducing waste, and improving resource and energy efficiency. The company also actively responds to customers' ESG-related requirements and prepares for proactive responses through voluntary participation in ESG assessments and the establishment of management systems aligned with customer expectations. Based on these efforts, PI Advanced Materials continues to expand responsible business practices that simultaneously consider both quality and environmental performance.

Quality and Environmental Management Certification

Certification Status

ISO 9001 Quality Management System (File No.: FM 518728)
ISO 14001 Environmental Management System
(File No.: EMS 518811)

Certification Period

2007 - 2028

Product Safety Certification

Certification Status

Flame Retardant Certification (V-0, VTM-0)
(File No. QMFZ2.E258356)

Certification Period

From 2006

Certification Status

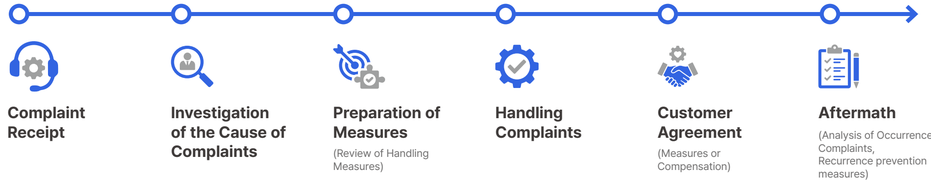
Restriction of Hazardous Substances
RoHS Certification with SGS

Certification Period

Annual assessment of all products

Customer Complaint Handling Process

PI Advanced Materials operates a systematic quality management system to ensure product safety and enable customers to use its products with confidence. The company applies strict quality standards throughout the entire process, from product design to production and shipment. It has established a structured customer complaint handling process to ensure prompt and accurate responses, while conducting root cause analyses and implementing corrective and preventive actions to prevent recurrence. In addition, customer feedback is actively incorporated into product and process improvements to enhance customer satisfaction and build long-term, trust-based relationships. Going forward, the Company will continue to provide high-quality products and enhance its services through close communication with customers.



Customer Complaint Occurrence / Resolution Rate

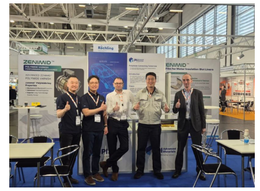
Category	Unit	2023	2024	2025
Occurrence Rate (As % of sales)	%	0.35	0.02	0.01
Complaint Resolution Rate	%	100	100	100

Communication and business processes to enhance customer value

PI Advanced Materials conducts ongoing customer engagement through various communication channels to enhance customer satisfaction and strengthen trust. In collaboration with Arkema, the Company participates in major domestic and international exhibitions, including InterBattery, Semicon Korea & China, and Coiltech Deutschland, to engage directly with customers and understand market trends. Communication with global customers is also strengthened through social media channels.

The company maintains regular communication with customers and partners and operates a prompt response system for quality complaints to minimize customer inconvenience. It also focuses on strengthening technological capabilities and expanding R&D in high-value-added and eco-friendly products. Going forward, PI Advanced Materials will continue to listen to customer feedback and grow as a trusted sustainable partner.





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Governing Responsibly

PI Advanced Materials practices sustainable management based on trust with its stakeholders and pursues shared value through transparent disclosure of information and performance. The Company complies with legal and tax regulations and fulfills its tax obligations in good faith. It also operates an information security management system to safely protect the information and assets of customers and stakeholders.

Responsible Corporate Governance
Protection of Stakeholder Rights
Risk Management
Ethical Management
Financial Stability
Information Security
Strategic Material Management

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Responsible Corporate Governance

The company strives to establish an advanced governance structure based on transparency, accountability, and independence in order to build a foundation for sustainable growth and enhance shareholder value. To this end, PI Advanced Materials systematically manages and discloses key governance-related matters in accordance with applicable laws and internal standards, including its articles of incorporation, general meetings of shareholders, board of directors operations, as well as various committees and their operating regulations. These governance-related disclosures are also transparently made available to stakeholders through the Company's website.

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Board Composition

The Board of Directors of the company is composed of directors elected at the General Meeting of Shareholders and currently consists of seven members with diverse expertise and experience, including one inside director, three independent directors, and three non-executive directors. Director candidates are nominated through resolutions of the Board of Directors, taking into comprehensive consideration the Company's business strategy, professional expertise, independence, and diversity. Relevant information, including the candidates' key career histories and reasons for nomination, is transparently disclosed to shareholders in advance through the notice of convocation of the General Meeting of Shareholders and proxy materials. The final appointment of directors is completed upon resolution at the General Meeting of Shareholders.

Division		Name	Specialty	Career	Term of office
Board of Directors Chairman	Internal Director (CEO)	**Keumsoo Song**	Management/ Sales	Bachelor of Business Administration, Sogang University Former) Head of Sales, SKCKOLONPI Co., Ltd. Former) Head of Business Division, PI Advanced Materials Co., Ltd. Current) CEO of PI Advanced Materials Co., Ltd.	(Reappointment) March 20, 2026 - March 19, 2029
Director	Independent Director	**Ahrum Choi**	Accounting	Former) Professor, Department of Accountancy and Law, Hong Kong Baptist University Present) Professor, Department of Global Business Administration, Sungkyunkwan University	(New Appointment) March 20, 2026 - March 19, 2029
		Jewon Lee	Legal	SJD from Indiana University School of Law Current) Lawyer at Gwangjang Law Firm	(Reappointment) March 20, 2026 - March 19, 2029
		Changkeun Song	ESG	Former) Senior Researcher/Director, Global Environmental Research Center, National Institute of Environmental Research (NIER) Present) Professor, Graduate School of Carbon Neutrality, Ulsan National Institute of Science and Technology (UNIST) Present) Director, Regional Center for Research and Management of Particulate Matters designated by Ministry of Environment	(New Appointment) March 20, 2026 - March 19, 2029
	Other Non-Executive Director	**Marc Henri Florent SCHULLER**	Management	Former) Arkema S.A. Executive Vice President Current) Arkema S.A. COO	(Reappointment) March 20, 2026 - March 19, 2029
		Marie Jose DONSION	Finance/ Accounting	Former) Alstom SA Finance Senior Vice President Former) Alstom SA CFO Current) Arkema S.A. CFO	(Reappointment) March 20, 2026 - March 19, 2029
		Hyunsu Han	Management	Former) Arkema Co., Ltd. HR/GA/PSRA Director Current) Arkema Co., Ltd. President	(Reappointment) March 20, 2026 - March 19, 2029

* As of March 31, 2026

Independence of Independent Directors

PI Advanced Materials considers the independence and expertise of the Board of Directors as key elements of its corporate governance and strengthens oversight functions led by independent directors to establish a balanced decision-making system. The Board currently consists of seven members, including three independent directors who provide independent oversight and advisory functions regarding management. These independent directors participate in key business and strategic decision-making processes based on their extensive expertise and experience in finance, accounting, investment, and law, and provide objective opinions from an independent position free from conflicts of interest with the company. In addition, the Board ensures sufficient prior review and deliberation of major agenda items before decision-making, thereby enhancing transparency and accountability in management. Based on this governance structure, PI Advanced Materials continues its efforts to establish sound corporate governance aimed at sustainable growth and the protection of the rights and interests of shareholders and stakeholders.

Board Chairperson Appointment

PI Advanced Materials continues to pursue governance improvements to strengthen the independence and transparency of the Board of Directors. Accordingly, in March 2020, relevant regulations were revised to remove the limitation that the Chairperson of the Board must be the CEO, thereby establishing a framework that allows the Chairperson to be elected from among the directors as determined by the Board. Based on this system, in 2023, a non-executive director was appointed as Chairperson of the Board, thereby enhancing the independence and oversight function of the Board's operations. The Company continues to select the Chairperson by comprehensively considering the business environment and the overall direction of Board operations. Going forward, PI Advanced Materials will continue to enhance its governance structure to strengthen objectivity and ensure a balanced decision-making framework within the Board.

Independent Directors Education

Date	Educational Entity	Attendee	Content
December 9, 2025	PwC	Jaeho Yang, Jewon Lee, Hyoungil Oh	ESG Policy and Regulatory Trends and Implications

Responsible Corporate Governance

Board Expertise and Diversity

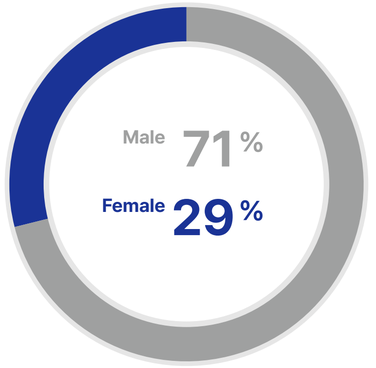
PI Advanced Materials has established a Board governance structure that incorporates both expertise and diversity in order to effectively respond to global market changes and strengthen the foundation for sustainable growth. The Board currently consists of seven members, including an inside director, and non-executive directors from Arkema Group, the company's major shareholder, as well as affiliated company executives. Through this structure, the Board operates a responsible decision-making system that considers both shareholder interests and the Company's long-term growth direction. In addition, the company takes into comprehensive account various factors in Board composition, including areas of expertise, management experience, and gender diversity. By including members from diverse backgrounds, including female directors, PI Advanced Materials seeks to ensure that broader and more balanced perspectives are reflected in Board deliberations. Furthermore, independent directors with expertise in finance, accounting, and law review key management issues from an independent standpoint and provide objective opinions, thereby enhancing the objectivity and transparency of Board operations. Going forward, PI Advanced Materials will continue to strengthen its advanced governance framework based on independence and diversity, and will further reinforce responsible management to enhance corporate value and secure stakeholder trust.

Board of Directors' Competency Matrix

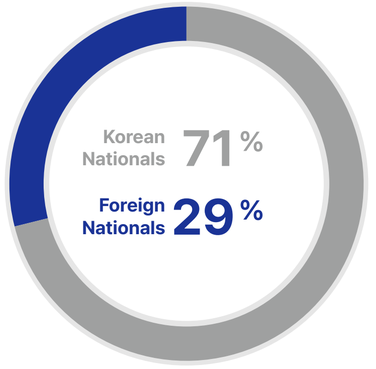
Division		Name	Management	Finance	Accounting	Legal	Sales	ESG
Chairman of the Board	Internal director (CEO)	**Kevin Song**	○				○	
Director	Independent Director	**Ahrum Choi**			○			
		Jewon Lee				○		
		Changkeun Song						○
	Other Non-Executive Directors	**Marc Henri Florent Schuller**	○					
		Marie Jose Donsion		○	○			
		Hyunsu Han	○					

* As of March 31, 2026

Ratio of female directors on the BOD



Ratio of Foreign Nationals on the Board



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Board of Directors Operations Overview

The Board of Directors operates as a key decision-making body responsible for deliberating and resolving major management matters of the Company, as well as overseeing executive management. Regular Board meetings are held on a quarterly basis to review business performance and key issues, while ad-hoc meetings are convened as needed to ensure prompt decision-making when required. In 2025, a total of seven Board meetings were held, during which various agenda items were reported and resolved, including business plans, financial status, related-party transactions, and matters related to the General Meeting of Shareholders. Key agenda items included the convening of the Annual General Meeting of Shareholders, approval of financial statements, and other major management-related matters. In addition, the Board operates on the basis of sufficient prior review and in-depth discussion. Directors actively participate in meetings, contributing to the establishment of a responsible and effective decision-making framework.

Board Activity and Attendance Record

Board Activity		Unit	2023	2024	2025
Meetings Held		No.	10	6	7
Attendance Rate		%	100	100	98
Reporting and Resolution	Number of Items	No.	30	27	32
Resolution Details	Approved	%	100	100	100
	Opposed or Abstained	%	-	-	-

Evaluation and Compensation of the Board of Directors

PI Advanced Materials pays remuneration to directors within the limit approved by the General Meeting of Shareholders, in accordance with Article 388 of the Korean Commercial Act and the company's Articles of Incorporation. Independent directors receive only a fixed base remuneration to ensure their independence, and no performance-based compensation is provided. In addition, directors' severance payments are calculated and paid in accordance with the executive severance payment standards determined by resolutions of the General Meeting of Shareholders.

Unit: KRW million

Category	Number of people	Total	Average Remuneration per person
Registered Director	4	337	84
Independent Director (Concurrent Audit Committee Member)	3	109	36

2025 Board of Directors Meeting Status

No.	Date of Meeting	Agenda Item		Independent Directors			Inside Director	Non-Executive Director		
				Hyung Il Oh (Attendance Rate :100%)	Jae Ho Yang (Attendance Rate :100%)	Je Won Lee (Attendance Rate :100%)	Kevin Song (Attendance Rate :100%)	Marc Henri Florent Schuller (Attendance Rate :88%)	Marie Jose Donsion (Attendance Rate :100%)	Hyunsu Han (Attendance Rate :100%)
				Approval Status						
1st	January 8, 2025	Report	① Fx Hedging Update	Present	Present	Present	Present	Present	Present	Present
			② Repayment of short-term borrowings							
		Agenda Item 1	Payment of Performance Incentives for FY2024	Approval	Approval	Approval	Approval	Approval	Approval	Approval
		Agenda Item 2	FY2025 Budget	Approval	Approval	Approval	Approval	Approval	Approval	Approval
2nd	February 4, 2025	Report	① Business & Finance Update for 4Q24	Present	Present	Present	Present	Present	Present	Present
			② Performance Outlook for 1Q25							
			③ New Organization Structure							
			④ Introduction of the Newly Appointed CTO							
		Agenda Item 1	17th Financial Statements & Business Report (Draft)	Approval	Approval	Approval	Approval	Approval	Approval	Approval
3rd	February 21, 2025	Report	① Changes to internal control items	Present	Present	Present	Present	Absent	Present	Present
			② Management's Report on Internal Control over Financial Reporting_FY2024							
			③ Audit Committee's Evaluation Report on Internal Control over Financial Reporting_FY2024							
		Agenda Item 1	17th Financial Statements & Business Report (Final)	Approval	Approval	Approval	Approval	Absent	Approval	Approval
		Agenda Item 2	Executive job grade and remuneration scheme	Approval	Approval	Approval	Approval	Absent	Approval	Approval
		Agenda Item 3	Performance incentive plan for FY2025	Approval	Approval	Approval	Approval	Absent	Approval	Approval
		Agenda Item 4	Endorsement of Arkema's Compliance Program	Approval	Approval	Approval	Approval	Absent	Approval	Approval
4th	March 6, 2025	Agenda Item 1	Calling the Annual General Meeting	Approval	Approval	Approval	Approval	Approval	Approval	Approval
		Agenda Item 2	Adoption of E-voting	Approval	Approval	Approval	Approval	Approval	Approval	Approval
5th	April 30, 2025	Report	① Business and Finance update for 1Q25	Present	Present	Present	Present	Present	Present	Present
			② Performance outlook for 2Q25							
			③ Zenimid brand introduction plan							
		Agenda Item 1	Reviewed Financial Statements for 1Q25	Approval	Approval	Approval	Approval	Approval	Approval	Approval
		Agenda Item 2	Executive remuneration guidelines	Approval	Approval	Approval	Approval	Approval	Approval	Approval
6th	July 28, 2025	Report	① Business and Finance update for 2Q25	Present	Present	Present	Present	Present	Present	Present
			② Performance outlook for 3Q25							
			③ Review of the Early Repayment							
		Agenda Item 1	Reviewed Financial Statements for 1H25	Approval	Approval	Approval	Approval	Approval	Approval	Approval
		Agenda Item 2	Renewal of Credit Line	Approval	Approval	Approval	Approval	Approval	Approval	Approval
7th	November 4, 2025	Report	① Business and Finance update for 3Q25	Present	Present	Present	Present	Present	Present	Present
			② Performance outlook for 4Q25							
			③ Review of the Early Repayment							
		Agenda Item 1	2026 Appointment of External Auditor	Approval	Approval	Approval	Approval	Approval	Approval	Approval

Responsible Corporate Governance

Board Subcommittee Roles and Engagement

PI Advanced Materials has established and operates an Audit Committee within the Board of Directors to strengthen sound governance and enhance management transparency. The Audit Committee is responsible for reviewing the appropriateness of the Company's financial and accounting practices, as well as overseeing internal control systems and overall risk management frameworks. In accordance with relevant regulations, the Committee is composed entirely of three independent directors, who perform an objective oversight role over management and business execution from an independent position. Through these activities, the Committee contributes to enhancing the reliability of financial reporting, improving the effectiveness of internal controls, and strengthening a transparent and accountable management system. Key activities and operational status of the Audit Committee are also disclosed transparently to stakeholders through the company's website. In addition, PI Advanced Materials established an ESG Committee within the Board of Directors in April 2026 to further strengthen its sustainability management framework. The ESG Committee is responsible for reviewing major ESG-related issues and risks across environmental, social, and governance areas, and for overseeing related strategies and implementation progress at the Board level. Based on this structure, the Company aims to systematize reporting on material ESG risks and continuously enhance its risk identification and response processes, thereby strengthening responsible management for sustainable growth and enhanced corporate value.

Audit Committee Activities and Attendance Rate

Board Activity		Unit	2023	2024	2025
Meetings Held		No.	3	2	3
Reporting and Resolution	Number of Items	No.	7	8	6
Audit Committee Details of the Resolution	Approved	%	100	100	100
	Opposed or Abstained	%	-	-	-

Audit Committee Meetings

Date of Meeting	Agenda Item		Attendance rate		
			Hyungll Oh (Attendance Rate: 100%)	JaeHo Yang (Attendance Rate: 100%)	JeWon Lee (Attendance Rate:100%)
February 4, 2025	Report	① 17th fiscal year audit results by external auditor	100%	100%	100%
		② Conclusion of designated audit contract			
February 21, 2025	Report	① Management's report on internal control over financial reporting	100%	100%	100%
	Agenda Item 1	Audit Committee's evaluation report on internal control over financial reporting			
	Agenda Item 2	Audit report by the Audit Committee			
November 4, 2025	Agenda Item 1	Appointment of the 2026 External Auditor	100%	100%	100%

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Protection of Stakeholder Rights

Shareholder Composition

The largest shareholder of PI Advanced Materials is Arkema Korea Holding Co., Ltd., which holds 54.07% of the company's total issued shares. Including shares held by related parties, the total shareholding amounts to 54.18%. Other major shareholders include the National Pension Service, with a 3.09% stake, and the Employee Stock Ownership Association, with a 0.11% stake. Under the Company's Articles of Incorporation, the total number of authorized shares is 100,000,000, while the current number of issued shares is 29,366,322. As the company holds no treasury shares, all 29,366,322 issued shares are outstanding. No preferred shares or other classes of shares have been issued, and all issued shares are common shares. Accordingly, all shareholders enjoy equal voting rights under the one-share, one-vote principle.



Largest Shareholder
Arkema Korea Holding Co., Ltd.
54.07%
15,877,400

National Pension Service
3.09%
907,311

Employee Stock Ownership Association
0.11%
32,038

Information Accessibility

PI Advanced Materials operates a transparent and consistent disclosure system to build trust with market participants and continuously conducts information disclosure activities in compliance with relevant laws and regulatory requirements. To enhance shareholders' meaningful participation, the Company avoids peak voting dates for General Meetings of Shareholders. Key agenda items and details related to the General Meeting are disclosed in advance through the company's website and the Korea Electronic Disclosure System (DART). In addition, to improve accessibility for domestic and international investors, key disclosures are provided in English alongside Korean disclosures, thereby strengthening communication with global investors. Furthermore, based on a structured internal disclosure process and continuous efforts to enhance disclosure quality, PI Advanced Materials continues to strengthen trust with the capital market.

Introduction of Electronic Voting and Electronic Proxy System

PI Advanced Materials operates an electronic voting and electronic proxy system to enhance the convenience of exercising shareholders' voting rights and continuously strives to expand a non-face-to-face shareholder participation environment. Through these systems, shareholders who are unable to attend in person are supported in efficiently participating in the General Meeting of Shareholders and expressing their voting rights. At the 2025 Annual General Meeting of Shareholders, a total of 16 shareholders exercised their voting rights via electronic voting, and the Company plans to further expand digital participation by improving its systems and enhancing related processes. In addition, to improve accessibility for a broader shareholder base, including minority shareholders, the company strengthens related guidance and improves participation procedures. Following recent amendments to the Commercial Act, which established a legal basis for electronic general meetings of shareholders, the importance of building a digital shareholder communication system has further increased. In response, PI Advanced Materials has established a legal foundation for adopting electronic general meetings through amendments to its Articles of Incorporation and will continue to review operational measures to further enhance shareholder convenience and accessibility. Through these efforts, the Company aims to minimize constraints of time and location and foster a governance environment that enables broader shareholder participation.

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Protection of Stakeholder Rights

Shareholder-Friendly Dividend Policy

PI Advanced Materials distributes dividends in accordance with Article 47 of its Articles of Incorporation through approval by the Board of Directors and the General Meeting of Shareholders, and continues to pursue a shareholder return policy that balances enhanced shareholder value with stable financial management. A portion of net profit is allocated to investments and R&D to secure a foundation for mid- to long-term growth, while the remaining profits are returned to shareholders through dividends. Accordingly, the company has consistently paid cash dividends up to the 18th fiscal year (2025), except for the 16th fiscal year (2023), which recorded a net loss. Going forward, PI Advanced Materials plans to maintain a stable and predictable dividend policy by comprehensively considering investment plans, cash flow, financial soundness, and business environment. Although the company does not currently disclose a formal mid- to long-term dividend policy, it promptly and transparently communicates dividend-related decisions through “cash/stock dividend disclosure” and continues to share its dividend outlook with the market through annual earnings releases and IR materials. These efforts aim to enhance information accessibility and dividend predictability for both domestic and international investors. In addition, to advance dividend procedures and improve investor convenience, the Company amended its Articles of Incorporation to allow flexible determination of the dividend record date. Starting from the 2025 year-end dividend, the record date is set after the dividend amount is finalized. Through this approach, investors are able to make informed investment decisions based on confirmed dividend amounts, while the company has further strengthened a more transparent and predictable shareholder return framework.

Dividend History

Category	Unit	2023	2024	2025
Dividend per share	KRW	-	350	350
Dividend payout ratio	%	-	46.15	33.83
Total dividend amount	KRW million	-	10,278	10,278

* The 2024 figures have been revised following the restatement of the financial statements and an adjustment to the total dividend amount resulting from decimal truncation.

IR Activities and Shareholder Communication

PI Advanced Materials operates a structured investor relations (IR) communication system to foster trust among shareholders and other market participants. The company has established an investor relations framework centered on its IR organization and responsible executives and continuously strives to communicate key business updates and financial performance to the market in a timely manner. Following quarterly earnings announcements, the Company holds earnings presentations with the direct participation of C-level management and regularly discloses financial and business information through its website to enhance investors' access to information and understanding of the company's business. These efforts help both major and minority shareholders gain a more objective understanding of the Company's business performance and strategic direction. Beyond the disclosure of financial results, PI Advanced Materials focuses on promoting market understanding of its mid- to long-term growth strategy and business direction. The company engages with domestic and international institutional investors through various communication channels, including investor meetings and conference calls, actively listens to investor feedback, and incorporates it into its management activities. These transparent disclosures and proactive market communications contribute to reducing information asymmetry and strengthening investor trust. Going forward, the Company will continue to enhance its investor communication framework as part of its sustainability management efforts.

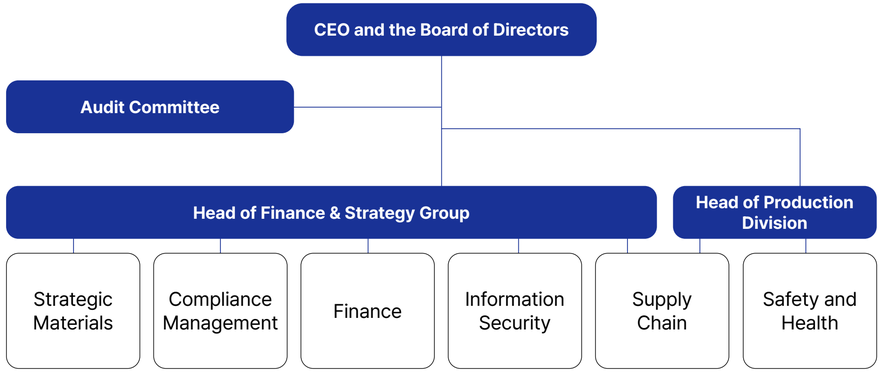
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Risk Management

Risk Management Overview

PI Advanced Materials operates a company-wide risk management system led by the CEO to support both risk prevention and crisis management. The Company identifies and responds to potential crisis situations in a structured manner across six key risk areas: compliance, occupational health and safety, finance, information security, supply chain, and strategic materials. Key risks are identified based on changes in social and geopolitical environments, industry-related incidents, and internal case histories. These risks are then systematically assessed by considering both likelihood and potential impact to derive material risks, followed by the implementation of preventive measures. In addition, for each risk category, the Finance/Strategy function and plant headquarters serve as control towers, ensuring that risks are reviewed and addressed in advance during key decision-making processes, including investment, new business initiatives, and operations, thereby minimizing potential exposures. Financial risks are reported to both management and the Board of Directors, while other ESG-related risks are managed under the responsibility of respective functional owners. Furthermore, in April 2026, PI Advanced Materials established an ESG Committee within the Board of Directors and plans to progressively enhance its Board-level reporting and governance framework for ESG-related risks.

Governance



Risk Management Process

PI Advanced Materials operates an enterprise-wide risk management system to proactively identify, assess, and mitigate potential risks. Employees follow standardized crisis management protocols to ensure operational readiness and effective response capabilities.

① Risk Identification
The company analyzes long-term strategic objectives and departmental functions to identify potential risks from multiple perspectives.

② Risk Assessment
Environmental and operational factors are evaluated during business planning and investment decision-making processes to minimize risk exposure and incorporate appropriate safeguards into management decisions.

③ Risk Response
In the event of a crisis, a company-wide response system is activated in accordance with the crisis response manual, with top priority given to the safety and well-being of employees.

④ Corrective Action Management
Following resolution, the Company implements corrective actions and verifies improvements through scenario-based planning and simulation training to prevent recurrence.

Risk Management Matrix

	Risk Type	Managing Team	Task Force / Working Committee
Strategic Materials	Export/import regulations, strategic materials management failure, and supply chain risk	Strategic Planning/ESG Team, Legal and Compliance Team, Production Team	Autonomous Export Control Team
Supply Chain	Supply Disruptions Operational & Quality Risks Geopolitical Risks	Purchase Team, Production Team, Strategic Planning/ ESG Team	Relevant departments
Information Security	Personal information leakage, system hacking, internal information management failure	IT Team	Relevant departments
Finance	Exchange rate and interest rate fluctuations, investment failure, liquidity issues, tax non-compliance, tax investigation risks	Accounting Team, Treasury Team, Legal and Compliance Team	Investment Review Committee
Compliance Management	Regulatory violations, violation of duty, failure of internal controls, noncompliance with regulations	Legal and Compliance Team, Business Division	Relevant departments
Safety and Health	Industrial accidents, violations of the Serious Accident Punishment Act, safety incidents	HSE Team, HR Team, Legal and Compliance Team	Industrial Safety and Health Committee

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Ethical Management

Ethical Management Overview

PI Advanced Materials regards ethical management as a fundamental responsibility in corporate operations, extending beyond economic and legal obligations to encompass broader ethical responsibilities. The company places corporate ethics compliance as its foremost principle and strives to realize fair and transparent management through a proactive and responsible approach. All employees of PI Advanced Materials play a key role in contributing to social and economic development by creating and delivering both tangible and intangible value to all stakeholders, including customers and shareholders. The Company also seeks to contribute to local communities and the nation, ultimately aiming to enhance human well-being. Through these efforts, PI Advanced Materials establishes ethical management as a core decision-making standard across all business activities and faithfully fulfills its social responsibilities for a sustainable future.

Ethical Management Guidelines

PI Advanced Materials has established “ethical management” as a core value and guiding principle for all business activities. To this end, the company has enacted and implemented its Code of Ethics for Employees and the corresponding Code of Ethics Implementation Guidelines, which provide detailed standards for practice. Through compliance with and implementation of these principles and guidelines, PI Advanced Materials strives to build a fair and transparent corporate culture.

Customers

Practice customer satisfaction management to gain trust from customers and ultimately develop relationship with them.

Shareholders

Increase corporate value through transparent and efficient management to create shareholder value.

Members

All members of PI Advanced Materials do their best with a sense of responsibility for representing the company.

Society

It is a company that is trusted by society by complying with social norms and contributes to society through social and cultural activities.

2025 Legal and Compliance Training

Program	Number of Participants	Content
Legal Training	158	Civil Law, Commercial Law, Private International Law, and other job-related legal education
Compliance Training	126	Code of Ethics, anti-corruption, insider trading, whistleblowing, and related compliance topics

Strengthening Awareness of Ethical Management

To ensure the effective internalization of ethical management, PI Advanced Materials requires all employees to review and understand its ethical management philosophy and implementation guidelines, and to complete a Code of Ethics Compliance Pledge affirming their commitment to practicing these principles. In addition, the Company distributes and collects similar ethical compliance pledges from its suppliers, thereby strengthening awareness of ethical management across the entire supply chain. Furthermore, during periods with elevated risks of improper solicitation and gift acceptance, such as holidays, PI Advanced Materials proactively reinforces preventive measures by regularly issuing reminders on compliance with the Code of Ethics through its internal groupware system to prevent violations in advance. Through these systematic awareness-raising activities, the company continues its efforts to embed ethical management as a daily standard of conduct for both employees and business partners.

Reporting Violations of the Code of Ethics

To promote ethical management practices, PI Advanced Materials operates a “Ethical Management Violation Reporting Center” that ensures fairness and transparency and is available on an ongoing basis. The Company also operates a whistleblower protection program to ensure that reporters are not subject to any disadvantage or retaliation. Related information is disclosed and communicated through the company’s website to encourage active reporting and participation from employees and stakeholders. As a result of this preventive and system-based ethical management framework, the Company recorded zero reports related to ethical management violations in 2025.

Reporting Center Operation Process

1. Report Submission
Reporter or victim

→

2. Acknowledge-ment Notice
Within 7 business days of receipt

→

3. Fact-finding & Corrective Action (if required)
Within 3 months of receipt

→

4. Notification of Outcome
Outcome communicated to reporter

→

5. Executive Reporting & Disclosure (if required)
Reported to CEO; disclosed if necessary

Reporter identity kept strictly confidential / Retaliation strictly prohibited

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Financial Stability

Financial Management Overview

PI Advanced Materials prioritizes financial soundness and tax transparency as key elements of its sustainable management, and continuously strengthens its internal accounting control system and tax risk management framework. Financial risks, including exchange rate and interest rate fluctuations, investment failures, and liquidity risks, are systematically identified and assessed, with proactive responses based on prior review and management processes. The internal accounting control system is designed and operated in accordance with relevant best practice standards, and its operation status and key matters are regularly reported to the Audit Committee and the Board of Directors, thereby supporting transparent disclosure and strengthening internal control systems.

Investment Review Committee

PI Advanced Materials operates an Investment Review Committee to proactively identify risks across business activities and enhance the reliability and profitability of investment decisions. The Committee reviews financial status, market trends, and investment feasibility, with particular focus on risks related to large-scale capital investments and alignment with the company's financial strategy. The Committee includes key executives such as the Head of Finance & Strategy Group, the Head of R&D, business division heads, and plant managers to support the CEO's decision-making. It strengthens the objectivity of investment decisions by considering both financial and non-financial factors. After investment execution, a post-management system is in place to monitor business stability and financial returns and to support performance optimization. Key financial and operational updates, along with external environment changes, are regularly reported to the Board for risk prevention and mitigation.

Tax Risk Management

PI Advanced Materials enters into annual tax advisory agreements to systematically manage tax-related risks, and responds promptly and accurately to major tax issues through collaboration with external professional advisors. Going forward, the company plans to continue strengthening stakeholder trust by maintaining sound financial management and a responsible tax policy.

Category	Unit	2023	2024	2025
Corporate Tax	KRW billion	-	17	52
Local Tax	KRW billion	-	3	7

Internal Accounting Control System Overview

PI Advanced Materials operates an internal accounting control system as a key mechanism for managing financial risks and is committed to building a transparent management structure by enhancing the accuracy and reliability of accounting information. Accounting policies and procedures are standardized, and regular internal audits and evaluations are conducted to identify issues and implement improvements, thereby providing reliable information to stakeholders. The internal accounting control system is operated in accordance with the Act on External Audit of Stock Companies and relevant best practice standards, and is structured as follows:

1. Internal accounting control regulations and operational guidelines
The system defines employees' responsibilities and roles, control design and operation standards, as well as evaluation and reporting procedures. It also provides the basis for establishing internal guidelines to ensure effective implementation.

2. Dedicated organization and control system
An internal accounting control organization operates based on controls at the entity-wide, process, and IT general control levels, and continuously improves and supplements the system in response to changes in the business environment.

3. Operational assessment and reporting to the Board
The CEO reviews annual operating status and reports the results to the Audit Committee, the Board of Directors, and the General Meeting of Shareholders. The Audit Committee evaluates the adequacy and effectiveness of the system and reports its findings to management and the Board, supporting ongoing monitoring of overall business activities.

Internal Accounting Control System Operating Procedures



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Information Security

Information Security Management Overview

PI Advanced Materials operates a systematic information security management framework to protect the information of the company, its employees, and other stakeholders in response to rapidly changing business environments and digital risks. Information security aims to ensure the confidentiality, integrity, and availability of information assets, and to securely manage sensitive information such as personal data and trade secrets. The Company recognizes the information it holds and manages as a critical asset and continuously strengthens information protection activities, including information security, personal data protection, access control management, and employee training, to prevent loss, theft, leakage, alteration, and damage of information.

Information Security Management System

PI Advanced Materials designates a Chief Privacy Officer in accordance with the Personal Information Protection Act and operates a systematic personal data protection framework based on relevant laws and regulations. The company manages outsourced information systems through personal data processing agreements to ensure data security throughout the outsourcing process. It also strengthens technical security measures by operating solutions such as DRM, access control for servers and databases, VPN, malware blocking systems, and secure printing devices. To enhance cybersecurity awareness and response capabilities, the Company conducts regular phishing response drills and cyber penetration tests with KISA, along with ongoing information security training for all employees and continuous sharing of security-related alerts and cases. In response to the expansion of AI usage, PI Advanced Materials has established generative AI usage guidelines and implemented control measures to prevent information leakage, including restricting the input of sensitive data into external AI services.

Information Security Policy

PI Advanced Materials establishes and operates a systematic information security management framework based on its Information Security Management Policy, including six detailed guidelines such as personal data protection guidelines, security incident response guidelines, and generative AI usage guidelines. The information security organization consists of a Chief Information Security Officer, information security managers, and designated security officers, with clearly defined roles and responsibilities to ensure consistent and effective execution of security-related tasks. In addition, the company reviews and incorporates information security enhancement measures—covering administrative, physical, and technical controls—into its annual business planning process. Through this approach, PI Advanced Materials responds to evolving security risks and continuously strengthens its overall information security capabilities.

Information Security Operations Management

PI Advanced Materials operates a systematic information security management framework centered on a dedicated organization based on its Information Security Management Policy. The company participates twice a year in cyber crisis response simulation training organized by KISA (Korea Internet & Security Agency), including phishing simulations, penetration testing, and vulnerability response exercises based on KISA evaluation standards. Improvement actions identified through these exercises are promptly reflected in the Company's internal security system. Through such external validation and continuous improvement activities, PI Advanced Materials proactively prevents security incidents and continuously strengthens its information security capabilities and personal data protection measures.

Information Security Management Procedures

1. Risk Identification
Identify and document potential internal and external threats and vulnerabilities related to information assets.

2. Risk Analysis
Evaluate the likelihood and potential impact of identified risks to determine their overall risk profile based on probability and consequences.

3. Risk Assessment
Prioritize risks using analytical insights to determine which risks require focused management and allocation of resources.

4. Risk Response
Develop and implement risk mitigation strategies, including avoidance, reduction, transfer, or acceptance of each risk.

5. Risk Monitoring and Review
Continuously monitor implemented controls and the evolving risk environment, identify emerging threats, assess the effectiveness of current measures, and update actions as necessary for improvement.

Information Security Training

Frequency	Item	Training Provider	Target	Method
Quarterly	Precautions on phishing emails	IT Team	All employees	Online
Annual	Information on Personal Information Protection Act	IT Team	Employees responsible for handling personal information	Online

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Strategic Material Management

Strategic Material Management Overview

PI Advanced Materials establishes and operates detailed requirements for the management and handling of strategic materials in accordance with the Foreign Trade Act and related regulations, in order to prevent improper use of such materials and contribute to international peace. The management of strategic materials applies to all employees and supply chain partners, and clearly defines respective roles and responsibilities to strengthen the stable and systematic control of strategic materials across the organization.

Export-Controlled Strategic Items

Item	HS Code	Determination Date	Validity Period
Polyimide Mold*	3920.99-9090	March 12, 2026	2 years
Polyimide Varnish**	3208.90-9030	March 27, 2025	2 years

* Non-fusible aromatic polyimides with a thickness exceeding 0.254mm
** Aromatic fusible Polyimides, Tg > 232°C

Strategic Material Management System

PI Advanced Materials operates its strategic materials management system based on internal controls and external verification processes. In September 2024, the Company revised its Strategic Materials Management Regulations into an Autonomous Export Control Regulation and established an Autonomous Export Control Team to strengthen its management framework. The company continuously improves internal procedures and provides training to ensure employees comply with relevant laws and regulations. The Autonomous Export Control Team is responsible for export item classification, counterparty screening, and verification of end users and end use, ensuring a structured control process across the entire export workflow. Through these efforts, PI Advanced Materials strengthens compliance and responsible management of strategic materials. Based on this system, the Company was designated as a Compliance Program (CP, AA rating) operator by the Ministry of Trade, Industry and Energy in September 2025. Going forward, the company will continue to enhance its export control system in line with international standards and maintain responsible operations.

Strategic Material Management Policy

① Understanding Material Characteristics and Importance

Polyimide materials possess exceptional properties, including high-temperature resistance, mechanical strength, and chemical stability, making them essential in critical sectors such as aerospace, electronic devices, and the automotive industry. Given their strategic importance, the Company enforces stringent strategic material management practices to ensure their responsible and controlled use.

② Thorough Verification of Trading Partners

PI Advanced Materials conducts thorough verification of customers and business partners to ensure the safe and lawful export of strategic materials. For all new customers, the company screens any links to restricted entities and verifies both the end user and intended application to prevent unlawful or unethical use, including applications related to weapons of mass destruction development.

③ Export Control and Management of Restricted Parties

PI Advanced Materials meticulously manages its strategic material exports to prevent diversion to restricted parties or misuse for unlawful purposes, including weapons of mass destruction. In 2024, all new customer registrations were subject to rigorous screening to determine restricted party status. Strategic materials are exported only after obtaining the necessary export permits, and detailed verification of end user identity and intended use is conducted in close coordination with relevant departments. This process ensures full compliance with applicable laws and regulations and contributes to international peace and security.

④ Training and Education Programs

In 2025, PI Advanced Materials conducted employee training sessions on strategic materials and export control systems, delivered by external experts, to enhance employees' understanding of relevant regulations and strengthen practical compliance capabilities. These programs have contributed to increasing employees' awareness of strategic materials management and international regulatory compliance, while also improving overall operational efficiency.

Training Title	Number of Participants	Training Content
Strategic Materials and Export Control Internal Training	60	Understanding of strategic materials and export control concepts, introduction to the Compliance Program (CP) for self-regulated export control operators

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Financials and R&D

1. Financial Performance

Category	Unit	2023	2024	2025
Current Assets	KRW million	128,314	160,009	122,591
Non-Current Assets	KRW million	389,810	367,686	342,168
Total Assets	KRW million	518,124	527,695	464,759
Current Liabilities	KRW million	87,959	74,936	49,202
Non-Current Liabilities	KRW million	116,890	117,599	60,403
Total Liabilities	KRW million	204,850	192,535	109,605
Total Equity	KRW million	313,275	335,160	355,154
Retained Earnings	KRW million	189,183	210,844	231,096
Current Ratio	%	146	214	249
Debt-to-Equity Ratio	%	65	57	31
Debt-to-Asset Ratio	%	30	26	10

* 2023 and 2024 figures have been revised due to the restatement of financial statements.

Category	Unit	2023	2024	2025
Sales	KRW million	217,639	251,295	263,421
Cost of Goods Sold	KRW million	193,980	188,441	191,186
Gross Profit	KRW million	23,660	62,855	72,235
Gross Profit Margin	%	11	25	27
EBITDA	KRW million	25,345	67,326	75,419
EBITDA Margin	%	12	27	29
Selling and Administrative Expenses	KRW million	29,242	29,028	29,196
Operating Profit	KRW million	(5,582)	33,826	43,039
Operating Profit Margin	%	-3	13	16
Financial Income	KRW million	829	1,791	2,509
Financial Expenses	KRW million	3,531	6,576	5,482
Other Gains and Losses	KRW million	(8)	(23)	(491)
Profit before tax	KRW million	(8,292)	29,019	39,576
Income Tax Expense	KRW million	(4,852)	6,748	9,190
Net Income	KRW million	(3,440)	22,272	30,385

* 2023 and 2024 figures have been revised due to the restatement of financial statements.

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Financials and R&D

2. Economic Performance

Sales by Product segment

Category	Unit	2023	2024	2025
FPCB	KRW billion	105.3	115.2	120.8
Graphite Sheet	KRW billion	53.4	73.1	84.8
Advanced Industrials	KRW billion	58.9	63.0	57.8

Distribution of Economic Performance

Category		Unit	2023	2024	2025
Shareholder/ Investor	Dividends	KRW million	-	10,278	10,278
	Interest Expense	KRW million	3,531	5,055	4,381
Total		KRW million	3,531	15,341	14,659
Employee	Labor Costs*	KRW million	43,636	43,423	42,654
Corporate Income Tax		KRW million	(4,852)	6,748	9,190

* Labor costs: includes salary, severance pay, and welfare benefits
* The 2024 figures have been revised following the restatement of the financial statements and an adjustment to the total dividend amount resulting from decimal truncation.

3. R&D Performance

R&D Overview

Category	Unit	2023	2024	2025
Number of R&D Employees	Person	37	35	36
R&D Investment	KRW million	10,396	9,836	9,290

Intellectual Property Rights

Category		Unit	2023	2024	2025
Status of Patent Registrations	Relevant Year	Case	74	77	69
	Cumulative	Case	319	394	451
Employee Incentives for Patent Filing and Registration		KRW million	47	35	20
Patent Maintenance Fees		KRW million	82	111	156

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Environmental Performance

1. Air Pollutant Emissions

Nitrogen Oxides (NOx)

Category	Unit	2023	2024	2025
Jincheon	ton	34.37	78.16	64.04
Gumi	ton	22.74	27.37	22.73
Total	ton	57.1	105.53	86.77

Sulfur Oxides (SOx)

Category	Unit	2023	2024	2025
Jincheon	ton	4.04	8.39	1.68
Gumi	ton	0	2.30	0.65
Total	ton	4.04	10.69	2.33

Particulate Matter (PM)

Category	Unit	2023	2024	2025
Jincheon	ton	2.06	2.63	1.09
Gumi	ton	1.3	2.05	1.23
Total	ton	3.36	4.68	2.32

Total

Category	Unit	2023	2024	2025
Jincheon	ton	40.47	89.18	66.81
Gumi	ton	24.04	31.72	24.61
Total	ton	64.5	120.9	91.42

* Based on the Air Emission Source Management System (SEMS) Standards

2. Water Usage / Wastewater Discharge

Water Intake Volume

Water Source	Unit	2023	2024	2025
Jincheon (Chungju Dam)	ton	149,841	168,665	170,590
Gumi (Nakdong River)	ton	189,089	159,040	140,006
Total	ton	338,930	327,705	310,596

Water Usage

Category	Unit	2023	2024	2025
Jincheon	ton	138,459	157,869	157,704
Gumi	ton	163,718	130,879	104,677
Total	ton	302,177	288,748	262,381

Wastewater Discharge

Category	Unit	2023	2024	2025
Jincheon	ton	11,382	10,796	12,886
Gumi	ton	25,371	28,161	35,329
Total	ton	36,753	38,957	48,215

* Water usage = Intake volume - Discharge volume

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3. Water pollutants

Biological Oxygen Demand (BOD)

Category	Unit	2023	2024	2025
Jincheon	ton	0.0187	0.0099	0.0170
Gumi	ton	0.1954	0.2353	0.3374
Total	ton	0.2141	0.2452	0.3544

Suspended Solids (SS)

Category	Unit	2023	2024	2025
Jincheon	ton	0.022	0.011	0.026
Gumi	ton	0.137	0.364	0.560
Total	ton	0.159	0.375	0.586

Total Organic Carbon (TOC)

Category	Unit	2023	2024	2025
Jincheon	ton	0.1004	0.0449	0.0519
Gumi	ton	0.2004	0.3477	0.2844
Total	ton	0.3008	0.3926	0.3363

4. Chemical Emissions

Category	Unit	2023	2024	2025
Jincheon	ton	4.36	14.52	20.35
Gumi	ton	4.26	4.78	4.65
Total	ton	8.63	19.30	25.00

5. Environmental Investment

Category	Unit	2023	2024	2025
Environment / Safety	KRW million	366	346	351

6. Environmental Inspection

Category	Unit	2023	2024	2025
Number of Inspections	Case	2	20	7
Number of Violations of Laws and Regulations	Case	0	2	0
Administrative Fine	KRW 10,000	-	640	0

Category	Unit	2023	2024	2025
Eco-Friendly and Green Product Purchase Status	KRW 10,000	189	161	153

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7. Greenhouse Gas Emissions

Direct Emissions (Scope1)

Category	Unit	2023	2024	2025
Jincheon	tCO_2eq	16,816	23,186	20,380
Gumi	tCO_2eq	880	1,727	1,744
Seoul	tCO_2eq	73	50	44
Total	tCO_2eq	17,769	24,963	22,168

Indirect Emissions (Scope2)

Category	Unit	2023	2024	2025
Jincheon	tCO_2eq	25,285	32,337	31,580
Gumi	tCO_2eq	46,570	57,890	55,926
Seoul	tCO_2eq	22	21	21
Total	tCO_2eq	71,877	90,248	87,527

Total (Scope1+Scope2)

Category	Unit	2023	2024	2025
Jincheon	tCO_2eq	42,101	55,522	51,959
Gumi	tCO_2eq	47,449	59,617	57,670
Seoul	tCO_2eq	95	71	65
Total	tCO_2eq	89,645	115,210	109,694

Greenhouse Gas Emissions Intensity (Scope1+2)

Category	Unit	2023	2024	2025
Emissions to Sales	tCO_2eq / KRW billion	411.9	458.5	416.4

* Correction of figures due to rewriting of the 2023~2024 greenhouse gas statement due to steam meter reading errors
* Total greenhouse gas emissions may not equal the sum of emissions reported by individual sites due to rounding differences arising during aggregation at the company level.

8. Energy Consumption

Energy Usage

Category	Unit	2023	2024	2025
Jincheon	TJ	701	878	822
Gumi	TJ	793	988	952
Seoul	TJ	1	1	1
Total	TJ	1,495	1,867	1,775

Energy Intensity

Category	Unit	2023	2024	2025
Usage Energy to Sales	TJ / KRW billion	6.87	7.43	6.74

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9. Waste Generation Volume

General Waste Generation

Site	Unit	2023	2024	2025
Jincheon	ton	532	1,074	788
Gumi	ton	363	332	265
Seoul	ton	3	3	2
Total	ton	898	1,409	1,055

Designated Waste Generation

Site	Unit	2023	2024	2025
Jincheon	ton	12,149	20,663	13,811
Gumi	ton	5,564	6,477	6,234
Seoul	ton	-	-	-
Total	ton	17,713	27,140	20,045

Total Waste Generation

Site	Unit	2023	2024	2025
Jincheon	ton	12,681	21,737	14,599
Gumi	ton	5,927	6,809	6,499
Seoul	ton	3	3	2
Total	ton	18,611	28,549	21,100

Waste Recycling Volume

Site	Unit	2023	2024	2025
Jincheon	ton	12,543	20,872	14,201
Gumi	ton	5,559	6,302	6,078
Seoul	ton	-	-	-
Total	ton	18,102	27,174	20,279

* The 2024 Seoul Office general waste figure has been corrected due to a data entry error.

11. Waste Recycling Rate

Category	Unit	2023	2024	2025
Generation Volume	ton	18,611	28,549	21,100
Recycling Volume	ton	18,102	27,174	20,279
Recycling Rate	%	97.3	95.2	96.1

* The total has been revised due to the correction of the 2024 Seoul Office figure.

10. Waste Treatment Volume

General Waste Treatment - Incineration

Site	Unit	2023	2024	2025
Jincheon	ton	-	-	-
Gumi	ton	150	139	132
Total	ton	150	139	132

General Waste Treatment - Landfill

Site	Unit	2023	2024	2025
Jincheon	ton	-	352	-
Gumi	ton	6	7	4
Total	ton	6	359	4

General Waste Treatment - Recycling

Site	Unit	2023	2024	2025
Jincheon	ton	525	717	788
Gumi	ton	208	185	128
Total	ton	733	902	916

Designated Waste Treatment - Incineration

Site	Unit	2023	2024	2025
Jincheon	ton	366	515	398
Gumi	ton	258	297	282
Total	ton	624	812	680

Designated Waste Treatment - Landfill

Site	Unit	2023	2024	2025
Jincheon	ton	-	0	0
Gumi	ton	-	2	2
Total	ton	-	2	2

Designated Waste Treatment - Recycling

Site	Unit	2023	2024	2025
Jincheon	ton	12,018	20,155	13,413
Gumi	ton	5,351	6,117	5,950
Total	ton	17,369	26,272	19,363

12. Wastewater Reuse

Site	Unit	2023	2024	2025
Gumi	ton	15,341	29,473	31,638

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1. Status of Employee Diversity

Category			Unit	2023	2024	2025
Total Number of Employees			Person	337	330	328
By Age Group	Under 18 years Old		Person	0	0	0
	18 to Under 20 Years Old		Person	0	0	0
	20 to Under 30 Years Old		Person	62	51	52
	30 to Under 50 Years Old		Person	194	208	212
	50 Years Old and Above		Person	81	71	64
Gender Balance	Total Female Employees		Person	25	31	31
	Executives (Female)		Person	12 (0)	11 (0)	11 (0)
	Managers (Female)		Person	51(0)	47 (1)	40 (0)
	Team Members (Female)		Person	274(25)	272(30)	277(31)
Employment Type	Regular	Male	Person	308	292	294
		Female	Person	25	30	27
	Non-regular	Male	Person	4	7	3
		Female	Person	-	1	4
Employment of Disabled Persons			Person	0	0	5
Employment of National Veterans			Person	8	6	6

2. Labor-management Council Activities

Category		Unit	2023	2024	2025
Collective Bargaining (Number of Meetings)		Times	6	6	6
Labor-Management Council (Number of Meetings)	Jincheon	Times	4	4	4
	Gumi	Times	4	4	4
	Seoul	Times	4	4	4

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3. Average years of Employment

Category		Unit	2023	2024	2025
Average Length of Service	Male	Year	12.3	11.7	11.7
	Female	Year	7.3	6.5	7.1

4. New Hires and Employee Turnovers

Category		Unit	2023	2024	2025
Total Employees		Person	337	330	328
New Employment	Male	Person	51	32	19
	Female	Person	6	7	4
Turnover	Male	Person	52	40	16
	Female	Person	3	1	5
Turnover rate	Total	%	16	12	6
	Voluntary Turnover	%	8	6	2
	Involuntary Turnover	%	8	6	4

* Turnover rate is calculated based on the total number of employees at year-end. Percentages are rounded.
* The figure was revised due to a change in the rounding method applied to the 2023 data.

5. Average Employee Salary

Category		Unit	2023	2024	2025
Average Salary	Male	KRW 10,000	11,100	9,500	9,600
	Female	KRW 10,000	7,100	5,900	5,700
Gender Pay Ratio		%	64.0	62.1	59.3

6. Employee Medical Benefits

Item		Unit	2023	2024	2025
Health Checkups	Eligible Employees	Person	312	326	320
	Allowance	KRW million	155	130	166
Medical Expense Subsidy		KRW million	994	990	1,131

7. Employee Welfare Benefits

Category	Unit	2023	2024	2025
Welfare Benefits	KRW million	6,756	7,399	7,347

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8. Status of Parental Leave Usage

Number of Employees Taking Parental Leave[1)]

Category	Unit	2023	2024	2025
Total	Person	2	4	8
Female	Person	1	0	3
Male	Person	1	4	5

Employees Who Returned to Work After Parental Leave[2)]

Category	Unit	2023	2024	2025
Total	Person	1	4	6
Female	Person	1	1	1
Male	Person	0	3	5

Return-to-Work Rate After Parental Leave[3)]

Category	Unit	2023	2024	2025
Total	%	-	100%	85.7%
Female	%	-	100%	50%
Male	%	-	100%	100%

12 Months After Returning from Parental Leave[4)]

Category	Unit	2023	2024	2025
Total	Person	0	0	3
Female	Person	0	0	1
Male	Person	0	0	2

1) Those who have been granted parental leave for the current year
2) Reinstatement Appointment for the Current Year
3) Reinstatement for the current year / (Reinstatement for the current year + Resignation for the current year)
4) Those who returned from parental leave in the previous year and have worked for at least 12 months

9. Overview of Career Transition Program

Category	Unit	2023	2024	2025
Reemployment as Fixed-term Workers	Person	6	-	1
Retirement Program	Times/ Person	1/10	1/12	1/8

10. Overview of Employee Training / Education Support Programs

Category	Unit	2023	2024	2025
Training Expenses per Person	KRW	1,285,000	1,237,000	797,643
Total of Training Expenditure	KRW million	432.9	408.2	261.6
Training Completion Rate	%	97	99	99
Participants in Degree Support Program (Master's, Ph.D., MBA)	Person	3	2	3

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11. Occupational Accidents and Violations

Category		Unit	2023	2024	2025
Number of Employees		Person	337	330	328
Number of Occupational Accidents		Case	0	1	0
Occupational Injury Rate[1]		%	0	0.31	0
Frequency Rate[2]		%	0	1.26	0
Lost Time Injuries Frequency(LTIR)[3]		%	0	0	0
Safety Regulation Violations	Number of Violations	Case	0	3	0
	Fines	KRW 10,000	0	1,000	0

1) Occupational Injury Rate = Number of approved occupational injury cases / Number of employees × 100
2) Frequency Rate = Number of injury cases / Total working hours × 1,000,000
3) Lost Time Injury Rate (LTIR) = Number of lost time injury cases / Total working hours × 1,000,000
* One occupational disease case approved in 2024 involved a former employee. As no lost work time occurred during employment, the case was excluded from the LTIR calculation.

12. Safety and Health Management Status

Category		Unit	2023	2024	2025
Safety and Health Training and Evaluation	Safety and Health Training	Case	24	21	24
	Emergency Response Training	Case	8	13	17
	Online Training Completion Rate	%	100	100	100
	Risk Assessment		V	V	V
Health and Wellness Support	Health Checkup		V	V	V
	Compliance Rate of Health checkup for At-risk Employees	%	100	100	100

13. Safety and Health Management Status for Partner Companies

Category	Training Title	Unit	2023	2024	2025
Status of Support Provided to Partner Companies	Safety Training (Conducted by Partner Companies)	Case	12	24	24
	Emergency Response Training	Case	8	8	9
	Risk Assessment	Case	2	3	4
	Health checkup Support for At-risk Employees	KRW 10,000	78	80	70
Status of Occupational Accident Occurrences	Number of Occupational Accidents	Case	0	0	0
	Occupational Accident Rate	%	0	0	0
	Frequency Rate	-	0	0	0
	Lost Time Injuries Frequency Rate	-	0	0	0

* Assessment Target: On-site partner companies at PI Advanced Materials

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14. Customer Complaint Occurrence / Resolution Rate

Category	Unit	2023	2024	2025
Occurrence Rate (As % of sales)	%	0.35	0.02	0.01
Complaints Resolved	%	100	100	100

15. Supply Chain Management Status

Category		Unit	2023	2024	2025
Total Number of Partner Companies		Number	238	172	187
Supply Chain Management	Supplier Evaluations	Number	34	34	42
	Partner Companies in need of Improvement Actions	Number	3	9	15
	Improvement Action Implementation Rate	%	100	100	100
	Partner Companies with Terminated Relationships	Number	0	0	0

* Total number of suppliers: Includes all raw materials, packaging, logistics, and maintenance service providers engaged in transactions during the year

16. Social Contribution to Local Communities

Category	Unit	2023	2024	2025
Corporate Social Contribution Fund	KRW million	48.6	51.5	41.7

17. Overview of Cybersecurity Investment

Category		Unit	2023	2024	2025
Cybersecurity Investment	Amount	KRW million	358.7	382.2	229.1
	As % of IT Budget	%	10.9	10.4	11.3

18. Overview of Cybersecurity and Personal Data Breach Incidents

Category	Unit	2023	2024	2025
Total Number of Data Breach Incidents	Case	0	0	0
Number of Corporate Data and Customer Information Breach Incidents	Case	0	0	0
Amount of Fines for Violating Data Protection Laws	KRW 1,000	0	0	0
Cybersecurity Training		V	V	V

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Governance Performance

1. Board of Directors Operational Overview

Operation		Unit	2023	2024	2025
Convening	Number of Meetings	Times	10	6	7
Reporting and Resolutions	Number of Agenda Items	Case	30	27	32
Board Resolutions	Approval	%	100	100	100
	Opposition and Abstention	%	-	-	-

2. Average Board Attendance Rate

Operation	Unit	2023	2024	2025
Board Attendance Rate	%	100	100	98

3. Major Shareholders

Shareholder	Number of shares	Ownership(%)	Note
Arkema Korea Holding Co., Ltd.	15,877,400	54.07	Largest Shareholder
National Pension Service	907,311	3.09	
Employee Stock Ownership Association	32,038	0.11	

4. Board Evaluation and Compensation

Category	Unit	Number of Members	Total Compensation	Average Compensation per Person
Registered Directors	KRW million	4	337	84
Independent Directors (Excluding Audit Committee Members)	KRW million	-	-	-
Audit Committee Members	KRW million	3	109	36

5. Audit Committee Operational Overview

Operation		Unit	2023	2024	2025
Convening	Number of Meetings	Times	3	2	3
Reporting and Resolutions	Number of Agenda Items	Case	7	8	6
Audit Committee Resolutions	Approval	%	100	100	100
	Opposition and Abstention	%	-	-	-

6. Dividend Payout

Category	Unit	2023	2024	2025
Dividend per Share	KRW	-	350	350
Dividend Payout Ratio	%	-	46.15	33.83
Total Dividend Amount	KRW million	-	10,278	10,278

* The 2024 figures have been revised following the restatement of the financial statements and an adjustment to the total dividend amount resulting from decimal truncation.

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7. Tax Payment Status

Category	Unit	2023	2024	2025
Corporate Tax	KRW billion	-	1.7	5.2
Local Corporate Income Tax	KRW billion	-	0.3	0.7

8. Awards and Recognitions

Category	Unit	2023	2024	2025
Tax	Times	1	-	-
Disclosure	Times	-	1	-
Other	Times	-	-	2

* Recognized by the National Tax Service as an Outstanding Taxpayer in 2023 Selected as an Excellent Disclosure Company by Korea Exchange in 2024 Commendation for Trade Day hosted by the Ministry of Trade, Industry and Energy, and Minister's Award at the Korea Technology Awards in 2025

9. Ethics Training Completion Overview

Training Details	Unit	2023	2024	2025
Employee Ethics Training Hours (including Sexual Harassment Prevention, Workplace Harassment, and Disability Awareness)	Hour	1344	1,312	1,296
Employee Ethics Training Completion Rate	%	99	99	100
Ethical Management Training Hours	Hour	312	-	-
Ethical Management Training Completion Rate	%	90	-	-
Adoption Rate of Ethics and Practice Guidelines	%	100	100	100

10. Legal/Compliance Training Status

Training Details	Unit	2023	2024	2025
Employee Fair Trade Training Hours	Hour	314	55	426
Employee Fair Trade Training Completion Rate	%	100	100	26.3

* The eligibility for fair trade training in 2023/2024 differs (2023: All employees, 2024: Related departments)
* For the 2025 training, the focus will be on compliance education such as anti-corruption (for all staff).

11. Human Rights and Ethics Violations

Category		Unit	2023	2024	2025
Violation of the Labor Standards Act	Number of Violations	Case	-	-	-
	Fine	KRW 10,000	-	-	-
Fair Trade Act Violation	Number of Violations	Case	-	-	-
	Fine	KRW 10,000	-	-	-

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Memberships and Awards

Memberships and Associations

경북경영자총협회 KYEONGBUK ENTERPRISES FEDERATION

구미상공회의소

대한기계설비건설협회 Korea Mech. Const. Contractors Association

대한산업안전협회 Korea Industrial Safety Association

Global Compact Network Korea

KRX 한국거래소 KOREA EXCHANGE

진천상공회의소

KPCA 한국PCB&반도체패키징산업협회

KITA 한국무역협회

한국상장회사협의회 KOREA LISTED COMPANIES ASSOCIATION

한국소방안전원

사단법인 한국에너지기술인협회

한국전기기술인협회 Korea Electric Engineers Association

KINPA 한국지식재산협회 Korea Intellectual Property Association

한국피지컬AI협회 Korea Physical AI Association

한국환경기술인협회 화학안전교육센터, 키포에듀센터

KECI 한국환경보전원 Korea Environmental Conservation Institute

Awards and Recognitions

산업통상자원부

December 2025

Ministry of Trade, Industry and Resources /
Ministerial Commendation from the '62nd Trade Day'

산업통상자원부

December 2025

Ministry of Trade, Industry and Resources /
Ministerial Award at '2025 Korea Technology Awards'

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GRI Index

Index		Content	Report Page	Remarks
GRI 2: General Disclosures 2021				
The Organization and its Reporting Practices	2-1	Organizational details	06	
	2-2	Entities included in the organization's sustainability reporting	02	
	2-3	Reporting period, frequency and contact point	02	
	2-4	Restatements of information	02	
	2-5	External assurance	84 - 85	
Activities and Workers	2-6	Activities, value chain and other business relationships	06	
	2-7	Employees	70	
	2-8	Workers who are not employees	70	
Governance	2-9	Governance structure and composition	52	
	2-10	Nomination and selection of the highest governance body	52	
	2-11	Chair of the highest governance body	52	
	2-12	Role of the highest governance body in overseeing the management of impacts	55	
	2-13	Delegation of responsibility for managing impacts	55, 58	
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	2-15	Conflicts of interest	52	
	2-16	Communication of critical concerns	22, 23, 59	
	2-17	Collective knowledge of the highest governance body	53	
	2-18	Evaluation of the performance of the highest governance body	-	Ⓓ
	2-19	Remuneration policies	54	
	2-20	Process to determine remuneration	54	
	2-21	Ratio of annual remuneration paid	-	Ⓓ
Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	5	
	2-23	Policy commitments	12	
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	2-25	Processes to remediate negative impacts	12	
	2-26	Mechanisms for seeking advice and raising concerns	55	
	2-27	Compliance with laws and regulations	73, 76	
	2-28	Membership associations	77	
Stakeholder Engagement	2-29	Approach to stakeholder engagement	14	
	2-30	Collective bargaining agreements	44	

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GRI 3: Material Topics 2021				
Material Topics	3-1	Process to determine material topics	16	
	3-2	List of material topics	17	
	3-3	Management of material topics	18 - 24	
Topic Standard				
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	-	Ⓓ
	205-2	Communication and training about anti-corruption policies and procedures	24, 59	
	205-3	Confirmed incidents of corruption and actions taken	-	Ⓐ
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	Ⓐ
GRI 301: Materials	301-2	Recycled input materials used	37	
GRI 302: Energy	302-1	Energy consumption within the organization	28	
	302-2	Energy consumption outside of the organization	-	Ⓓ
	302-3	Energy Intensity	28	
	302-4	Reduction of energy consumption	28	
	302-5	Reductions in energy requirements of products and services	-	Ⓐ
GRI 303: Water and Effluents	303-2	Management of water discharge-related impacts	35	
	303-3	Water withdrawal	35	
	303-4	Water discharge	35	
	303-5	Water consumption	35	
GRI 305: Emissions	305-1	Direct Greenhouse Gas Emissions (Scope1)	28	
	305-2	Indirect Greenhouse Gas Emissions (Scope2)	28	
	305-3	Other indirect Greenhouse Gas Emissions(Scope3)	-	Ⓓ
	305-4	GHG emissions intensity	28	
	305-5	Reduction of GHG emissions	28	
	305-6	Emissions of ozone-depleting substances (ODS)	-	Ⓐ
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	34	

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Topic Standard				
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	36	
	306-2	Waste by type and disposal method	36	
	306-3	Waste generated	36	
	306-4	Waste diverted from disposal	37	
	306-5	Waste directed to disposal	-	Ⓐ
GRI 308: Supplier Environment Assessment	308-1	New suppliers that were screened using environmental criteria	-	Ⓐ
	308-2	Negative environmental impacts in the supply chain and actions taken	49	
GRI 401: Employment	401-1	New employee hires and employee turnover	71	
	401-3	Parental leave	72	
GRI 402: Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	44	
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	45, 71	
	403-2	Hazard identification, risk assessment, and incident investigation	21, 22	
	403-3	Occupational health services	22	
	403-4	Worker participation, consultation, and communication on occupational health and safety	22	
	403-5	Worker training on occupational health and safety	21	
	403-6	Promotion of worker health	21	
	403-7	Prevention and mitigation of occupational health and safety impacts	21	
	403-8	Workers covered by an occupational health and safety management system	21, 22, 73	
	403-9	Work-related injuries	73	
	403-10	Work-related ill health	73	

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Topic Standard				
GRI 404: Training and Education	404-1	Average hours of training per year per employee	43, 72	
	404-2	Programs for upgrading employee skills and transition assistance programs	43, 45	
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	-	Ⓐ
	414-2	Negative social impacts in the supply chain and actions taken	49	
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	50	
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	64, 74	

GRI Standard: Four Reasons for Omission

Ⓐ	Ⓑ	Ⓒ	Ⓓ
Not applicable	Legal prohibitions	Confidentiality constraints	Information unavailable/ incomplete

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UNGC Commitment

The United Nations (UN) encourages companies to uphold and implement the Ten Principles of the United Nations Global Compact (UNGC), which encompass human rights, environment, labor, and anti-corruption, and to contribute to the realization of the 17 Sustainable Development Goals (SDGs) that address global economic, environmental, and social challenges.

PI Advanced Materials officially joined the UNGC in November 2024 and continues to align its operations with the Ten Principles, ensuring transparent disclosure of its performance in human rights, labor practices, environmental stewardship, and anti-corruption. As a global corporate citizen, PI Advanced Materials is committed to advancing the UN SDGs through its business strategies and sustainability initiatives.

10 Principles of the UNGC

	UNGC Topic		Report Page
	**Human Rights**	**1.** Support and respect the protection of internationally proclaimed human rights; and	40
		2. Ensure they are not complicit in human rights abuses.	40
	**Labour**	**3.** Uphold the freedom of association and the effective recognition of the right to collective bargaining;	44
		4. Eliminate all forms of forced and compulsory labour;	40
		5. Abolish child labour; and	40
		6. Eliminate discrimination in respect of employment and occupation.	40
	**Environment**	**7.** Support a precautionary approach to environmental challenges;	27
		8. Undertake initiatives to promote greater environmental responsibility; and	34, 35, 37, 38
		9. Encourage the development and diffusion of environmentally friendly technologies.	32
	**Anti-Corruption**	**10.** Work against corruption in all its forms, including extortion and bribery.	24, 59

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Greenhouse Gas Emissions Verification Statement

Scope of Verification

The verification covers all greenhouse gas emission sources under the company's operational control. Emissions were calculated for both direct and indirect sources (Scope 1 and 2)

Verification Standards

Guidelines for Reporting and Certification of Emissions under the Emissions Trading Scheme (Ministry of Environment Notice No. 2025-64)
Verification Guidelines for the Operation of the Emissions Trading Scheme (Ministry of Environment Notice No.2025-165)

Conclusion of Verification

Based on the verification conducted, the following conclusions regarding the company's greenhouse gas emissions data are disclosed in the company's statement

1. Greenhouse gas emissions for 2025 have been appropriately calculated in accordance with the Guidelines for Reporting and Certification of Emissions under the Emissions Trading Scheme.

2. The result of the materiality assessment of 2025 greenhouse gas emissions indicates that emissions are lower than 500,000 tons CO2-eq, an amount that satisfies the quantitative threshold of less than 5% of total emissions.

3. Accordingly, a reasonable assurance opinion is issued for the company's 2025 greenhouse gas emission data.

GC-26-E102-01-00

Verification Opinion Statement

GHG Report Verification — **PI Advanced Materials Co., Ltd.**

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of GHG Report of PI Advanced Materials Co., Ltd.[1)] (hereinafter 'Company') for 2025.

1) Organization address (based on headquarters) : 14, Sejong-daero, Jung-gu, Seoul, Republic of Korea

Verification Purpose

The purpose is to ensure the reliability of the company's GHG Report in relation to the operation of the Emissions Trading Scheme.

Verification Scope

KFQ's verification covered all facilities and emission sources under the operational control and organizational boundary of Company during 2025.

Verification Criteria

The verification process was based on [Rule for emission reporting and certification of GHG emission trading Scheme[2)]], [Rules for verification of operating the GHG emission trading scheme[3)]] and [ISO14064-3] for every applicable part.

2) Notification No. 2025-64 of Ministry of Environment 3) Notification No. 2025-165 of Ministry of Environment

Level of Assurance

The Verification has been planned and conducted as the 'Rules for verification of operating the GHG emission trading scheme', and the level of assurance for verification shall be satisfied as reasonable level of assurance. And it was confirmed through an internal review whether the entire process of verification was conducted effectively.

Verification Limitation

The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Verification Opinions

KFQ present the following conclusions regarding the GHG emissions data included in the GHG Report.

1) GHG emissions have been appropriately calculated according to the "Rule for emission reporting and certification of GHG emission trading Scheme" and "ISO14064-1" methodologies.
2) The materiality assessment result of GHG emissions has satisfied the criteria for an organization that emits less than 500,000 tCO_2-eq by meeting less than 5% of the total emissions.
3) Thus, KFQ concludes that GHG Emissions of Company in 2025 is correctly calculated and reported in accordance with "Rule for emission reporting and certification of GHG emission trading Scheme".

Unit :tCO_2eq

Scope 1	Scope 2	Total
22,168.539	87,527.08	109,694

* The totals in this verification statement do not match the totals in emission trading scheme because the total emissions of each facility are calculated by truncating to integer units

2026-04-23

Ji Young Song

National Institute of Environmental Research

CEO Ji-Young Song
Korean Foundation for Quality

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QA1500-05-GV(1)

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Auditor’s Report

Opinion

We have audited the accompanying financial statements of PI Advanced Materials Co., Ltd. (the Company), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PI Advanced Materials Co., Ltd. as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

We also have audited, in accordance with Korean Standards on Auditing, the Company's Internal Control over Financial Reporting as of December 31, 2025, based on Conceptual Framework for Designing and Operating Internal Control over Financial Reporting, and our report dated February 19, 2026 expressed an unqualified opinion.

Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(1) Occurrence and cut-off of revenue related to the overseas sales

Reason why the matter was determined to be a Key Audit Matter

As described in Note 4 to the financial statements, the Company’s overseas sales for the year ended December 31, 2025 amounted to ₩178,070 million, accounting for 68% of total revenue. Overseas sales for the current period increased by ₩16,805 million compared to that of the previous period, resulting in an increase of ₩12,126 million in the total revenue of the Company compared to that of the previous period.

There is a possibility of intentional adjustments or potential errors related to revenue recognition and cut-off of overseas sales due to the following reasons: 1) the timing of transfer of control varies depending on the contract and export conditions with the customers 2) the transfer of goods is made in overseas. Therefore, we focused on this area as we determined that there is a significant risk in relation to occurrence and cut-off of overseas sales.

How our audit addressed the Key Audit Matter

We have performed the following audit procedures to address the Key Audit Matter.

- Assessing the reasonableness of the Company’s accounting policies relevant to revenue recognition and cut-off
- Testing the design and operating effectiveness of certain internal controls over accuracy of revenue recognition process and cut-off of overseas sales
- Performing an analytical review compared to the previous period and monthly trend analysis for each major clients
- Inspecting supporting documents by selecting samples of sales transactions during the reporting period
- Sending external confirmations by selecting samples for each customer regarding trade receivables corresponding to revenue recognition
- Verifying the appropriateness of cut-off of revenue recognition according to the transaction agreements and trade conditions by selecting samples of sales transactions which occurred during a certain period before and after end of the reporting period

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

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Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

· Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

· Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

· Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

· Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the financial statements, including the sclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is In-Kyoo Park, Certified Public Accountant.

100, Hangang-daero, Yongsan-gu, Seoul
Samil PwC
CEO Hunsoo Yoon

This report is effective as of February 19, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

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Independent Assurance Statement

To readers of PI Advanced Materials 2025 Sustainability Report

Introduction

Korea Management Registrar (KMR) was engaged to conduct an independent assurance of PI Advanced Materials 2025 Sustainability Report for the year ending December 31, 2025. The preparation, information and internal control of the report are the sole responsibility of PI Advanced Materials' the management. KMR's responsibility is to comply with the agreed engagement and express an opinion to PI Advanced Materials' management.

Subject Matter

The reporting boundaries included the performance and activities of sustainability-related organizations as described in PI Advanced Materials' report:

- PI Advanced Materials 2025 Sustainability Report

Reference Standard

- GRI Standards 2021 : 2023 (GRI)

Assurance criteria

KMR applied the quality management system in accordance with ISO 17029 and KMR EDV 01, and carried out the verification in accordance with the assurance criteria of AA1000AS v3 and KMR's proprietary SRV1000. Under AA1000AS v3, we assessed the adherence to the four principles presented in AA1000AP:2018—Inclusivity, Materiality, Responsiveness, and Impact—and evaluated the reliability and quality of the data and information using. Under SRV1000, we conducted a multidimensional review aimed at zero data errors, applying expert judgment to determine the materiality criteria.

- ISO 17029 : 2019, ISO 14065 : 2020, AA1000AS v3 : 2020 (AccountAbility), AA1000AP : 2018 (AccountAbility), SRV 1000 : 2022 (KMR), KMR EDV 01 : 2024 (KMR)
- Levels of assurance/materiality: AA1000AS v3 – Type 2/moderate, limited/ not set

Scope of assurance

The information subject to verification in the sustainability report is as follows.

- GRI Standards 2021 reporting principles
- Universal Standards
  - GRI 2 General Disclosures 2021
  - GRI 3 Material Topics 2021
- Topic Specific Standards
  - GRI 205: Anti-corruption(205-2), GRI 206: Anti-competitive Behavior,
  - GRI 301: Materials(301-2), GRI 302: Energy(302-1, 302-3, 302-4), GRI 303: Water and Effluents(303-2, 303-3, 303-4, 303-5), GRI 305: Emissions(305-1, 305-2, 305-4, 305-5, 305-7), GRI 306: Waste, GRI 308: Supplier Environmental Assessment,
  - GRI 401: Employment(401-1, 401-3), GRI 402: Labor/Management Relations, GRI 403: Occupational Health and Safety, GRI 404: Training and Education(404-1, 404-2), GRI 414: Supplier Social Assessment, GRI 416: Customer Health and Safety(416-1), GRI 418: Customer Privacy

As for the reporting boundary, information external to the organization was excluded from the scope of assurance.

KMR's Approach

Our Assurance Team undertook the following activities for the agreed scope of assurance using the standard outlined above:

- Evaluating the appropriateness of the reference standard used as a basis for preparing sustainability information and the reliability of the materiality assessment process and its findings;
- Conducting inquiries to understand the data management and control environment, processes, and information systems (the effectiveness of controls was not tested);
- Evaluating the appropriateness and consistency of the methodology for estimation (note that the underlying data was not tested and KMR has not made any estimates);
- Visiting the headquarters, determining visit sites based on the site's contribution to sustainability and the possibility of unexpected changes since the previous period and sampling data, and carrying out due diligence on a limited number of source records at the sites visited;
- Interviewing people in charge of preparing the report;
- Considering whether the presentation and disclosures of sustainability information are accurate and clearly defined;
- Identifying errors through comparison and check against underlying information, recalculation, analyses, and backtracking; and
- Evaluating the reliability and balance of information based on independent external sources, public databases, and press releases.

Limitations and Recommendations

The absence of generally accepted reporting frameworks or well-established practices on which to draw to evaluate and measure non-financial information allows for different measures and measuring techniques, which can affect comparability between entities. Therefore, our assurance team relied on professional judgment. In a limited assurance engagement, the scope of the risk assessment procedures and the subsequent procedures performed in response to the assessed risks are limited than in a reasonable assurance engagement. Our assurance team conducted our work to a limited extent through inquiries, analysis, and limited sampling based on the assumption that the data and information provided by PI Advanced Materials are complete and sufficient. To overcome these limitations, we confirmed the quality and reliability of the information by referring to independent external sources and public databases, such as DART and the National GHGs Management System (NGMS).

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with PI Advanced Materials on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. We found that the report was prepared in accordance with the criteria presented by PI Advanced Materials, and nothing comes to our attention to suggest that the evidence obtained regarding its content is insufficient to provide a basis for our opinion. Our opinion on the principles is as follows:

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Independent Assurance Statement

Inclusivity
PI Advanced Materials has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality
PI Advanced Materials has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness
PI Advanced Materials prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of PI Advanced Materials' actions.

Impact
PI Advanced Materials identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information
In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of sustainability performance data, including economic, environmental, and social performance data. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

KMR's Competence, Independence, and Quality Control
Korea Management Registrar (KMR) is a verification body for the Republic of Korea Emissions Trading Scheme (K-ETS), accredited to ISO/IEC 17029:2019 (Conformity Assessment - General principles and requirements for validation and verification bodies), ISO 14067, the additional accreditation criteria ISO 14065, and ISO/IEC 17021:2015 (Requirements for bodies providing audit and certification of management systems). Additionally, KMR maintains a comprehensive quality control system that includes documented policies and procedures of the KMR EDV 01:2024 (ESG Disclosure Assurance System) based on ISO/IEC 17029 requirements and compliant with IAASB ISQM1:2022 (International Standard on Quality Management 1 by the International Auditing and Assurance Standards Board). Furthermore, KMR adheres to the ethical requirements of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior in accordance with the IESBA Code:2023 (International Code of Ethics for Professional Accountants). Our assurance team consists of sustainability experts. Other than providing an independent assurance, KMR has no other contract with PI Advanced Materials and did not provide any services to PI Advanced Materials that could compromise the independence of our work.

Limitations of Use
This assurance statement is made solely for the management of PI Advanced Materials for the purpose of enhancing an understanding of the organization's sustainability performance and activities. We assume no liability or responsibility for its use by third parties other than the management of PI Advanced Materials. As this assurance statement may be subject to revision after the assurance date below, we recommend verifying whether this is the latest version.

kmR Korea Management Registrar

SRV1000 Sustainability Committee Assurance

AA1000 Licensed Report 000-129/V3-OR0C9

June 13, 2026 Seoul, Korea

CEO ***E. J. Hwang***

E. J Hwang

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PI Advanced Materials 2025 Sustainability Report

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