

Creating a Sustainable Future:

MNC SOLUTION Corporation

ESG 2025

MNC Solution Sustainability Report



Cover Story

The letter 'M' on the cover of the first Sustainability Report symbolizes the three core values that MNC Solution pursues: the mission of being a central company responsible for national security and industrial technology, the momentum of advancing toward the future through continuous technological innovation and ESG management, and the 'mutual trust' management that prioritizes mutual growth and value with customers, partners, and the local community. The restrained contrast between navy blue, symbolizing accumulated technology and quality-centric trust, and sky blue, symbolizing the proactive spirit of challenge toward the future, expresses MNC Solution's pursuit of 'consistency amid change.'

About this Report

Report Overview

This report is MNC Solution's first sustainability report. The 2025 Sustainability Report aims to actively communicate with stakeholders and build trust by transparently disclosing MNC Solution's sustainability performance in 2024. In particular, we have focused on reporting our response strategies and activities for material issues with high environmental/social impact and financial impact based on materiality assessment.

Report Preparation Criteria

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards, an international reporting guideline for sustainable management, and complies with the four principles of AA1000AP v3, which includes the obligation to disclose information on sustainable management: inclusivity, materiality, responsiveness, and impact. Additionally, it reflects the joint agenda of the Sustainable Accounting Standards Board (SASB) and the United Nations Sustainable Development Goals(UNSDGs). Financial performance is reported in accordance with the Korean International Financial Reporting Standards (K-IFRS) based on consolidated financial statements.

Reporting Period

The reporting period for this report is from January 1, 2024, to December 31, 2024. For certain non-financial performance indicators, the reporting period includes the first half of 2025. Additionally, data from the past three years has been used when necessary to assess the continuity of performance trends. The reporting cycle for this report is one year.

Reporting Scope

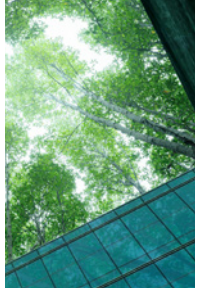
The reporting scope of this report covers the ESG management activities and performance of MNC Solution's headquarters (Changwon City, Gyeongnam Province) and its factories. Information regarding the reporting scope and boundaries is clearly stated in the notes within the report.

Report Assurance

To ensure the fairness and reliability of the preparation process and all information in this report, it has undergone third-party verification by an independent verification body, Korea Compliance Initiative(KCI). Detailed verification results can be found in the third-party verification report.

Report Publisher and Contact Information

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Creating a Sustainable Future:

2025 MNC SOLUTION SUSTAINABILITY REPORT

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Introduction





CEO Message

Company Introduction

Business Introduction

Preparing for a sustainable future for South Korea's defense industry



MNC SOLUTION Co., Ltd.

**CEO
Byong-keon Kim**

Dear MNC Solution stakeholders,

MNC Solution is poised to reach a significant milestone in its corporate growth in 2025.

Listed on the Korea Stock Exchange (KOSPI) in December 2024, MNC Solution has expanded its public responsibility and accountability. We have reached this point today based on the trust of our customers, the expertise of our employees, and our commitment to national defense.

Now, we are proud to present our first sustainability report as we embark on a journey toward becoming a more transparent and sustainable company.

Over the years, MNC Solution has contributed to the self-reliance and independence of South Korea's national defense capabilities through the development and localization of various defense products. Leveraging the trust of its key customers, the company has been responsible for the core propulsion systems of national strategic weapon systems such as the K2 main battle tank, K9 Self-Propelled Howitzer, KUH Korea Utility Helicopter(Surion), MLRS/KM-SAM Launchers, and KF-21 Fighter jet(Boramae).

Based on the technological capabilities accumulated in the existing defense industry, we have expanded our business scope to the field of ultra-precision motion control applied to space launch vehicles and satellites. Now, MNC Solution's technological capabilities are advancing into space.

All motion control products and technologies supplied by MNC Solution are developed with a sense of mission to protect the lives and safety of citizens.

Three commitments to sustainability

MNC Solution does not view ESG as merely a trend to follow, but rather as a strategic value that defines the direction and identity of the company.

The ESG that MNC Solution pursues is closely aligned with the essence of the defense industry, with its core values being the responsibility to protect the safety of citizens, mutual growth with society, and the establishment of a trustworthy management system.

Therefore, we are laying the foundation for a sustainable company centered on three values: the environment, society, and transparent ethical management.

CEO Message

We will create a blueprint for the future of the defense industry, “building a sustainable world through ESG management.”

As a manufacturing company, we will take our environmental responsibility seriously

As a manufacturing-based defense company, MNC Solution recognizes resource conservation and greenhouse gas emission reduction as important responsibilities.

We are also preparing a climate information linkage system that will improve energy efficiency within our business sites, systematically manage Scope 1 and 2 greenhouse gas emissions in the mid- to long-term, and support our customers' Scope 3 supply chain responses.

We view the environment from the perspective of technological innovation and process improvement, and we are also pursuing the eco-friendly conversion of our products through practical improvement activities such as reducing the use of hazardous substances, reducing waste, and eco-friendly design.

MNC Solution will realize cleaner manufacturing and a more reliable supply chain through continuous environmental investment.

Society – Technology for people, an organization that grows together

MNC Solution places the safety and dignity of its employees at the core of its corporate competitiveness.

We are actively promoting the realization of accident-free workplaces through leadership in industrial safety and health, proactive prevention of risk factors, and activities to establish a culture of safety. We are also practicing a people-centered corporate culture based on fairness in employment, equal opportunity, and respect for rights.

Additionally, we are establishing a transaction culture based on fairness and transparency to foster mutual prosperity with our business partners. Through ethical management and supply chain ESG risk assessments, we are expanding sustainable partnerships.

Transparent ethical management – We will uphold the principles of a trusted company.

As a KOSPI-listed company, MNC Solution believes that it must be a company that can operate transparently for its stakeholders.

Accordingly, we will strengthen our board-centered responsible management system, internalize corporate ethics and compliance awareness, and base all management activities on trust.

Ethical management declarations, internal whistleblowing systems, and systematic management of ESG information are not merely risk responses but practical measures to be recognized as a trustworthy partner by our clients and investors.

MNC Solution is committed to establishing a management culture that values responsibility, transparency, and respect for all stakeholders, based on the belief that an honest company is a sustainable company.

The uniqueness and sustainability of the defense industry

The defense industry is a critical industry directly linked to national security and the lives of citizens.

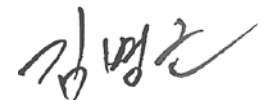
Therefore, MNC Solution's responsibilities are even greater, and its actions are closely linked to social trust, national strategy, and human life.

We will continue to take the uniqueness and importance of the defense industry seriously and do our best to become a sustainable MNC Solution that works together with society, the country, and our customers.

We sincerely appreciate your continued trust and support, and we sincerely request that you join us on MNC Solution's sustainable journey. Thank you.

July 2025

MNC SOLUTION Co., Ltd. CEO Byong-keon Kim



Company introduction

MNC Solution Overview

General Overview (as of 2024)

Company Name	MNC SOLUTION Co., Ltd.
Date Established	December 1, 2020
Headquarters	171 Wan-an-ro, Seongsan-gu, Changwon-si, Gyeongsangnam-do
CEO	Byong-keon Kim
Business Overview	<ul style="list-style-type: none"> Hydraulic/Electric Gun/Turret Drive Units and Stabilization Systems Hydraulic Suspension Systems Hydraulic Systems for Launchers Aircraft Hydraulic Pumps Hydraulic/Electric Winch Systems thrust Control Actuators for Space Launch Vehicles
Number of Employees	308
Credit Rating	BBB (as of May 3, 2025)

Business Performance (as of 2024)

Sales Revenue (Unit: Million KRW)	2022	125,933
	2023	183,450
	2024	282,797
Order Intake (Unit: Million KRW)	2022	508,602
	2023	282,913
	2024	502,086
Net Income for the Period (Unit: Million KRW)	2022	8,954
	2023	14,531
	2024	26,964

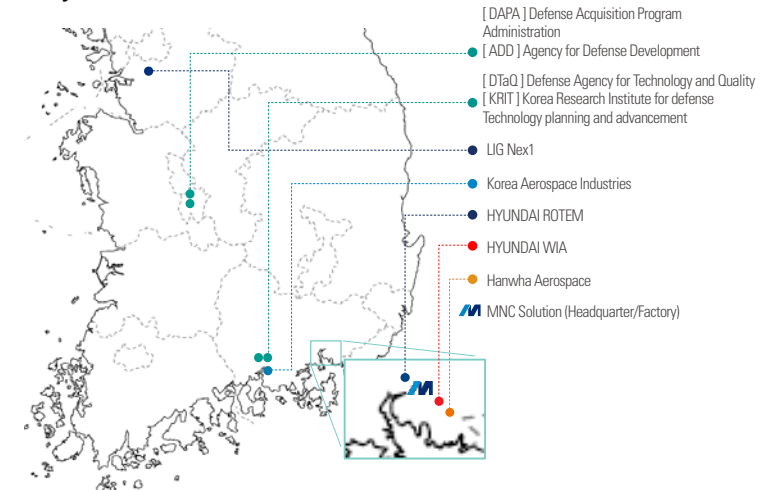
Established in 1974, MNC Solution has been designated as a defense industry company and has led the growth of the domestic defense industry by expanding the application of drive stabilization and Precision driving control technology. Based on our accumulated technology and quality, we are playing a pivotal role in the development of military equipment and military power by providing hydraulic and electrical solutions that fulfill the core functions of weapon systems, contributing to the development of advanced weapons and the improvement of weapon system performance. In particular, MNC Solution is engaged in various businesses such as Hydraulic/electric driving systems and stabilizers, suspension systems, Hydraulic systems, pumps, winch systems, and thrust vector control for space rocket. We will provide value to our customers with better quality and continuous innovation, grow with our partners, and contribute to society.

Business Introduction



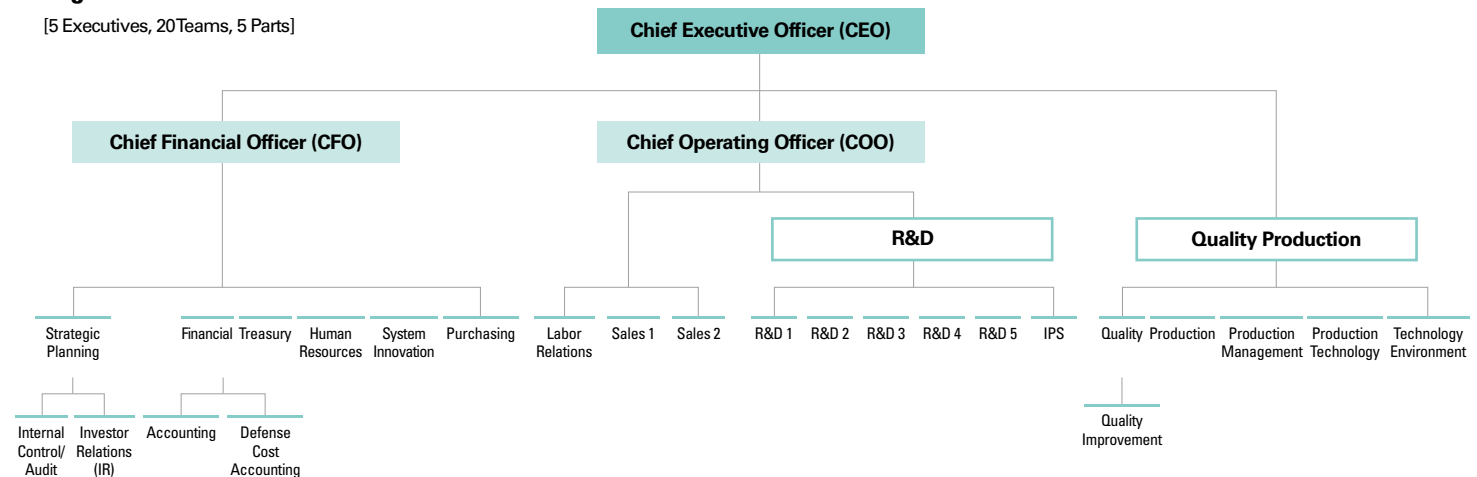
- Headquarters: 171, Wanam-ro, Seongsan-gu, Changwon-si, Gyeongnam
- Outside Test Center: Jinbuk Test Center/Daedong Test Center/Woongnam Test Center
- Outside Office: Yangju Office

Major Clients



Organizational Chart

[5 Executives, 20 Teams, 5 Parts]



Company introduction

History

Since its establishment in 1974, MNC Solution has been a key partner in the Korean defense industry for more than 50 years in a rapidly changing global security environment, contributing to the growth of the domestic defense industry, playing a pivotal role in military equipment and power buildup through hydraulic and electrical solutions, and providing core technologies in line with the recent global trend of strengthening national defense and developing advanced weapon systems.



Establishment, Takeoff

Launches industrial equipment and defense industry using hydraulic technology

1970~2007



Growth Period

Doosan Group's integration into the company's external growth

2008~2019



Expansion period

Accelerate growth by listing on KOSPI, expanding exports, and entering new businesses

2020~



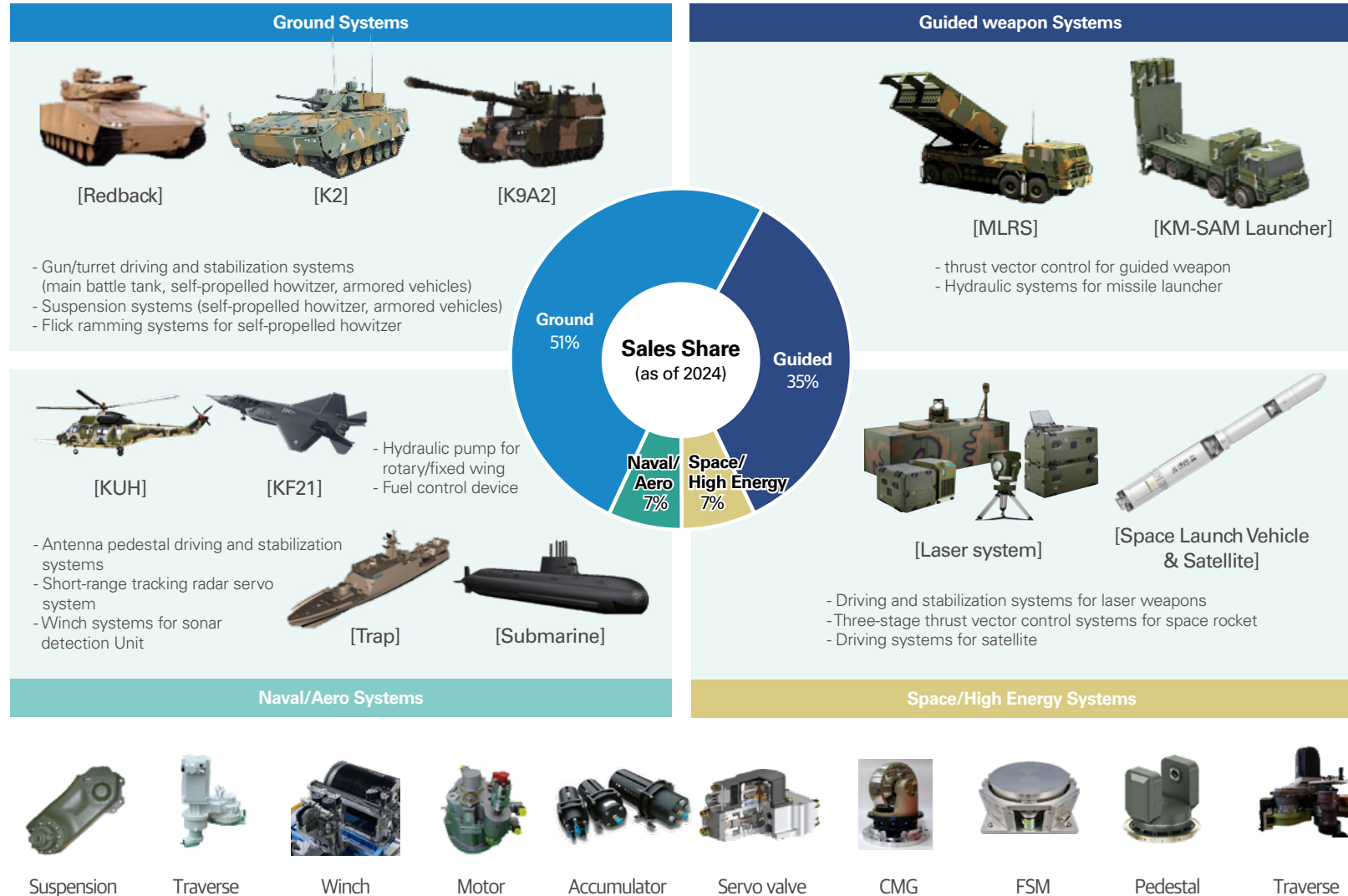
- 1974.12** Established Tongmyung Industries
- 1976.11** Started manufacturing hydraulic equipment, electric forklifts, and defense industry (designated as a defense contractor)
- 1978.01** Changed the name to Tongmyung Heavy Industries
- 1986.05** Established the Technology Research Center
- 1996.08** Acquired ISO9001 Quality Assurance System Certification (Korea Quality Foundation)
- 2000.02** Acquired Defense Quality System Certification (KDS 0050-9000)

- 2008.08** Incorporated into Doosan Group
- Changed its name Tongmyung Heavy Industries → Doosan Mottrol
- 2010.09** Certified AS9100 Aerospace Quality Management System (Lloyd's Register)
- 2016.06** Acquired PMS Level 6 (Korea Productivity Center)
- 2017.12** Winner of the Management Innovation Award for Excellent Defense Contractor (Head of Defense Acquisition Program Administration)
- 2019.05** Acquired PMS Level 6+ (Korea Productivity Center)

- 2020.12** Separated from Doosan Group
- 2021.01** Changed name Doosan Corporation Mottrol BG → Mottrol Co., Ltd
- 2022.05** Acquired PMS Level 7 (Korea Productivity Center)
- 2022.12** Received the Outstanding Defense Industry Management Innovation Award (Minister of Defense)
- 2023.12** Spun off Changed name Mottrol Co., Ltd → MNC Solution Co., Ltd
- 2024.12** Listed on the Korea Stock Exchange (KOSPI)
- 2025.04** Acquired ESG Management Level S (Korea Productivity Center)

Business Introduction

MNC Solution is a core component manufacturer in all fields of the defense industry, including ground, guided, air, and Naval systems, specializing in the implementation of “motion” and “precision control.” By developing and producing hydraulic systems and electro-hydraulic systems in a timely manner, we reliably supply these components to the Army, Navy, and Air Force, thereby contributing to the enhancement of South Korea's national security and defense capabilities.



Business Introduction

Ground/Guided/ High Energy

MNC Solution's precision driving control technology is a core technology that improves the precision control and efficiency of ground, guided and high-energy weapons.

In line with changes in the battlefield, we have expanded our technology from Hydraulic to electric systems and are developing and supplying gun/turret driving/stabilization systems, automatic flick ramming systems for self-propelled howitzer, and suspension systems.

With over 50 years of accumulated domestic-exclusive Precision driving control technology and expertise, we play a crucial role in increasing K-Defense exports. Specifically, we develop and supply hydraulic driving systems for guided weapons, missile launchers, and laser precision driving systems—core components of the Korean 3-axis defense system—significantly contributing to the strengthening of South Korea's national defense capabilities.

Ground Systems

MNC Solution's Flagship Products					Main equipment
					
Elevation driving system	Traverse driving system	Commander's control handle	Gunner's control handle	Servo system	K2 main battle tank
					
Elevation Balancing Cylinder	Traverse gear box	Motor, pump, oil reservoir	Flick Ramming system	Armor-mounted Hydraulic suspension device	K9 self-propelled howitzer

MNC Solution's gun and turret stabilization system is a core component of ground weapon systems that require precise control and stable operation.

MNC Solution has applied an electric gun and turret stabilization system to the K2 main battle tank by modularizing a DC voltage booster for drive power stabilization in addition to the existing Hydraulic systems.

Additionally, the automatic loading mechanism for the K9 self-propelled howitzer significantly enhances rapid battlefield response capabilities and reduces the number of crew members. The suspension systems applied to self-propelled howitzers and armored vehicles improve ride comfort in various environments such as mountainous, flat, snowy, and desert terrains, effectively reducing combat fatigue.

Guided weapon Systems

MNC Solution's Flagship Products		Main equipment
		
Hydraulic Main pump	Hydraulic Servo motor	MLRS
		
Hydraulic jack cylinder	Hydraulic power pack	KM-SAM Launcher

MNC Solution's drive device for guided weapons precisely controls the attitude of high-speed projectiles.

In addition, the launch pad Hydraulic system controls the Hydraulic system, including various cylinders, to quickly change the direction of the launch pad during firing and to stabilize the vehicle and absorb shocks during missions. MNC Solution is the only company in Korea to possess guided weapon driving control technology.

High Energy Systems

MNC Solution's Flagship Products		Main equipment
		
Lift Unit	FSM Control Unit	Laser weapons for anti-aircraft
		
Gimbal Unit	Power Supply Unit	Electromagnetic pulse weapons

MNC Solution's laser precision driving system is a core component that enables target detection and tracking, as well as precise control during target orientation.

MNC Solution is strengthening its core competencies based on laser precision driving and stabilization steering device technology, and is currently developing high-energy, ultra-precision driving systems.

Business Introduction







Naval/Aero/ Space

MNC Solution's high-performance Hydraulic and electric driving technologies are widely applied across marine, Aero, and space fields.

In the marine sector, our systems include winch systems for deploying and retrieving sonar sensors, as well as stabilization systems for antennas and radars. In the Aero sector, our proprietary three-stage nozzle thrust control driving units enable precise control of flight trajectories, and these systems are also applied to L-SAM and guided weapons.

Furthermore, in line with the New Space era, we are jointly developing drive systems for satellite applications with government agencies and actively pursuing expansion into the commercial space launch vehicle sector.

Naval Systems







MNC Solution's Flagship Products	Main equipment
 <p>Winch System for Sonar</p>    <p>Hydraulic Winch system Electric Winch system Power Supplier & Controller</p>	 <p>Destroyer</p>  <p>Minesweepers</p>

MNC Solution's winch systems and radar precision driving systems are core technologies applied to naval weapon systems such as destroyers, minesweepers, and submarines.

In response to advancements in detection technology, MNC Solution develops and supplies winch systems and towing/hoisting devices optimized for various newly developed detection devices.

Additionally, the company has successfully localized the development of acoustic signal-responsive/explosive mine removal devices and submarine-compatible Hydraulic compensation motors, demonstrating superior precision control technology.

Aero Systems



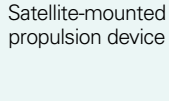




MNC Solution's Flagship Products	Main equipment
 <p>KUH Hydraulic Pump</p>  <p>LCH Main Hydraulic Pump</p>   <p>KF-21 Hydraulic Pump LCH Auxiliary Hydraulic Pump</p>	 <p>KUH</p>  <p>KF-21</p>

MNC Solution's armed precision driving systems and Hydraulic/fuel precision control technologies are core technologies applied to Aero weapon systems such as LAH, LCH, KUH, and KF-21.

We develop and supply Hydraulic pumps for aircraft, armed precision driving systems for LAH/LCH, and Hydraulic pumps for KF21 fighter jets.

In particular, we have secured the design and development capabilities for actuators and core engine components for unmanned aerial vehicles (UAVs), which are core weapon systems for future warfare. We are also pursuing collaborative development with government agencies and system manufacturers to enhance our technological capabilities.

Space Systems

MNC Solution's Flagship Products	Main equipment
 <p>CMG</p>  <p>Reaction Wheel</p>  <p>Satellite-mounted propulsion device</p>  <p>3rd stage TVC</p>  <p>2nd stage TVC</p>  <p>1st stage TVC</p> <p>3-stage thrust Vector Control propulsion device for advanced launch vehicles</p>	

We have successfully developed and verified a driving system for controlling the thrust of a three-stage nozzle for maintaining the flight trajectory of a space launch vehicle and entering the target high-altitude orbit.





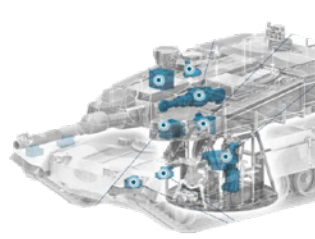
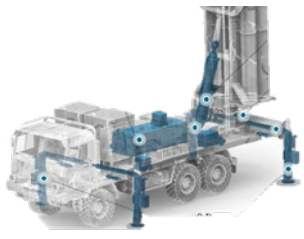
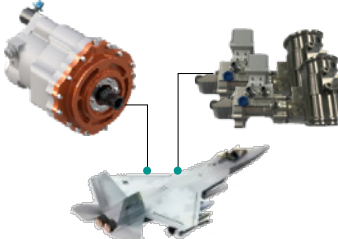
Based on this core competency, MNC Solution is developing various precision drive devices for the space industry and is promoting the development of driving systems for satellites.

Business Introduction

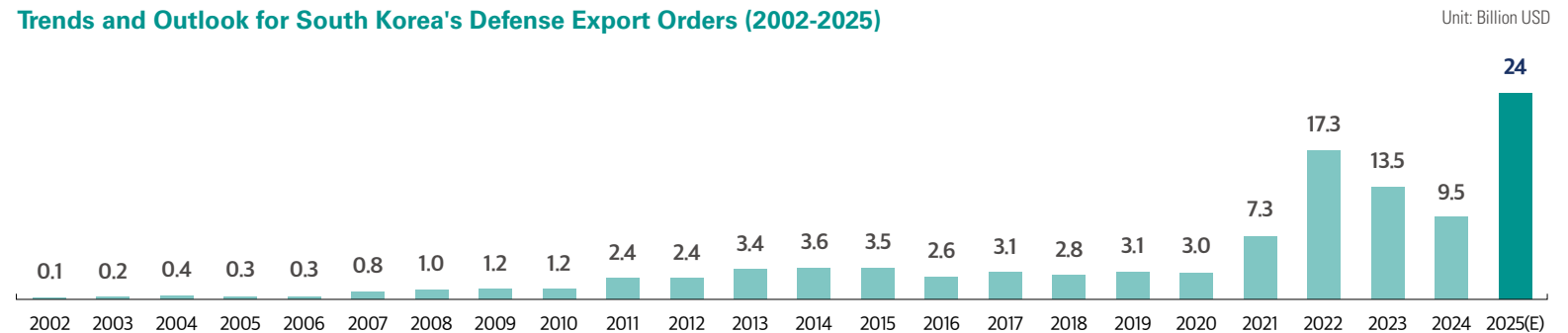
Major overseas orders received by defense companies

The defense products and technologies we possess are expanding into the global market, and we will extend our ultra-precision defense technologies into advanced civilian industries to provide safer and more precise motion control solutions. MNC Solution provides motion control solutions tailored to customer needs and is expanding its business scope into the space sector amid the rapidly changing defense industry environment, positioning itself to play a crucial role in future civilian space launch vehicle projects. Additionally, we are striving to become a global leader in motion control solutions through technological innovation.

Major overseas orders received by defense companies

Category	 Hanwha Aerospace	 HYUNDAI Rotem	LIG Nex1	 KAI KOREA AEROSPACE INDUSTRIES, LTD.
Project Name	K9 self-propelled howitzer. Exported to nine countries, including Australia and Romania.	K2 main battle tank. Exported to Poland and Romania.	KM-SAM. Exported to UAE, Saudi Arabia, and Iraq.	FA-50. Overseas exports
Items Participated By Our Company	 Electric Gun/Turret Drive Units, etc.	 Electric Gun/Turret Drive Units, etc.	 Hydraulic Power Units, etc.	 Hydraulic Pumps and Actuators

Trends and Outlook for South Korea's Defense Export Orders (2002-2025)



Source: Ministry of National Defense(MND), Statistics Korea(KOSTAT)

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Our Focus





ESG Highlight
ESG Management Strategy
Stakeholder Engagement
Stakeholder Interviews
Double Materiality Assessment
SPECIAL PAGE

ESG Highlight

ESG Performance

Launch of ESG Promotion Organization

- Establishment of ESG Promotion Committee (2024)

Acquisition of Defense Quality Management System Certification

- Acquisition of DQMS Level 7 Certification (Korea Productivity Center)

**Zero Serious Accidents**

- Implementation of a company-wide "Zero Serious Accidents" campaign in 2024

**Practicing transparent management through corporate disclosure**

- December 16, 2024: Public offering (KOSPI listing)
- Improving disclosure transparency

**Setting carbon reduction targets**

- Set a target to reduce scope 1+2 greenhouse gas emissions by 5% by 2028

**Strengthening compliance support**

- Strengthening internal control systems and audit processes
- Improving transparency related to the board of directors and committees
- Disclosure of compliance officers and responsible persons

**Community Environmental Cleanup**

- A Company-wide 'Plogging Day' Initiative

**Strengthening information security and cyber attack response**

- Implementing dual control (participation in the Defense Industry Information Sharing Council)

**Ministry of Trade, Industry and Energy Supply Chain Audit**

- ESG Management Level S Rating (Korea Productivity Center)

**Social Contribution/Donation Performance**

- 2024 Annual Donation Performance: 37,200,000 KRW (Matching Grant Method) (Employees: 18,761,000 KRW / Company: 18,761,000 KRW)
- Group Blood Donation

**Customer Satisfaction Survey**

- Improving customer satisfaction based on VOC



Business growth

Prospects for continued growth in existing businesses through expansion of exports of ground/guided systems to North America, the Middle East, and Southeast Asia beyond Europe

Ground Systems



Strengthening the position of K-Defense, expanding orders amid ongoing geopolitical risks in Europe such as the Russia-Ukraine war



Poland signs ground system import contract worth approximately 20 trillion won across first and second implementation agreements

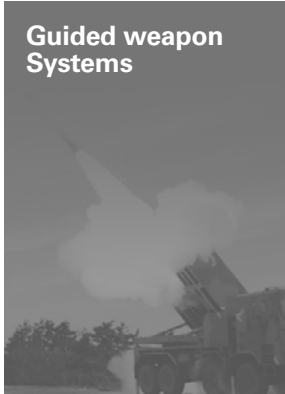


Romania signs K9 export contract worth 1.3 trillion won



K9 exports expected to new markets such as India and Vietnam

Guided weapon Systems



Strengthening the position of K-Defense, expanding new orders due to increased geopolitical risks in the Middle East such as the Israel-Iran conflict



UAE expected to place new orders for 320 L-SAM launchers



UAE, Saudi Arabia, and Iraq expected to place orders for "KM-SAM" worth over 12 trillion won

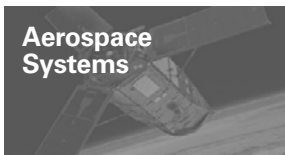


Poland to export 7.2 trillion won worth of "MLRS" in 2022. Norway, the Philippines, and others are preparing for exports.



2.75-inch guided rockets, "Bi-gung" are expected to be exported to the US.

Aerospace Systems

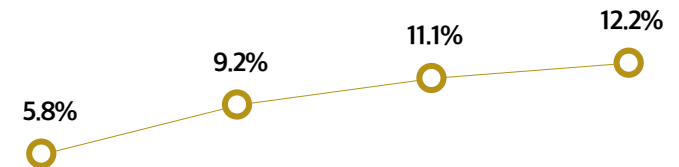


2025 Aerospace Administration budget: 964.9 billion won (27% increase from the previous year)

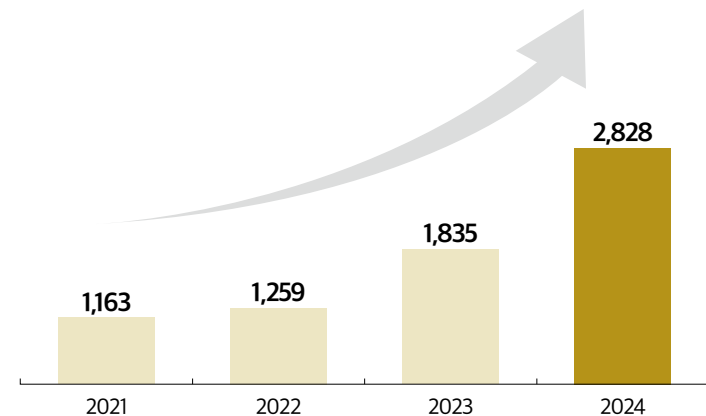


Expansion of space transportation capabilities, including the advancement of Korean launch vehicles and the development of next-generation launch vehicles, as well as the development of advanced satellites and the localization of core technologies for the advanced aerospace industry.

Operating Profit Margin (%)



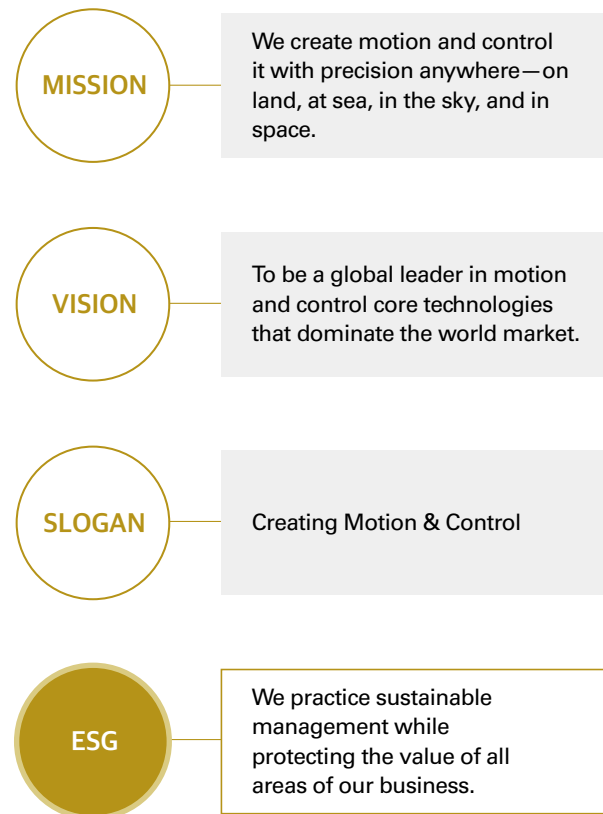
Sales (KRW 100 million)



Company Vision System

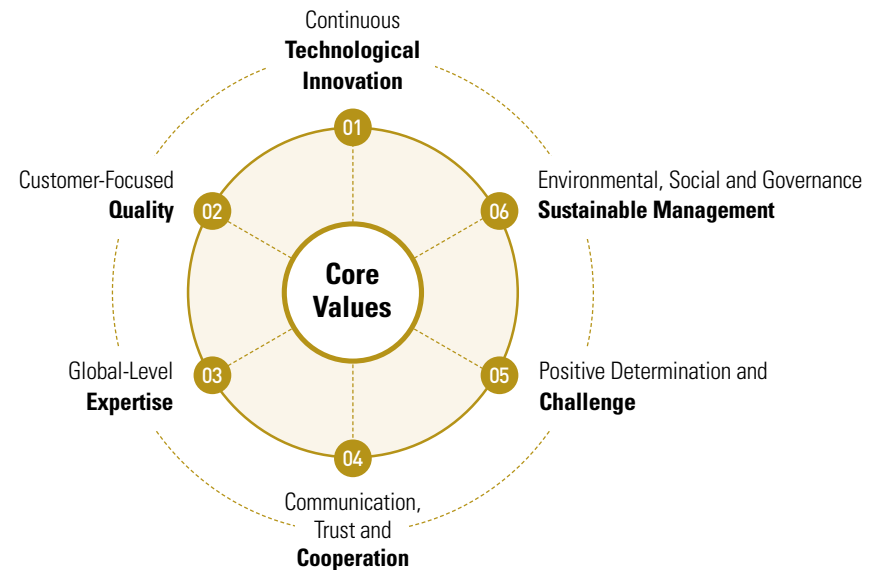
MNC Solution creates sustainable value through technologies that generate and precisely control “motion” anywhere in the world under the slogan “Creating Motion & Control.” We aim to lead the global market based on our core motion and control technologies and customer trust in all industrial areas spanning land, sea, air, and space. To achieve this, we have established the vision of becoming a “Global Leader in Motion & Control Core Technologies” and are committed to realizing environmental, social, and economic sustainability through continuous technological innovation and responsible management.

MNC Solution



ESG Core Values

Since our establishment in 1974, we have been manufacturing reliable products through continuous technological innovation and quality that meets customer expectations. Now, we are recognized for our expertise in the global market beyond Korea, and we strive to communicate more closely with our customers and cooperate based on mutual trust to meet global needs. We will continue to take on challenges with a positive determination to lead the global market. Technology innovation, quality, expertise, collaboration, and challenge are the core elements of MNC Solution's sustainable management, forming a virtuous cycle that drives our success. These values are also the top priorities we pursue in everything we do.



ESG Management Strategy

MNC Solution has established environmental (E), social (S), and governance (G) strategies based on the four principles of transparency, accountability, fairness, and respect to realize its ESG vision. Centering on the ESG Committee and the Implementation Task Force, the company is developing and implementing ESG policies across the entire organization. It is strengthening environmental management and occupational safety and health management based on ISO 14001 and ISO 45001, while enhancing its defense quality management system based on AS 9100. Additionally, the company is reinforcing its human rights management, ethical management, and internal control systems in support of the UN Guiding Principles on Business and Human Rights (UNGPs). Additionally, we are continuously improving the ESG management level of our supply chain, actively responding to the evaluation requirements of global customers, and gradually revising our ESG disclosure system to enhance the company's sustainable management level.

ESG Management Goals

We are a leading K-Defense company that achieves sustainable security and responsible management through ultra-precision motion control technology.

Four Core Principles of ESG

Transparency Responsibility Fairness Respect

Promotion Strategy

Environmental Social Governance

ESG Strategy Direction

- Expand material and resource recycling
- Strengthen environmental management based on ISO 14001
- Transition to energy-efficient and low-carbon production
- Develop and produce eco-friendly products
- Strengthening safety and health management based on ISO 45001
- Strengthening quality management based on AS 9100
- Strengthening human rights and ethical management
- Strengthening ESG capabilities in the supply chain
- Participating in youth employment promotion projects
- Establishment of an ESG Committee and strengthening of internal controls
- Introduction of anti-corruption policies and disclosure systems
- Performance management based on ESG KPIs

Sustainable Management Achievements and Plans

Carbon Neutral

2024 Key Achievements : Design and order of electric drive system models, ISO14001-based operation

2025 Plans : Greenhouse gas reduction target management

ESG Disclosure

2024 Key Achievements : Establishment of a supply chain risk assessment system

2025 Implementation Plan : Operation of a company-wide ESG Task Force and utilization of specialized consulting services for disclosure

ESG Promotion System and Operation



Board of Directors

The highest decision-making body that establishes the vision and strategy for sustainable management and determines business goals and directions.

ESG Committee

Reviews and makes decisions on the company's sustainable management strategy and major ESG issues. In addition, oversees and supervises company-wide ESG promotion activities, including ESG risk management, performance review, and information disclosure.

ESG Promotion Council

Serves as a dedicated council for sustainable management, performing roles such as strategy formulation, performance management, and internal and external collaboration and communication.

Stakeholder Participation

Stakeholder Communication and Participation

MNC Solution defines all organizations and individuals that influence or are influenced by the company's management activities as stakeholders. MNC Solution has selected customers, employees, shareholders and investors, business partners, local communities, and NGOs as stakeholders. Through open communication channels with stakeholders, we gather diverse opinions and reflect them in our business activities. At the same time, we provide opportunities for stakeholders to participate in ESG management activities, effectively reflect their voices, and create sustainable value together.

Category	Customer-Key Issues	Customer Communication Channels	External Activities
Customer-Key	<ul style="list-style-type: none"> Product and service quality innovation Provision of after-sales management services Leading the latest technologies and trends Safe product use · Information protection 	<ul style="list-style-type: none"> Customer visits, user training, and technical support (as needed) Customer satisfaction survey (once a year) Customer complaint center Customer technical information exchange meetings and quality evaluation meetings (as needed) Online website 	<ul style="list-style-type: none"> Establishment of a quality management system and operation of a quality management committee Operation of a personal information leakage prevention system and network separation system Operation of a customer center at all times, reflection of customer feedback, and implementation of proactive recalls
Shareholders and Investors	<ul style="list-style-type: none"> Transparent Information Disclosure Protection of Shareholder Rights and interests 	<ul style="list-style-type: none"> Shareholders' Meeting (once a year) Electronic Disclosure (continuous, quarterly/semiannual) IR Regular and Ad Hoc Meetings (as needed) Securities Company-Hosted Conference (quarterly) 	<ul style="list-style-type: none"> Disclosure of transparent company information Timely holding of shareholders' meetings and board of directors' meetings Payment of dividends in accordance with shareholder return policy



구분	Customer-Key Issues	Customer Communication Channels	External Activities
Employees	<ul style="list-style-type: none"> • Employment and labor environment management • Education and career development • Enhancement of diversity and inclusiveness • Maintenance of work-life balance • Fair performance evaluation • Respect for human rights • Understanding labor-management relations 	<ul style="list-style-type: none"> • Labor-Management Council (quarterly) • Bulletin Board (ongoing) • Internal Portal Operation (ongoing) • Whistleblowing, Cyber Reporting Center, and other channels for reporting grievances and concerns (ongoing) 	<ul style="list-style-type: none"> • Operation of personnel evaluation systems and training programs for employee growth • Diversification of programs to revitalize organizational culture
Partners	<ul style="list-style-type: none"> • Establishment of fair and ethical business relationships • Support for sustainable co-growth programs • Enhancement of partners' productivity and technological competitiveness • Supply chain ESG management 	<ul style="list-style-type: none"> • Partner Company Council, Subcommittee Meetings, and Regular General Meetings • Subcontracting Transactions (monthly), Partner Company Training • Partner Company On/Off-line VOC Channel (ongoing) 	<ul style="list-style-type: none"> • Support for partner companies' safety and health and environmental improvement • ESG assessment and training for partner companies • Delivery payment linkage system
Community	<ul style="list-style-type: none"> • Revitalization of the local economy • Environmental protection • Impact of businesses on society and the environment • Implementation of social contribution activities 	<ul style="list-style-type: none"> • Related organizations and employees (as needed) • Online website and social media channels (ongoing) 	<ul style="list-style-type: none"> • Establishment and implementation of social contribution activity plans
Government and NGOs	<ul style="list-style-type: none"> • Compliance management and policy participation • Faithful tax payment • Transparent information disclosure • Achieving carbon neutrality 	<ul style="list-style-type: none"> • Policy meetings (as needed) • Government collaboration programs (as needed) • NGO and association activities (as needed) 	<ul style="list-style-type: none"> • Establish and promote action plans for policy discussion meeting issues • Participate in government collaboration programs • Participate in NGO and association activities



Stakeholder Participation

Stakeholder Interviews

MNC Solution conducted expert interviews to thoroughly understand current issues and gather stakeholder opinions in order to enhance future competitiveness and sustainability.

Stakeholders We listened to in-depth opinions on MNC Solution's ESG management through individual questionnaires tailored to the characteristics of the interview subjects and fields.



Hye-Young Kang

Executive Managing Director of Risk Management Division, Well to Sea Investment.

"MNC Solution is growing as a sustainable company in collaboration with various stakeholders through ESG management that takes into consideration the unique characteristics of the defense industry."

MNC Solution has established a mid- to long-term ESG management system and set step-by-step goals to achieve sustainable growth with various stakeholders, including shareholders, customers, partner companies, employees, and local communities, and is systematically implementing these goals, which can be evaluated very positively. By establishing a dedicated organization to integrate and manage ESG factors throughout the entire product lifecycle—from design to production and sales—the company is actively addressing ESG risks and legal standards, thereby enhancing product competitiveness and laying the groundwork for expanding its presence in the global defense market. Additionally, as a company producing core components for the K-Defense system, we believe that national security through strengthened defense capabilities is a crucial element for the sustainability of the global environment and society. Therefore, we believe that greater attention, practice, and investment in ESG management are necessary.



Dong-moon Ahn

CEO, DM Motion System

"MNC Solution is a company that practices ESG-based coexistence by strengthening communication with partner companies through transparent information disclosure."

"We highly appreciate MNC Solution's efforts to ensure transparency through public disclosure. We believe that such transparent information disclosure enhances trust as a partner and lays the foundation for mutual growth. Furthermore, we believe that active communication is necessary to promote ESG activities within the supply chain. With stronger mutual communication, our partners will also be able to promote ESG activities more actively. In addition, we believe that it is necessary to invest in education and raise awareness through actual examples of progress in order to increase our employees' understanding of ESG management and expand their participation. In particular, we believe that a more systematic approach is necessary to grow together with our partners on environmental issues that are often overlooked."



Yoo-joong Kim

CEO, E&E Corporation

"We hope that MNC Solution will pursue sustainable innovation through collaboration with partners and become a model for ESG shared growth."

"MNC Solution promotes sustainable innovation through close cooperation with its partners, which is a very positive factor from the perspective of suppliers. In particular, in fields such as the defense industry that require advanced technology, technological innovation through mutual cooperation has a direct impact on corporate competitiveness. Technology development cooperation and long-term partnerships provide opportunities for mutual growth, demonstrating that MNC Solution's ESG management is the foundation for shared growth. In the current situation where competition in the global defense market is intensifying, compliance with global ESG standards and management of international reputation are essential. Especially in Europe and North America, where ESG is highly sensitive, stricter regulations may be in place, necessitating strategies that align with global standards for environmental and social responsibility. We anticipate that through ESG management, MNC Solution will enhance its competitiveness in the global market and grow into a company that fulfills its social responsibilities."



Seong-yeon Yoon

(Gyeongnam Business Leaders Association) Senior Specialist (PM), Planning and Coordination Office

"MNC Solution is realizing social value together with the local community by providing employment opportunities to young people in the region through its youth employment promotion project."

Since 2024, MNC Solution has actively participated in the Youth Employment Promotion Program, providing employment opportunities to local youth, which was particularly impressive. I believe that their efforts to create a structure that allows for mutual growth through education, rather than simply hiring, can be viewed very positively in terms of ESG's social value. In the future, I think it would be even better if these activities were organized more systematically and communication with the outside world was strengthened. In the environmental field, it may be difficult to see significant changes immediately, but I believe it is important to continue making small changes consistently. Although our association is small, we are ready to work together and collaborate in any way we can to help. Rather than grand ESG initiatives, we want to support the process of creating practical ESG initiatives that are tailored to our company and local community."



Byung-joo Kim

Deputy General Manager,
Samsung Corporate Business
Division, Woori Bank

"MNC Solution is growing beyond a simple cooperative financial relationship to become an ESG partner."

MNC Solution is growing beyond a simple cooperative financial relationship to become an ESG partner.

Our sustainable financial system and ethical management principles serve as a model example of ESG finance not only in cooperative finance (e.g., early payment of delivery charges, loan support), but also in setting investment directions for revitalizing the local economy.

Going forward, it is essential to further strengthen the ability to disclose financial and non-financial information in an integrated manner. Establishing a board-level discussion and implementation framework for ESG risk management would also enhance credibility in green bond and ESG-linked financial markets.

The core criteria of ESG finance—measuring greenhouse gas emissions, setting targets, and managing reduction performance—are expected to expand beyond Scope 1 and 2 to include the supply chain (Scope 3), thereby broadening the scope of collaboration with financial institutions in the long term.



Yeon-mi Yoon

Manager, In-house Restaurant,
Our Home Corporation

"MNC Solution is a company with an exemplary system for minimizing on-site safety and environmental risks."

"OurHome has been operating its cafeteria in partnership with MNC Solution since 2002.

What we always feel on site is that MNC Solution has an excellent system in place to minimize safety and environmental risks for workers. We believe that this system is a model example that other partner companies should refer to.

Looking ahead, we believe that MNC Solution must prioritize continuous technological innovation and the provision of differentiated services to secure price competitiveness as it seeks to further develop its ESG initiatives.

Given the rapid pace of change, I also think that internal capacity building, including investment in technology and strengthening human resources, is a crucial pillar of ESG management.

With these preparations in place, I am confident that MNC Solution will continue to grow as a trusted partner in the future.



Yoon-kyung Kim

Director, Sharing and Caring
Society

"MNC Solution is a company that brings hope to the local community through practical social contribution activities such as ongoing scholarships and mentoring for vulnerable children and youth in the region."

MNC Solution has consistently carried out various social contribution activities, including scholarships for vulnerable children and adolescents in the region, support for field trip expenses, career counseling and college admission mentoring, educational and cultural activities, improvement of living environments, free medical care in collaboration with partner hospitals, and provision of essential goods. In particular, donations through employee matching grants are meaningful in that they return the company's profits to the local community and provide practical educational opportunities and livelihood support to children in difficult circumstances. Such support provides children with opportunities to pursue their dreams and talents and serves as a solid foundation for them to grow into healthy and good members of society. We hope that you will continue to uphold the "value of sharing" by maintaining your unwavering interest and commitment to bringing hope to local children and adolescents. We also look forward to MNC Solution playing a central role in fostering social collaboration to help shape the future of marginalized children.



Yuna Oh

Korea Productivity Center, Competency Development Center 1,
Researcher

"Amidst the growth of the defense industry, MNC Solution's ESG capabilities are gaining attention both domestically and internationally."

"At the Korea Productivity Center's Competency Development Center, I had the opportunity to participate in an ESG education curriculum and learn about MNC Solution's management strategy and ESG activities firsthand.

In particular, I believe that MNC Solution deserves positive recognition for not merely implementing ESG activities at the corporate level, but also systematizing them so that they are shared with and reflected in the work of all members of the organization.

Considering the industry's critical need for security, the approach of conducting separate training sessions to revisit ESG-related risks with employees and enhance their practical understanding serves as an excellent example that other companies can emulate.

As global interest in ESG continues to grow, we anticipate MNC Solution's sustainable growth as a key player in the defense industry."

Double materiality assessment

MNC Solution conducted a double materiality assessment based on the double materiality assessment methodology presented in the GRI Standards 2021 and the European sustainability reporting standards ESRS (EU Sustainability Reporting Standards) to identify issues that have a significant impact on our company.

We compiled an issue pool by integrating global ESG disclosure initiatives and ESG evaluation metrics relevant to MNC Solution, measured the importance of each issue from the perspective of value creation, and assessed the importance from the external stakeholder perspective by investigating the type, magnitude, and likelihood of each issue's impact on external stakeholders.

Concept and Evaluation Method

Double materiality assessment is a process of identifying and selecting topics that are important to stakeholders from a sustainability perspective by considering both the impact of a company's business activities on the environment and society (impact materiality) and the impact of external risks and opportunities on the company's finances (financial materiality).

MNC Solution derives important ESG topics based on an analysis of the business environment, identifies the impact of the company's activities linked to each topic on society and the environment, and assesses the impact of each ESG topic on financial performance. Following this, we conducted an impact assessment targeting MNC Solution's internal and external stakeholders, and after reviewing and approving the results with management, we ultimately identified six core issues and ten general issues.



Environmental/Social

Environmental/social impact (inside-out perspective)

Positive/negative impact of MNC Solution's management activities on the environment and society as a whole

Company

Financial Impact (Outside-In Perspective)

The positive/negative impact of MNC Solution's business activities on the environment and society as a whole
The positive/negative impact of external ESG-related factors, such as laws and regulations, on MNC Solution's business operations and financial condition

Double materiality assessment process

Step 1 Issue Pool Configuration

- Review ESG, international standards, industry characteristics, internal and external environmental changes, and current issues
- Benchmarking of issues reported by peers
- Issue pool composition: 56 issues in total

Step 2 Importance Analysis and Priority Assessment

- [Environmental/Social Impact]
- Review of international standards and evaluation indicators (GRI, K-ESG, ISO 26000, UN SDGs, etc.)
 - Benchmarking analysis of peer companies (8 domestic and international defense industry companies)
 - External stakeholder survey (April 3-11, 2025, 164 respondents)
- [Financial Impact]
- Review of international standards and evaluation indicators (KCGS, DJSI, TCFD, SASB, etc.)
 - Analysis of internal ESG management strategies and policies, analysis of domestic ESG-related laws and regulations
 - Internal stakeholder survey (April 3-11, 2025, 84 respondents)

Step 3 Assess the impact, risks, and opportunities of major issues.

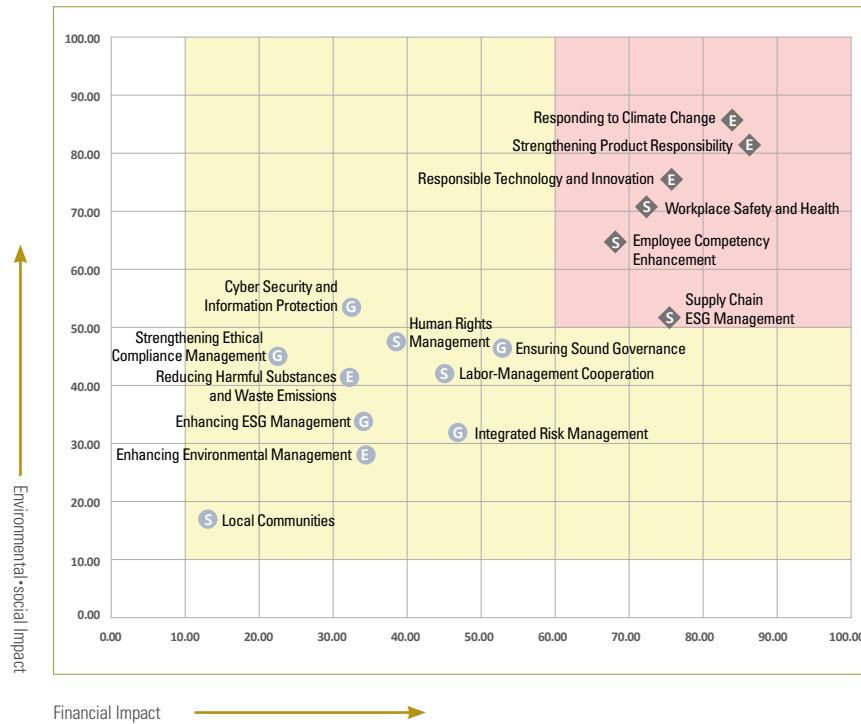
- Identify environmental/social impacts, financial risks, and opportunities for each major issue
- Assess impacts based on likelihood and timing
- Environmental/social perspective (scale, scope, resilience), financial perspective (revenue, costs, value chain)

Step 4 Validity review and final selection of critical issues

- Identification of major issues by considering environmental, social, and financial importance simultaneously (16 major issues identified)
- Core issues (6) and general issues (10) finalized after review and approval by management

Results of the double major issue assessment

MNC Solution selected 16 major issues through a double major issue assessment and derived six core issues from them. We have transparently disclosed the results and details in this report. The derived issues are closely linked to our ESG management strategy and were finalized after review by management and approval by the board of directors. Each material issue was evaluated not only for its impact on the environment and society but also for its level of impact on corporate finances. The key contents and response activities defined by the company for each issue are summarized in a table. In addition, we conduct regular monitoring of each issue, establish response tasks, and manage them systematically. Throughout this report, we have provided detailed information on our sustainability management activities and achievements related to material issues. Going forward, we will continue to strengthen our implementation of ESG material issues and enhance our management framework to establish ourselves as a trusted sustainability management company.



No.	Key Issues	Environmental and Social Impact	Financial Impact	Response History	GRI INDEX
1	Strengthening product responsibility	●●●●○	●●●●●	From product design to life cycle and maintenance, quality assurance, manufacturing, and delivery, we provide safety and service management to our customers.	416-1
2	Climate Change Response	●●●●○	●●●●○	Climate Change Response Governance Management of greenhouse gas emissions and reduction targets	201-2, 302-1, 302-3, 302-4, 305-1, 305-2, 305-4
3	Responsible Technology and Innovation	●●●●○	●●●●○	Establish a mid- to long-term roadmap for technological innovation Expand research and development of sustainable eco-friendly products	Non-GRI
4	Workplace Safety and Health	●●●●●	●●●●○	Operation of safety and health management system, risk assessment, and follow-up management	403-1 ~ 403-9, 410-1
5	Employee Competency Enhancement	●●●●○	●●●●○	Employee Talent Development Program Compensation and Promotion Linkage Process Welfare System Design and Operation	404
6	Supply Chain ESG Management	●●●●○	●●●●○	Mutually beneficial communication through partner association management Fair partner selection process management	2-6, 308-1, 414-1

“Values to protect, technology to preserve,” MNC Solution's safety and sustainability

Strategic Integration of Mission and Safety and Health as a Defense Industry Company

MNC Solution provides products and services to protect the lives and property of citizens as a defense industry company, while thoroughly practicing “absolute safety” as a core value.

The defense industry is a complex sector characterized by high technical precision and inherent high-risk manufacturing processes. Occupational safety and health go beyond mere legal compliance, serving as the foundation for business survival and a core element of ethical management.

In response, MNC Solution is advancing the enhancement of its company-wide safety and health system. This includes preemptive measures to address risk factors across all facilities (risk-based approach), regular risk assessments, and the operation of an ISO 45001-based system to establish a structural response framework.

Additionally, we are strengthening on-site safety leadership and implementing a prevention-focused training system (including job-specific safety education and on-site adaptation programs for new employees) to achieve a “zero-accident” workplace environment.

Spreading a culture of safety among employees, partners, and local communities

MNC Solution strives to spread safety and health awareness throughout the company, rather than treating it as the responsibility of a single department. To this end, we have established a system whereby all employees can directly report safety-related suggestions or hazards and implement improvements. We also actively promote internal safety communication programs. The core objective is for employees to recognize themselves as “safety managers” and act accordingly. Additionally, MNC Solution is expanding the scope of safety management to include the supply chain.

Through safety education for partner companies, joint inspection programs, and ESG risk assessments, we are strengthening our comprehensive safety network with the ultimate goal of achieving accident-free operations across the entire supply chain.

Furthermore, we plan to promote safety experience education for teenagers and disaster preparedness drills, contributing to the realization of a greater value: the spread of a social safety culture.

Digital-based predictive safety management and global standard leadership strategy

MNC Solution is realizing smart safety management systems based on technology and data and future-oriented safety management. This has fundamental significance as it goes beyond simple productivity improvement to protect human life and health. Additionally, to address the high-risk nature of the defense industry and the demands of the global supply chain, we are strengthening internal standards to comply with international safety and health standards (e.g., ISO 45001, global customers' Code of Conduct, etc.).

Through this, we are aiming to secure reliability in the global market by establishing sustainable production processes and ethical delivery systems, while systematically enhancing our supply chain evaluation response capabilities. Furthermore, MNC Solution aims to establish a safety and health information disclosure framework aligned with global sustainability disclosure standards such as TCFD (Task Force on Climate-related Financial Disclosures) and CSRD (Corporate Sustainability Reporting Directive) in the medium to long term.

To this end, we are comprehensively identifying various risks such as climate and industrial accident risks within the workplace, supply chain safety issues, information security, and physical security, and enhancing a transparent information disclosure system based on quantified safety and health performance indicators (KPIs).

Through this integrated safety management approach rooted in digital technology and governance, MNC Solution seeks to emerge as a trusted ESG-based defense industry partner in the global market. Sustainability is not an option but a fundamental responsibility directly linked to the mission of the defense industry. MNC Solution will never cease its efforts to protect lives and safety through technology and to create a better future for all through practical actions.

Safety and Health Performance and Goals

MNC Solution establishes mid- to long-term goals to build a safe workplace and manages quantitative indicators (KPIs) related to these goals. We will strive to achieve zero serious accidents and zero industrial accidents every year, and we plan to gradually increase the percentage of workplaces that have obtained ISO certification to spread safety and health awareness.

Key Activities in 2024

- Compliance with Laws and Regulations**
 - Operation of company-wide (business-use) compliance evaluation
 - (*Serious Accidents Punishment Act) System establishment implementation report
- Risk Improvement**
 - Installation of Internet of Things (IoT) for environmental prevention facilities
 - Reduction of fire, explosion, and equipment risks
- Improvement of Employee Awareness and Capabilities**
 - Operation of company-wide EHS responsibility system
 - Conducting an EHS awareness program for new employees
 - Preventing the three major construction safety accidents and eight major risk factors
 - Conducting experiential education using VR content for field managers
- Accident Learning and Emergency Preparedness/Response**
 - Establishing alternative procedures for flood and wind disasters and managing emergency supplies
- Energy Conservation Activities**
 - Achieving power and gas savings targets
 - Installing meters for power, gas, and water supply/sewerage systems

2024 Achievements and 2025 Goals

Category	'22	'23	'24	'25
Comprehensive Accident Index	0.38	0.0	0.0	0.0
※ LTI*Standard Unit : case or cases				
Category	'22	'23	'24	'25
Work-related Accidents	1	0	0	0

Internal/External Trends

- Strengthening of safety and health regulations**
 - Establishment of a voluntary safety management system for partner companies
 - ※ Application of the Industrial Safety and Health Act to workplaces with five or more employees
 - Strengthening of safety and health management in laboratories
- Increase in new hires in 2024**
 - Need for understanding of EHS and implementation of roles and responsibilities
- Sustainable growth and social responsibility**
 - Requirement to establish an ESG management system

2025 Action Plan

- Compliance with Laws and Regulations**
 - Establish a self-regulatory prevention system
 - Participate in and operate win-win cooperation projects with small and medium-sized enterprises
 - Conduct surveys and improvements on legally mandated musculoskeletal hazard factors
- Risk Improvement**
 - Risk management for ladders and other vertical passageways
- Enhancement of employee awareness and capabilities**
 - Operation of company-wide EHS responsibility system
 - EHS understanding program for new employees
 - Regular inspections of external testing sites
- Accident learning and emergency preparedness/response**
 - Installation of emergency eye wash stations and first aid kits and training
- ESG Management**
 - Implementation of Environmental Performance Management (Stages 1-4)
- Standardization of Utility Operations**
 - Development and training on integrated utility standards manual



Safety and Health Awards

MNC Solution conducts regular safety and health training for its employees and partner companies every year. In most cases, training is provided to all employees, with additional specialized training conducted for employees in job categories exposed to safety and health risks.

These regular training programs have significantly contributed to enhancing employees' safety awareness, enabling us to maintain zero industrial accidents in 2024.



Safety and Health VR Experience Education



Safety Awareness Promotion Campaign



Fire-fighting training



Safety and Health Field Tour Campaign



Publication of safety and health and public relations videos



General and special health checkups

Safety and Health Awards

- Won the Excellence Award in the Mid-sized and Small Business Category at the 1st Safety Culture Innovation Awards (December 4, 2024)
- Won the Grand Prize in the Manufacturing Category at the 2023 Safety Management Awards (Minister of Employment and Labor Award, December 15, 2023)

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Environmental





Enhancement of environmental management system

Response to climate change

Responsible technological innovation

Strengthening product responsibility

Reduction of harmful substance and waste emissions

Enhancement of Environmental Management System

Environmental Management Promotion System

MNC Solution established an Environmental Safety and Health Manual in March 2010 to continuously improve environmental performance through environmentally friendly management and minimize the negative environmental impact of its business activities and value chain. We revise the manual in a timely manner in accordance with changes in the business environment.

Our Environmental Safety and Health Manual applies to all business sites and encourages compliance with our policies by external stakeholders such as partner companies and contract partners.

Additionally, we prioritize compliance with environmental laws and regulations in each country. In cases where relevant matters are not explicitly stated or separate provisions are absent in such laws and regulations, we conduct related operations based on our Environmental Safety and Health Manual.

Environmental Management Policy

- ① Environmental conservation and accident prevention are fundamental responsibilities of all employees, who shall actively consider environmental and occupational safety and health in all operations to minimize environmental impact and risks.
- ② We shall establish and implement integrated goals and action plans to minimize and improve environmental impact and risks, and continuously pursue environmental and occupational safety and health improvement activities.
- ③ We will conserve natural resources by efficiently utilizing raw materials and energy, and minimize environmental pollution in all production and management activities.
- ④ We will ensure that all of the company's facilities, manufacturing activities, and products comply with international agreements, national and local environmental and safety and health laws and regulations, and our own regulations.
- ⑤ We comply with all relevant environmental and occupational safety and health regulations and establish an integrated management system that promotes environmental and occupational safety and health through education, training, awareness improvement, and technological development.
- ⑥ We disclose our integrated policy, integrated objectives, and performance to stakeholders to ensure transparency and fulfill our commitment to integrated management and our social responsibility for environmental conservation and the achievement of zero accidents.

Chief Executive Officer

Technology and Environment Team

Role

- * Strategy Development
- * Waste and Air Quality Management
- * Environmental Risk Assessment
- * Greenhouse Gas Emissions Reporting

Environmental Management System Establishment

MNC Solution aims to develop products that apply eco-friendly technology in response to the global interest in the environment and the trend toward carbon neutrality.

We are developing future-oriented eco-friendly drive devices with the goal of achieving carbon neutrality.

Going beyond plans and investments for simple technology development, we are establishing a technology development roadmap that considers future environmental changes and responds to the ever-changing global situation, thereby expanding our business scope into the eco-friendly field.

We have developed an electric drive system using electric motors and expanded our business from our existing Hydraulic expertise to meet the diverse needs of our customers.

As a drive system specialist, we are striving to become an innovative leader in sustainable, eco-friendly drive systems through the development of low-carbon, low-noise, and high-performance technologies, starting with our own eco-friendly system developed through in-house investment.

Status of Environmental Management System Establishment

Category	Target (number of sites)	Certification (number of sites)	Certification rate (%)	Remarks
ISO 14001:2015	1	1	100	Headquarters and factories



Environmental Management System Certificate (Korean)



Environmental Management System Certificate (English)

Environmental Accidents and Emergency Response

MNC Solution establishes and operates a Business Continuity Plan (BCP) to minimize damage and maintain business continuity through swift and systematic response in the event of natural disasters or environmental pollution accidents.

We have established a risk management system based on emergency response guidelines and procedures, and operate an emergency organization prepared for various emergency situations such as environmental pollution accidents.

Environmental Impact Assessment Implementation Details

MNC Solution identifies potential environmental impacts that may arise during production processes and the installation of new equipment in accordance with ISO 14001:2015 standards, and implements the following measures:

- * Conducting pre-implementation environmental impact prediction and assessment: Evaluating the environmental impacts of new equipment introduction and production process changes
- * Implementing mitigation measures: Developing and executing specific response plans based on assessment results, including minimizing waste generation, optimizing resource usage, and introducing pollution control devices
- * Compliance with laws and regulations and strengthening of internal standards: Taking preventive measures for items that do not meet relevant laws and regulations and internal environmental standards.
- * Risk prevention-oriented operations: Establishing response plans for potential environmental risks based on environmental assessment results and conducting implementation checks.

Environmental Risk Management

MNC Solution promotes the following practical risk management activities to prevent environmental pollution accidents.

- * Strengthening air pollutant and wastewater management: Periodic inspections and equipment upgrades for major pollutant sources to ensure operation below legal emission standards
- * Accident prevention-oriented facility operation: Pre-inspection and automatic shut-off system application for equipment with leakage, spill, or explosion risks
- * Operation of emergency response manuals: Establishment of environmental emergency manuals and regular training to respond to emergencies such as hazardous substance leaks
- * Ensuring customer and community safety: Strengthening safety management with consideration for product safety and the health of residents in surrounding areas

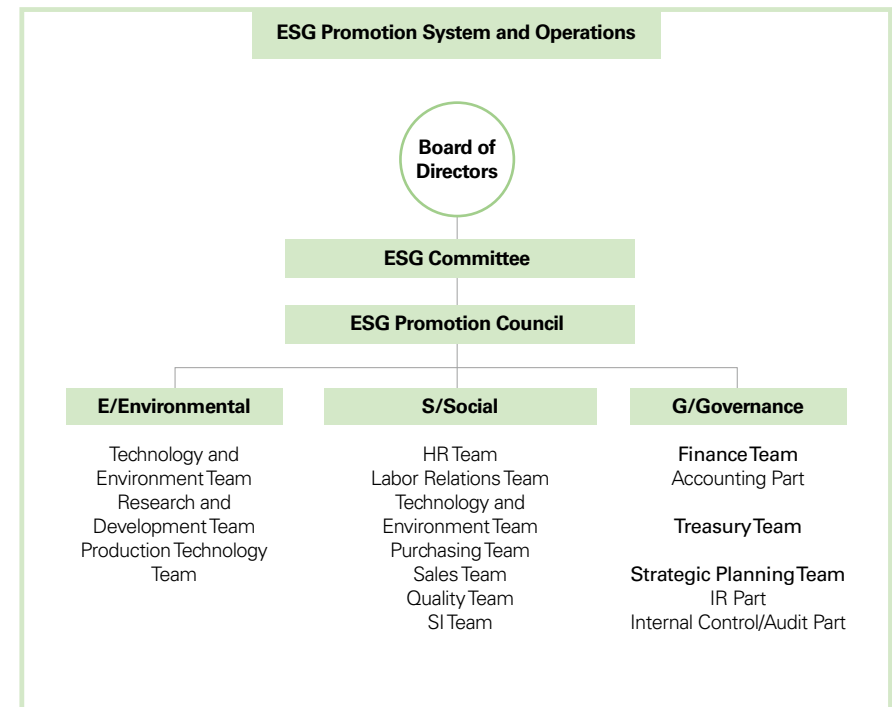
Accident Response System and Response Organization

MNC Solution has established an organized and systematic response system to minimize casualties and ensure rapid recovery in the event of an emergency such as a disaster.

Accordingly, we operate an accident response system based on a business continuity management system (BCMS) with the goal of not only taking initial response measures when an accident occurs, but also preventing secondary damage and restoring normal operations as quickly as possible.

The structure of the response system is as follows.

- * Board of Directors: Highest decision-making body for accident response and ESG in general
- * ESG Committee: Oversees the establishment of ESG policies and disaster response strategies
- * ESG Promotion Council: Practical implementation body composed of collaboration between the environmental (E), social (S), and governance (G) areas



Responding to climate change

Climate Change Governance

MNC Solution is establishing a mid- to long-term ESG management strategy to build internal and external trust and strengthen global competitiveness through sustainable management practices and eco-friendly innovation.

The company proactively identifies climate-related risks and opportunities, systematizes greenhouse gas emissions management, and has established a carbon neutral governance structure responsible for developing, implementing, and monitoring mid- to long-term reduction plans, thereby conducting climate-related business operations across the organization.

The final decision-maker for the carbon neutral governance is the CEO, and the ESG Committee, which includes key decision-makers, is operated as an institution that analyzes risks and opportunities related to climate change, reviews climate change response performance such as greenhouse gas emissions, and makes decisions on future initiatives.

Additionally, starting in 2024, the company has established specific key performance indicators (KPIs) for climate change response and environmental impact reduction to systematically manage performance.



Climate Change Response Implementation System

MNC Solution operates a governance structure centered on an ESG Committee to systematically manage business risks and opportunities arising from climate change.

The Board of Directors has the final approval authority for ESG policies and strategies, and regularly reviews and supervises key issues related to climate change response strategies.

The ESG Committee is a subcommittee of the Board of Directors, and it strengthens its execution capabilities through an ESG Promotion Council, which consists of core departments in the environmental (E), social (S), and governance (G) areas.

Climate change response is primarily driven by the Technology & Environment Team in the environmental (E) area, which has set key tasks such as energy consumption management, greenhouse gas emission reduction activities, and investment in eco-friendly facilities.

Each department establishes annual plans and manages performance based on quantitative targets, with results reported to the Board of Directors through the ESG Committee.

Climate Change Response Implementation Details

As a core company in the defense industry, MNC Solution strategically promotes climate change response from the perspectives of national security and industrial sustainability.

We have introduced high-efficiency inverters and smart energy control systems for energy-intensive production processes to reduce energy consumption, and applied dust collection and reduction equipment to welding and surface treatment processes to minimize pollutant emissions.

Category	Implementation Details	Key KPIs (Performance Indicators)
Energy efficiency	High-efficiency inverters, smart control systems	Annual energy consumption reduction rate (%) Analysis of power consumption by facility
Greenhouse gas reduction	Optimization of high-temperature processes, conversion to low-carbon fuels, replacement of inefficient equipment	Scope 1-2 greenhouse gas emissions (tCO ₂ e) Emission intensity (emissions per sales)
Low-carbon product development	Lightweighting of parts, expanded use of recycled and eco-friendly materials	Carbon emissions by product (based on LCA) Low-carbon material application rate (%)
Air pollution reduction	Application of dust collection and harmful gas reduction equipment in welding and surface treatment processes	Air pollutant emissions (NO _x , SO _x , etc.) Environmental measurement compliance rate

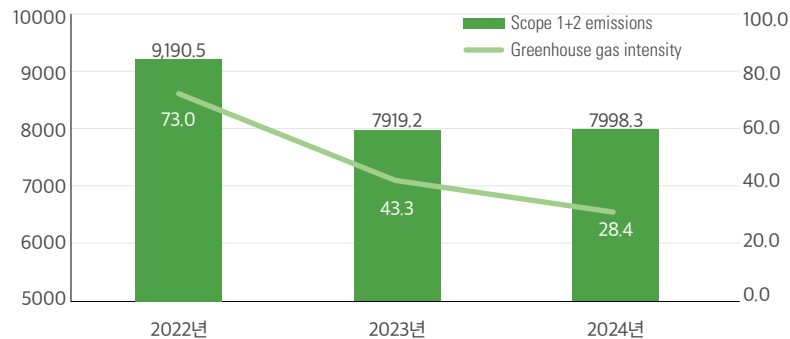
Greenhouse Gas Emissions and Energy Consumption Management

MNC Solution has established a greenhouse gas inventory (Scope 1 and 2 emissions) for its business sites in accordance with greenhouse gas emission calculation formulas to systematically manage and implement greenhouse gas reduction targets.

We calculate greenhouse gas emissions by classifying greenhouse gas sources and collecting data.

We plan to review greenhouse gas emission reduction measures and establish and implement tasks by promoting plans and activities to reduce energy consumption.

From 2022 to 2024, our energy consumption has decreased.



Greenhouse gas emissions

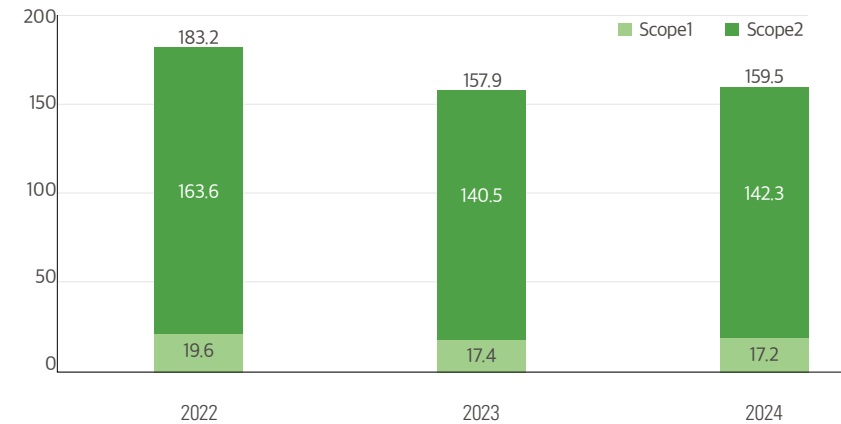
Category	Unit	2022	2023	2024
Scope1	tCO ₂ eq	1,043.0	923.8	913.1
Scope2		8,147.5	6,995.4	7,085.2
Total		9,190.5	7,919.2	7,998.3
Greenhouse gas intensity	tCO ₂ eq/1 billion KRW	73.0	43.3	28.4

1) Direct energy consumption: Energy consumption generated by self-combustion (e.g., fuel), corresponding to direct greenhouse gas emissions (Scope 1).

2) Indirect energy consumption: Energy consumption from purchased electricity, heat, steam, etc., corresponding to indirect greenhouse gas emissions (Scope 2).

※ Data prior to the corporate split in 2022 and after the corporate split in 2023–2024.

Energy consumption status



Energy consumption status

Category	Unit	2022	2023	2024
Scope1	TJ	19.6	17.4	17.2
Scope2		163.6	140.5	142.3
Total		183.2	157.9	159.5

1) Direct energy consumption: Energy consumption generated by self-combustion (e.g., fuel), corresponding to direct greenhouse gas emissions (Scope 1).

2) Indirect energy consumption: Energy consumption from purchased electricity, heat, steam, etc., corresponding to indirect greenhouse gas emissions (Scope 2).

※ Data prior to the corporate split in 2022 and after the corporate split in 2023–2024.

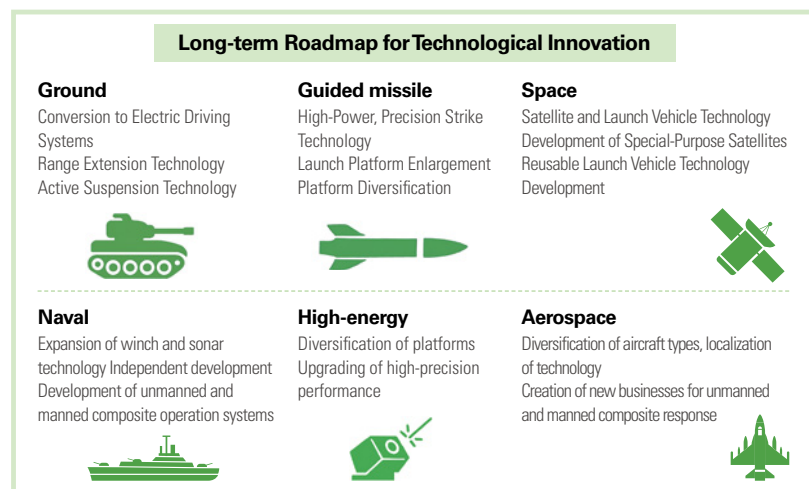
Mid- to Long-Term Roadmap

Summary of Mid- to Long-Term Roadmap for Technology Innovation

MNC Solution has established mid- to long-term technology strategies for a total of six areas, including ground, guided missile, naval aerospace, space and high-energy, reflecting the technology and business trends in the defense market.

- Ground : Electric conversion of gun/turret driving systems and response to increased range, and securing active suspension system technology
- Guided missile : Advancing high-power and precision strike technologies, scaling up launchers, and diversifying launch platforms
- Naval : Expanding the application of technologies such as winches and sonar devices and addressing related challenges.
- Aerospace : Diversifying aircraft types, localizing core technologies, and creating new businesses to address unmanned systems integration
- Space: Improvement of satellite performance, development of special-purpose satellites, and development of reusable launch vehicle technology
- High-energy : Diversification of performance platforms and high-precision upgrades for developed core technologies

The company is strategizing to enter future growth areas such as satellite payloads and new launch vehicles, while expanding orders in existing fields to achieve its goal of becoming a global top-tier company. It is also strengthening direct exports and MRO technical support, and simultaneously advancing R&D capabilities.

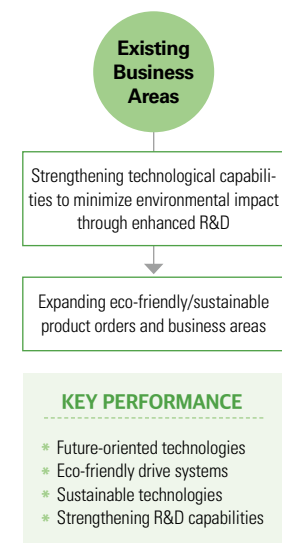


Expanding Research and Development of Sustainable Eco-Friendly Products

MNC Solution is developing future-oriented eco-friendly drive devices with the goal of achieving carbon neutrality in response to the global interest in the environment and the trend toward carbon neutrality.

Going beyond plans and investments for simple technology development, we are establishing a technology development roadmap that considers future environmental changes and responds to the ever-changing global situation, and expanding our business areas into the eco-friendly field.

We have developed an electric drive system using electric motors and expanded our expertise from our original hydraulic systems to meet diverse customer needs. As a specialized drive system company, we are committed to becoming an innovative leader in sustainable and eco-friendly drive systems by developing low-carbon, low-noise, and high-performance technologies, starting with our self-developed eco-friendly system.

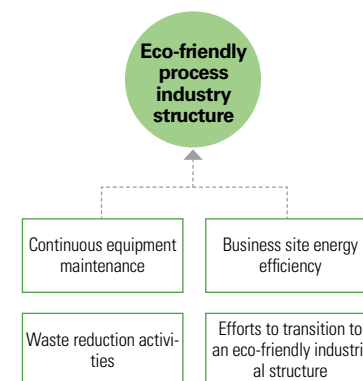


Improvement of eco-friendly production processes and machinery

We are striving to improve energy efficiency and reduce energy consumption at our facilities through various activities and systems in order to transition to an eco-friendly industrial structure.

To reduce energy waste, we efficiently conduct regular inspections, maintenance, improvements, and replacements of equipment and devices within our factories.

In addition, we are striving to reduce energy consumption by minimizing waste and reducing consumption through the construction of integrated cooling towers for cooling performance equipment and the installation of cleaning solution regeneration devices.



MNC Solution Technology Research Center

Activities and Achievements

Since its establishment in 1974, MNC Solution has been designated as a defense contractor and has been leading the development of core drive components for ground, guided, marine, aviation, and space/high-energy applications. Through the efforts of our R&D personnel, we have contributed to the modernization of weapon systems and quality improvement, and we continue to pursue innovative activities to secure global competitiveness.

In addition, we have been promoting the development of environmentally friendly electric drive systems since the early 2000s, expanding our product lineup and focusing on securing technology through self-investment.

We will continue to realize eco-friendly drive systems with low-carbon, low-noise, and high-performance technologies.

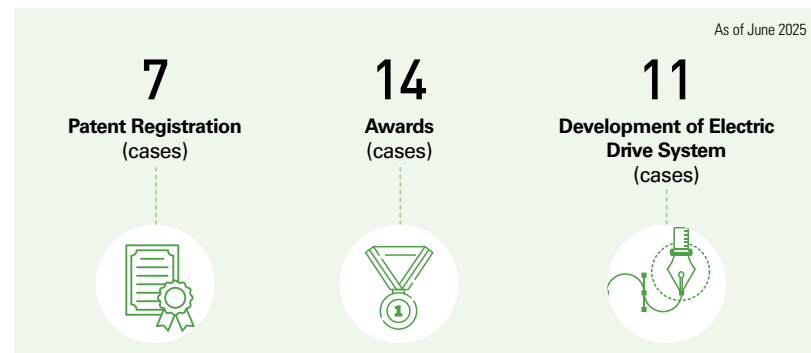
The key to MNC Solution's growth and future preparedness is its product lifecycle management (PLM) system.

PLM is an intelligent platform that integrates all information and processes from product planning to design, production, operation, and disposal, and requires a high degree of precision and reliability due to the nature of defense industry products.

MNC Solution's PLM thoroughly manages these processes from the design stage to ensure high-quality products.

It systematically manages complex parts (BOM) and tracks them in real time to minimize errors and support efficient production.

Through close collaboration with domestic and international partners and government agencies, and strict compliance with defense regulations, PLM facilitates information sharing and standardizes processes, significantly contributing to efficient product development.



Product weight reduction

MNC Solution focuses on the efficiency of drive devices from the design stage, developing products with an emphasis on weight reduction and efficiency.

To achieve efficiency, we design our products to limit the drive force to a certain level in accordance with the requirements.

In addition, we perform structural analysis for weight reduction and design our products with safety in mind to enable efficient operation.

NPD process

MNC Solution complies with product development procedures to develop products that meet customer requirements, ensure initial quality, and minimize environmental impact.

Product development is carried out through the following processes: project planning, product design, process design, product and process feasibility verification, mass production, and post-production management. Each stage is conducted through preliminary reviews and evaluations, and process management responsibilities are clearly defined.

In particular, product and process design/development tasks are carried out through organic collaboration among various teams to improve product quality and shorten development lead times. Through systematic product development procedures and management, as of June 2025, we have achieved 7 patent registrations, 14 awards, and 11 electric drive device development projects.

*NPD (New Product Development): A systematic process that encompasses all stages of new product development, from identifying opportunities to design, development, testing, production, and post-production management.

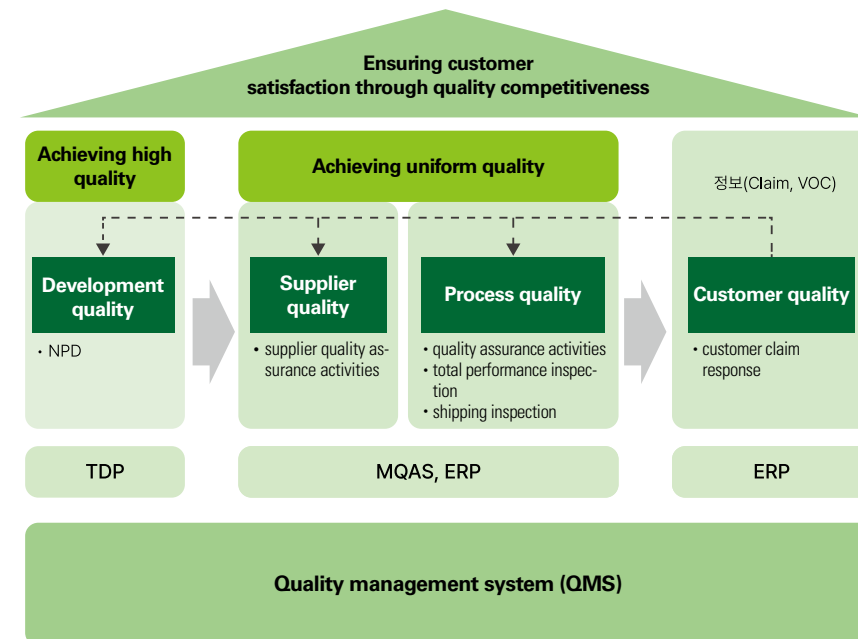
Activities of Technology Research Centers Related to Technological Innovation



Promotion Organization

Quality and Customer Management Policy

We establish quality control and policy directions based on customer-related information and are implementing a quality strategy that aims to ensure customer satisfaction through quality competitiveness.



*MQAS: MNC Quality Assurance System (Supplier Quality Assurance System)

Strengthening Product Responsibility

This refers to activities aimed at ensuring reliability and customer safety through various processes, while maintaining a sense of responsibility for the products and services provided by MNC Solution and securing technological and quality competitiveness.

Ensuring Product Safety

We take strong responsibility for our products to ensure the continued existence and growth of our company, and we place the highest priority on quality control and user safety. Due to the nature of our industry, the quality of our products affects national defense, which entails a significant social responsibility.

Product Life Cycle Quality Assurance

We conduct designs that take into consideration the product's life cycle, maintenance, and quality assurance from the product design stage. Even after manufacturing and delivery, our service to customers does not end. We strive to provide better services by establishing customer feedback, analyzing defects, and conducting customer-tailored CS activities with a sense of responsibility for safety, technology, and quality.

1. Design and Development Phase

Verification and Validation of Design Process and Deliverables

- Standardization and Technical Safety Review
- Ensuring Technical Capability/Quality through Testing and Verification



3. Production and verification

Reflection of product characteristics and assurance of optimal quality

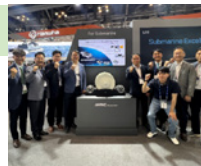
- Quality assurance for each assembly process/stage
- Final performance verification and testing



2. Purchasing stage

Quality assurance for purchased items

- Requesting/managing quality assurance from partners
- Issuing quality requirements for purchased items
- Carrying out quality assurance activities



4. Delivery and Operation

Support System for Customer Satisfaction

- Establishing and responding to customer feedback
- Analyzing defects and establishing measures to prevent recurrence
- Customer-tailored CS activities



Strengthening Quality Responsibility

MNC Solution applies a quality management system based on KDS 0050-9000-5 (Defense Quality Management System) and KS Q 9100:2018 (AS 9100:D, Aerospace Quality Management System) to ensure quality assurance from contract and development through mass production and customer service, and to fulfill our responsibility for product quality through customer-tailored CS activities.

From the design and development stages, we strive to produce products that not only meet functional requirements but also ensure user safety.

In addition, we are committed to thorough quality management through preventive management activities for quality risk management and quality control and training for our suppliers.

Category	Certification
Defense Quality Management System	KDS 0050-9000-5
Aerospace Quality Management System	KS Q 9100 (AS 9100)



Management of harmful substances and waste

Management of hazardous chemicals

MNC Solution systematically evaluates and manages hazardous chemicals used in its facilities or contained in its products in accordance with its environmental management policy.

We ensure the safe handling of chemicals within our facilities by utilizing Material Safety Data Sheets (MSDS), and we strive to protect the safety of our employees and prevent chemical accidents by providing MSDS for each work process, posting warning signs, requiring the use of protective equipment, and operating an accident response system.

Additionally, all chemicals brought into the facility are reviewed by the Technical Environment Team in accordance with internal chemical management procedures before use.

Regarding waste management, we have strengthened our designated waste management system to verify the amount of waste discharged based on its properties, provide information on its hazardous nature, and classify and manage waste discharged from each process.

Compliance with Environmental Laws and Regulations

To comply with environmental laws and regulations, we regularly review and respond to major domestic and international policies and regulations applicable to our business activities in areas such as air, chemicals, and waste.

We are promoting activities to mitigate environmental impact by establishing improvement measures for identified environmental risks.

There have been no cases of significant domestic or international environmental regulatory violations from 2022 to 2024.

Environmental Education

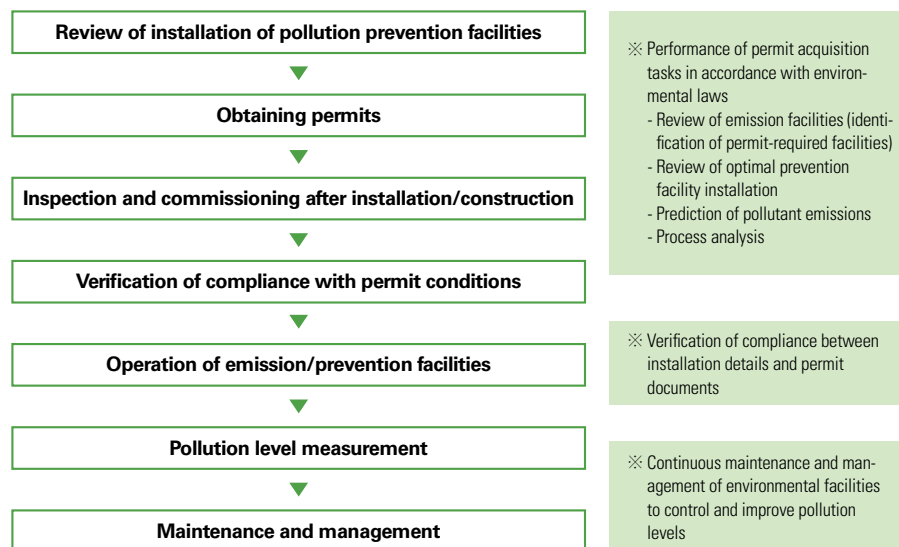
To strengthen internal environmental management capabilities, personnel in charge of related tasks are undergoing environmental education.

In the first half of 2024, a total of 32 hours of education was completed, including specialized training in waste, water quality, and air quality. Starting in 2025, in accordance with changes in personnel in charge of tasks, a total of 32 hours of specialized training in waste, water quality, and air quality was completed in the first half of the year.

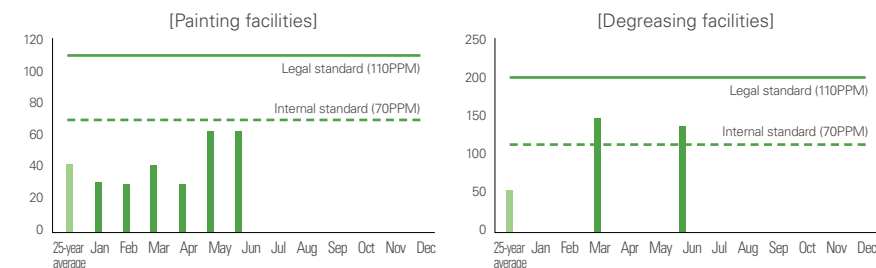
Education Content	Education Hours	2024	2025
Waste Disposal Education	4 hours	Completion	Completion
General Water Quality Environment Technician Education	14 hours	Completion	Completion
General Air Quality Environment Technician Education	14 hours	Completion	Completion

Management of environmental pollutant emissions

MNC Solution operates a chemical and environmental pollutant management system based on ISO 14001, and manages environmental pollutant emissions in accordance with air/water quality management guidelines and complete management guidelines for hazardous chemicals.



Current status of air pollutant management



Waste management

MNC Solution strives to minimize waste generated during business operations and increase waste recycling rates through efficient treatment and enhanced resource recycling.

In accordance with our environmental management policy (waste management regulations), we continuously manage the amount of waste generated and promote the expansion of recycling tailored to the type and characteristics of waste.

In particular, we are creating an upcycling ecosystem that converts waste with a high incineration rate generated during the product manufacturing process into new products and services, thereby creating environmental value. Since April 2024, we have focused on improving the disposal methods for designated waste and increasing the recycling rate. As a result, we have identified recycling companies and improved the recycling rate for designated waste from 76% in 2023 to 85% in 2024.

We plan to continue implementing additional improvement activities to further enhance waste recycling rates.

Expansion of eco-friendly packaging materials and recycling measures

We are actively expanding the use of eco-friendly packaging materials by reducing the use of disposable packaging materials such as paper packaging and plastic pallets, and introducing returnable packaging materials such as return boxes and returnable sleeve packs.

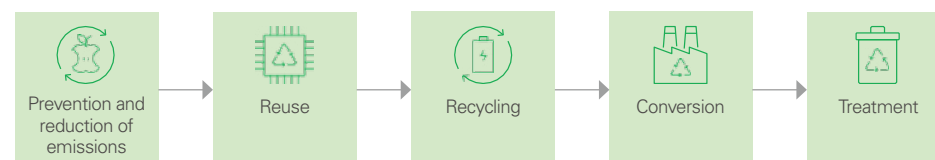
Through these efforts, we are contributing to resource conservation and waste reduction, as well as strengthening our eco-friendly supply chain with our customers.

Additionally, we transparently disclose our waste disposal and recycling performance in our sustainability reports and on our website.

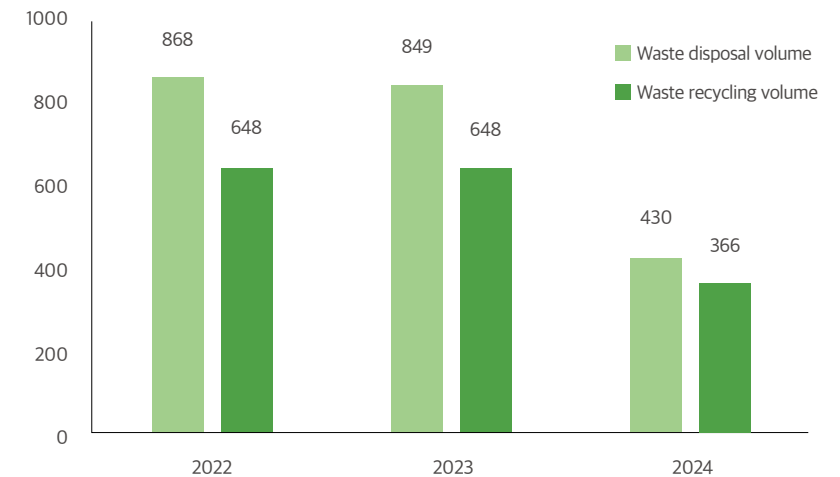
Establishment of measures for reuse or recycling of waste

We have established and are operating a five-step waste management system to reduce waste generation and improve recycling rates.

Five stages of waste disposal



Chemical accident prevention training



Category	Unit	2022	2023	2024
Total Waste Disposal Volume	ton	868	849	430
Total Waste Recycling Volume	ton	648	648	366

※ Data before corporate split in 2022–2023 and after corporate split in 2024.

04

Social





Human Rights Management
Employee Competency Enhancement
Safety and Health Management Strategy
Labor-Management Cooperation
Local Community
Supply Chain ESG Management

Human Rights Management Policy

Establishment of Human Rights Management Policy

MNC Solution respects and protects the human rights and dignity of all stakeholders, including employees, customers, business partners, and local communities. To this end, we have established “people-centered sustainable management” as our core value and have enacted a “Human Rights Management Charter” that is observed at all of our domestic business sites. The Charter is based on international human rights norms (UNGC, ILO Core Conventions, UNGP, etc.) and includes principles such as the prohibition of forced labor and child labor, the prohibition of discrimination in employment, the guarantee of freedom of association and collective bargaining for workers, the provision of a safe and healthy working environment, and the realization of human rights respect within the supply chain.

Human Rights Management Promotion Organization

MNC Solution is establishing a systematic governance system to raise employee awareness of human rights and mitigate human rights risks. MNC Solution's ESG Committee is the highest decision-making body for the implementation of human rights management at the company, and any significant human rights issues are reported to the board of directors for prompt resolution. Additionally, the ESG Promotion Task Force serves as the core operational unit for advancing human rights management, collaborating actively with other departments to efficiently integrate human rights management into the organization. Human rights risk factors are managed and monitored by the HR team and Labor Relations team, and identified risks are brought before the ESG Committee under the Board of Directors for discussion and resolution of response strategies.

Human Rights Management Organization Chart and Roles



Human Rights Management Activities

Human Rights Risk Prevention and Due Diligence

MNC Solution conducts an annual company-wide human rights risk assessment, focusing on areas such as discrimination/harassment, industrial safety, and human rights in the supply chain.

As of 2024, we have conducted an online self-assessment for all employees (response rate: 95.4%), and take immediate corrective measures when negative risks are identified.

Human Rights Education Status

MNC Solution provides mandatory human rights education at least once a year to all employees.

[As of 2024]

Target audience	Number of participants	Training content
All 307 employees	307	Discrimination prevention and workplace harassment prevention
42 new employees	42	Basic understanding of human rights management
14 security personnel	14	Human rights protection guidelines during on-site response (GRI 410-1 compliance)

Conducted training to prevent sexual harassment, improve awareness of people with disabilities in the workplace, and prevent workplace bullying (188 people/752 hours).

Operation of the objection and reporting system

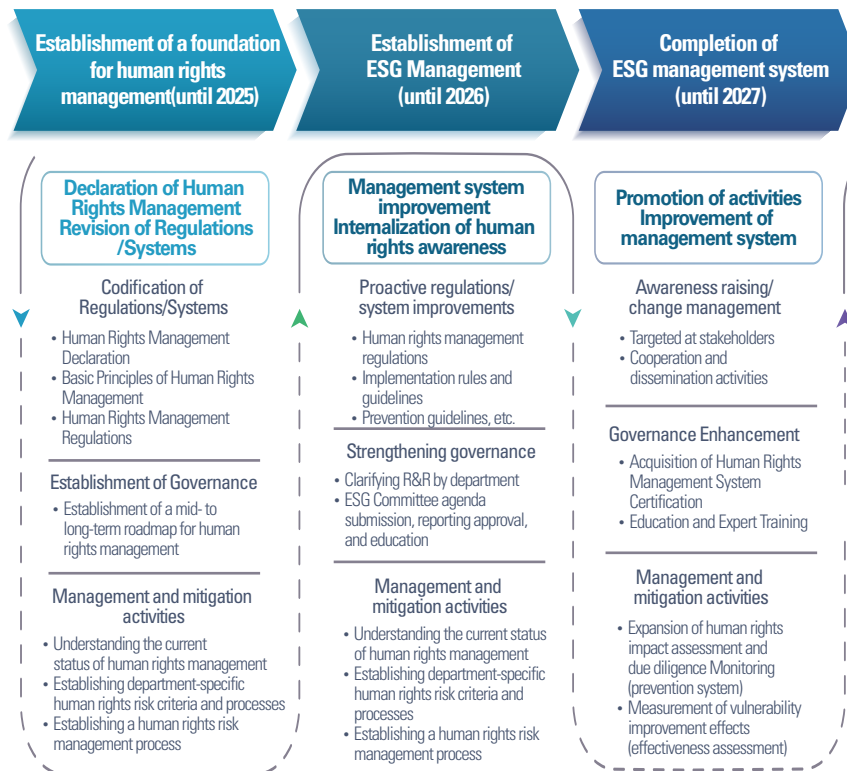
All employees and stakeholders of MNC Solution can report human rights violations and unfair practices through the following official channels. Reporters will not suffer any adverse treatment, and restoration and remedial measures will be guaranteed in the event of damage. This reporting system is reviewed at least once a year to assess its effectiveness, and as of 2024, there have been no reports of human rights violations.

Website Reporting System	https://www.mncsolution.com/kr/privacy/cyber-report
Phone Reporting	055-269-5494
Email Reporting	mncsolution_compliance@mncsolution.com

Human Rights Management Activities

Human Rights Management Mid- to Long-Term Roadmap

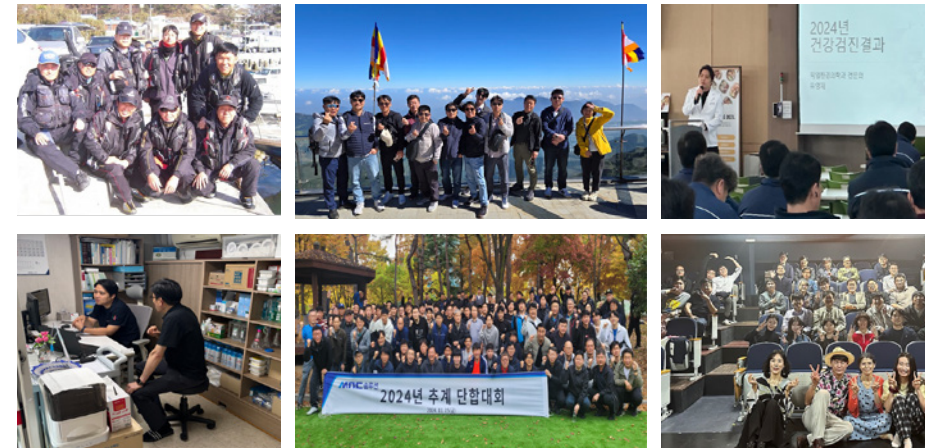
MNC Solution has established a mid- to long-term roadmap that outlines step-by-step goals for promoting human rights management, and has put in place systems and frameworks for promoting human rights management, including relevant regulations, processes, and action items. In addition, we plan to internalize human rights management through human rights impact assessments, human rights due diligence, and awareness-raising, and to gradually improve our human rights management system through the improvement of vulnerable areas and proactive prevention and redress of violations.



Diversity and Inclusion

MNC Solution practices a culture of respect for human rights based on diversity and inclusion, and operates fair and equal personnel systems across all areas of employment. We prohibit unfair discrimination in all areas, including employment, promotion, wages, education, and welfare, based on gender, age, educational background, religion, disability, regional origin, social status, or any other reason, and comply with relevant laws and international standards.

Employee benefits



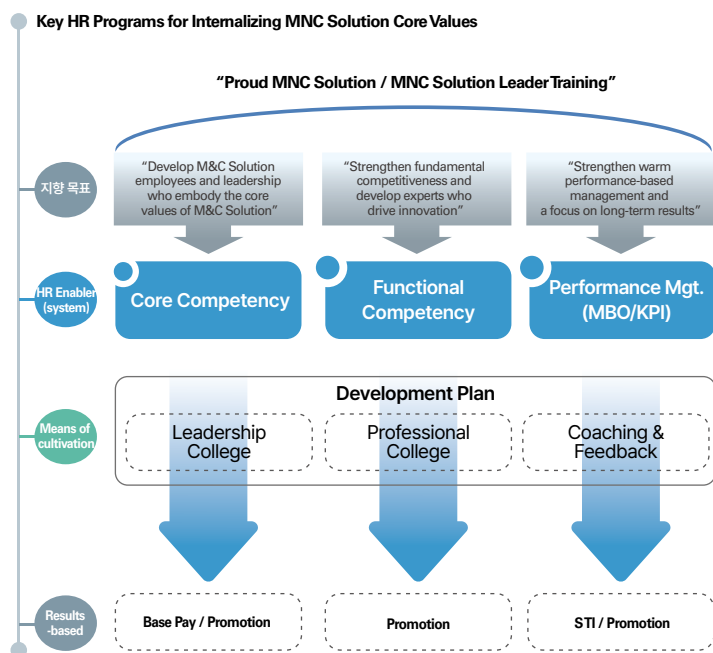
Health	Work-Life Balance	Family	Others
Medical Expense Support Health Checkups Group Accident Insurance Personal Health Consultation with a Primary Care Physician	Recommended bridge vacation 5 days of summer vacation Flexible work schedule	Education financial aid Children's daycare expenses Enrollment congratulatory gift College entrance exam/Children's Day gifts Housing loan Living expense loan Condolence/congratulatory gift	Company housing/dormitory provided Company shuttle bus Company club support Department-specific outings Condominium membership

Human resources management system

MNC Solution's Human Resources Policy

MNC Solution brings together talented individuals with creativity, innovation, passion, and a sense of responsibility to build a safer and stronger world.

Going beyond technology to realize value, MNC Solution is a leader in the future of national defense, enjoying change and challenges while laying the foundation for sustainable growth.



Recruitment Status

'25 Recruitment Plan for the First Half Achieved 100% (Includes 25 ongoing recruitments out of 25 planned)

Category	Business Plan			Vacancies	Recruitment	Transfer	In Progress	Remaining
	2025	Additional	Total					
Personnel	19	3	22	3	17	-	8	-

Human Resource Development Program

Curriculum		
People (Capabilities)	Tier-based courses (mandatory)	<ul style="list-style-type: none">• Junior (Staff to Assistant Manager): Self-leadership, Communication, Smart Skills• Senior (Manager to Director): Problem-solving Skills, Synergy Collaboration• Manager (Team Leader/Part Leader): Leadership, Organization Management, Motivation Strategy• Engineer (Technical) : Communication, Workplace Manners, Conflict Management
	Evaluator Process	<ul style="list-style-type: none">• Interview techniques: hiring trends, questions and evaluation techniques, feedback• Evaluation techniques: performance management strategies, performance management calibration
	New employees	<ul style="list-style-type: none">• New employees: New employee R&R, business manners, followership• Experienced employees: Interpersonal skills, group communication skills
Performance	R&D	<ul style="list-style-type: none">• R&D planning / Project management / System design /Technology trend seminars
	Production	<ul style="list-style-type: none">• Production management / Productivity improvement / Quality reliability / Quality data management
	Quality	<ul style="list-style-type: none">• Quality control / Quality assurance / Quality reliability / Quality data management
	Sales	<ul style="list-style-type: none">• Sales Management/Sales Support/Sales Strategy/Sales Negotiation Theory
	Purchasing	<ul style="list-style-type: none">• Purchasing Management/Purchasing Cost/Purchasing Strategy/Foreign Purchasing (Global Sourcing)
	Management	<ul style="list-style-type: none">• Corporate tax accounting/Corporate fund management/Corporate value assessment/Human resource management
Language Education	English Conversation	<ul style="list-style-type: none">• Level: Beginner/Intermediate/Advanced (twice a week, 6-month course)• Test: TOEIC Speaking (level assessment)• Remote English Education (phone/video)
Mandatory Legal Training		<ul style="list-style-type: none">• Sexual Harassment / Personal Information Protection• Awareness of Persons with Disabilities / Prevention of Workplace Bullying

Educational achievements

- Implemented competency training for all employees by job level (9 sessions in total)
: 4 sessions completed
(118 employees completed training)

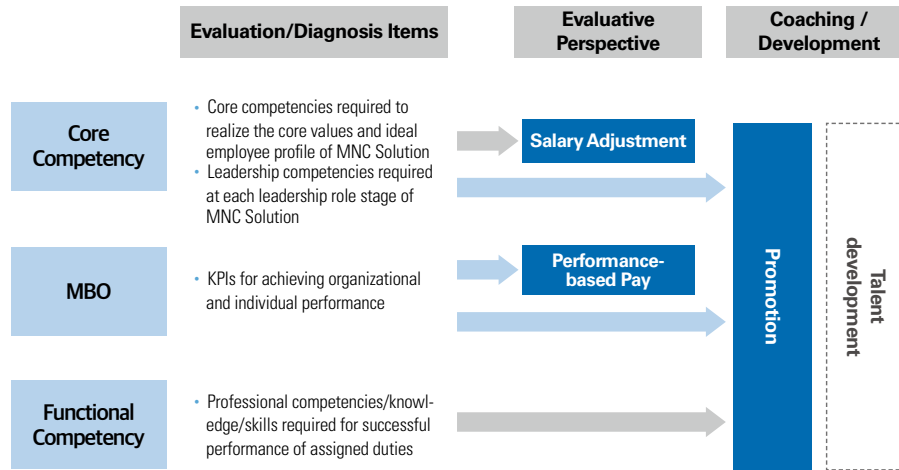
- Supported language training for employees (online English)
: 21 employees enrolled

- Implementation of external specialized job training
: Received 88 applications for external job training plans for 2025 and completed support for 37 training expenses



Human resource development

Compensation/Promotion Linkage Process



New Employee Training

New Employee (New/Experienced) Course

- New: Job Crafting, Business Manners, Followership
- Experienced: Communication, Conflict Management, Strategic Problem Solving

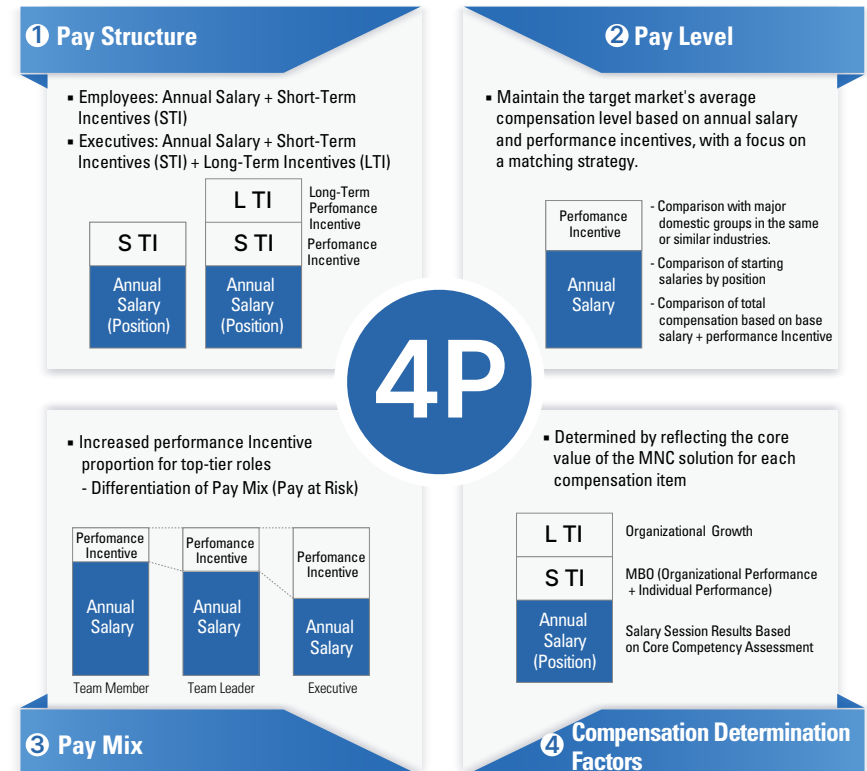


Organizational Culture

- Establishment of competency programs by job level: Basic competencies and necessary skills education by position/job title
- Junior (Staff to Assistant Manager): Self-leadership, Communication, Smart Skills
- Senior (Manager to Director): Problem-solving skills, Synergy collaboration
- Manager (Team Leader/Part Leader): Leadership, Organizational Management, Motivation Strategies
- Engineer (Technical Positions): Communication, Workplace Etiquette, Conflict Management



Compensation Structure



Safety and Health Management Promotion System

Safety and Health Promotion Organization

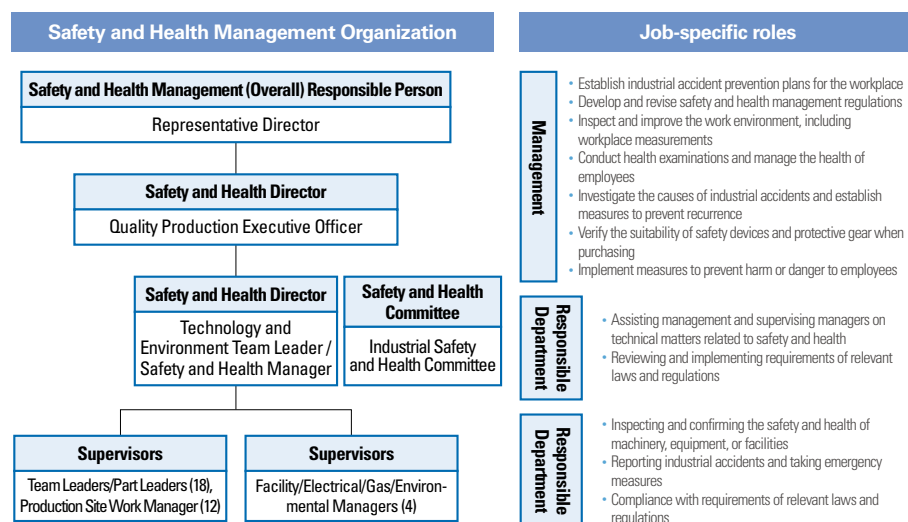
MNC Solution operates a systematic governance structure to implement efficient safety and health management activities. We designate a safety and health manager for each business site to prevent various industrial accidents and safety incidents that may occur on site. The Technology Environment Team identifies and mitigates risk factors in products and services to improve the safety and health of not only employees but also customers. Additionally, the Board of Directors oversees all safety and health-related issues at MNC Solution, and any major safety and health incidents or decisions made at the workplace are reported to the Board of Directors through the overall safety and health management responsible officer. Through this process, we clearly define responsibilities and roles related to safety and health, create a safe working environment, and ensure the safety of our employees and customers.

Establishment and implementation procedures for safety and health plans

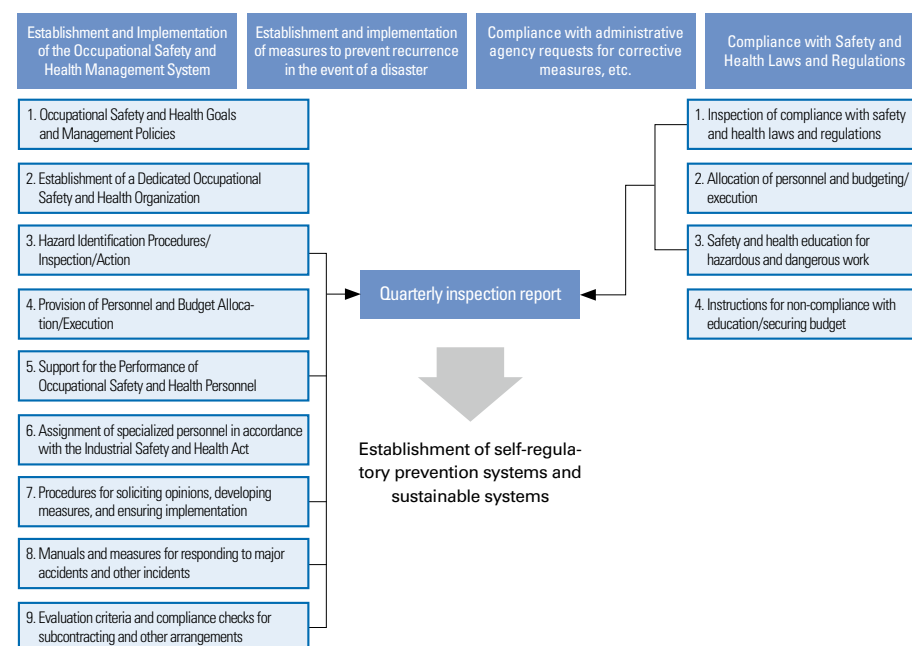
Safety and Health Governance Operations (Board of Directors)



Safety and Health Organization Chart and Roles



Safety and health assurance obligation implementation system



Safety and Health Management Strategy

Safety and Health Policy, Strategic Direction (Business Plan Report Contents) Description

MNC Solution establishes and implements an integrated management system that minimizes environmental impact and risks arising from management activities and products. We strive to fulfill our responsibilities and obligations for the protection of the environment and the realization of a workplace free of accidents and occupational diseases for our employees, and to achieve sustainable development in order to enjoy a comfortable life together with our stakeholders.

Safety and Health Management System Certification Status

MNC Solution obtained Safety and Health Management System Certification on July 4, 2019. ISO 45001 is an international standard for health and safety management systems published by the International Organization for Standardization, and our safety and health management system has been certified as compliant with this international standard.



Environmental Safety
and Health Policy



ISO 45001 Certificate

Category	Number of participants	2022	2023	2024
Safety and Health Training for New Employees	New employees	29	45	45
Safety and Health Training for Supervisors	Team leader & part leader & Production Site Work Manager	56	63	33
Safety and Health Training for Designated Personnel	Safety/health/fire/hazardous materials legal officer	29	8	6
Internal Auditor Competency Enhancement Training	Safety and health officer for each department	31	33	21
Health promotion activities (health counseling utilization)		1,257	987	951

※ Data from 2022 to 2024 is data before corporate split.

Risk management related to safety and health management

MNC Solution conducts annual safety and health risk assessments to identify harmful and hazardous factors in the workplace and prevent injuries or illnesses caused by them.

Through risk assessments, we identify potential hazards in the workplace, such as outdated equipment and facilities, and establish measures to reduce risks.

Safety and health risk assessment

2024 Risk Assessment Operations

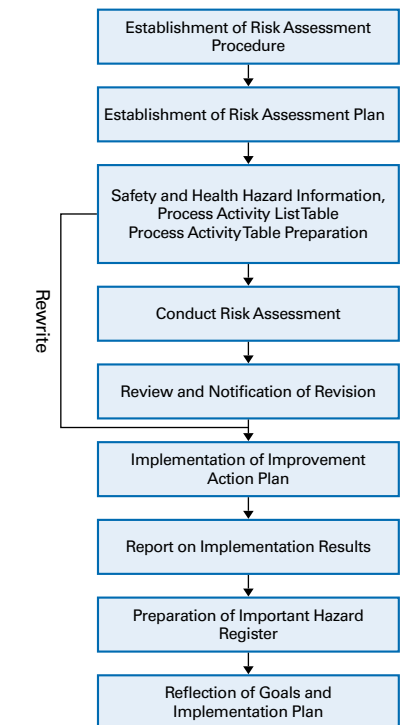
- Conduct regular risk assessments twice a year at all business sites
- Conduct risk assessments as needed when changes occur in work content, such as the introduction of new equipment, layout changes, or the occurrence of safety accidents
- As a result of the 2024 risk assessment, 22 improvement measures were identified in the first half and 15 in the second half; improvement plans were established and implemented
- Major improvements for hazardous factors were reflected in each department's safety and health goals and implementation plans, and improvement measures were carried out.

Risk Assessment		First Half	Second Half
Assessment Results	Improvement Items	22	15
	Improvement Measures	17	8
Key Items		Target	Actual
Comprehensive Accident Index	2024	0.00	0.00

Cumulative Performance (Target Date)

Safety and Health Accidents	Worker Lost Days	Comprehensive Accident Index
0 items	0 days	0.00

Risk Assessment Procedure



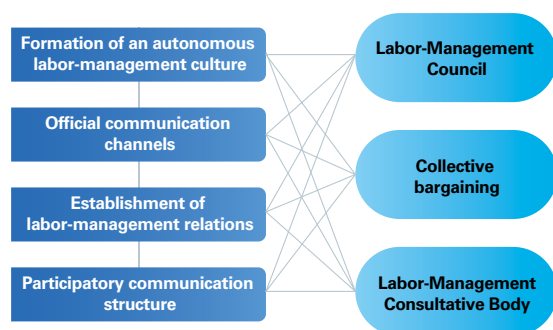
Sustainable cooperation system between labor and management

Labor-Management Cooperation System

MNC Solution operates regular and ad hoc labor-management councils and various labor-management consultation bodies to establish and maintain an official communication channel between employees and the company. Through these channels, both parties exchange opinions on various issues and work together to develop reasonable solutions.

Additionally, we post meeting minutes of labor-management councils and distribute newsletters to ensure transparency in the management of labor-management councils and strive to establish a co-operative labor-management relationship.

Labor-Management Cooperation System



Labor-Management Consultative Body



Creating a participatory culture of collaboration

MNC Solution continuously strengthens its participatory communication structure so that various voices from the field can be reflected in the process of establishing and improving company policies. In particular, through collective bargaining with labor unions, we coordinate the demands of employees and the direction of the company, and create a foundation for members within the organization to understand their roles and rights and communicate actively.

This structure has a positive effect on the formation of a field-oriented, autonomous labor-management culture.

Signing ceremony for collective bargaining agreement



Minutes of the Labor-Management Council meeting



Operation of Labor-Management Cooperation Council

Total Number of Meetings Held	Total Number of Agenda Items	Main Agenda
		Improvement of working environment (amenities, rest facilities, etc.)
20 times or more	50 items or more	Improvement of personnel system (working hours, annual leave system, etc.)
		Welfare-related matters (commuter buses, congratulatory gifts, etc.)

Labor-management coexistence and communication

Grievance Handling Procedure

MNC Solution operates a process to quickly and fairly handle inconveniences and various grievances that may arise during work among members of the organization. When necessary, we work with relevant departments to find solutions to grievances and proactively respond to external issues through communication with external agencies such as the Ministry of Employment and Labor. We respond flexibly when issues arise to ensure that grievances are resolved effectively.

Complaint Handling Procedure



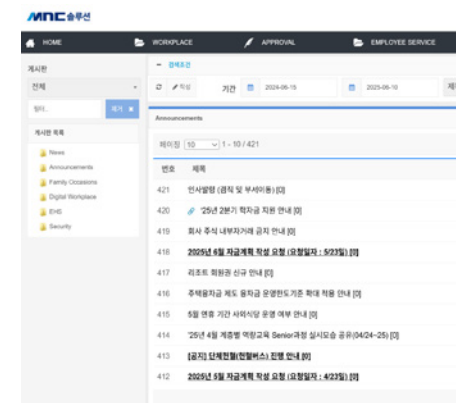
Welfare and general support activities

MNC Solution systematically operates various welfare and general support systems and conducts various support activities to increase employee satisfaction and sense of belonging. We focus on the practical stability of workers' lives and the protection of their rights and interests, and enhance the sense of unity and community among our members. Through these efforts, we are making practical efforts to create a work culture that goes beyond the simple operation of systems.

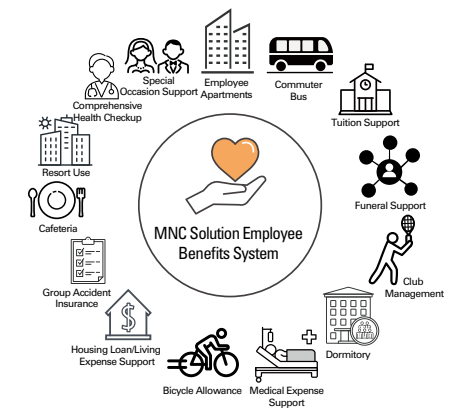
Strengthening communication within the organization

MNC Solutions is actively promoting various communication activities to foster a healthy organizational culture based on trust and mutual understanding among its members. Through communication channels such as the company portal and internal bulletin boards, we facilitate smooth information sharing and opinion gathering among members. Furthermore, by transparently sharing company policies and key management information, we are enhancing trust within the organization.

MNC Solution Portal Photo



Welfare General Support



Community Coexistence Activities

MNC Solution recognizes its social responsibility in the defense industry and promotes sustainable cooperation with local communities as part of its core ESG strategy.

We go beyond simple donations and one-time volunteer work to develop community activities aimed at solving local issues and building a sustainable win-win structure.

promotion strategy

MNC Solution is planning social contribution programs that reflect the characteristics and needs of the Changwon area where its business sites are located, and is focusing on the following activities.

Vision	"Continuing the value of togetherness."		
Core Values	Together	Connect	Sustain
Mission	Walking together with the community	Growth through sharing	Tomorrow created by everyone together
Strategy	Building participation-based partnerships	Building participation-based partnerships	Establishing a sustainable system
Activities	Environment <ul style="list-style-type: none"> Lunch plogging activities Carbon neutrality challenge (commuting by bicycle) Eco-friendly lifestyle campaign (use of personal cups, paperless meetings) 	Sharing <ul style="list-style-type: none"> Salary donation Seed money Matching grant Support for multicultural and newly settled youth Scholarship support for low-income youth 	Culture <ul style="list-style-type: none"> Participatory challenge (plogging) Group blood donation Donation campaign Group blood donation DIY kit production with employees' families

Year	2022	2023	2024
donation	36,700,000KRW	35,309,758KRW	37,200,000KRW

Sustainable partnership with local communities

MNC Solution recognizes the importance of coexistence with the local communities where its business sites are located as an important responsibility under its vision of "Continuing the value of togetherness." In addition, we voluntarily carry out various programs that practice emotional solidarity with members of the local community, environmental improvement, and support for the underprivileged.

Promotion of community contribution through company-wide participation

MNC Solution has established a company-wide social contribution strategy that takes into account regularity, seasonality, and individual participation, and operates a point system and volunteer theme programs to encourage employee participation in volunteer activities. In particular, we conduct activities that go beyond simple volunteer work to create a culture of social contribution, such as plogging challenges and DIY kit production volunteer activities in which employees can participate with their families. As of 2024, the overall employee participation rate in community activities reached 73% of the company's total workforce.

Establishing a culture of giving through payroll deductions [Seed Money]

MNC Solution encourages employees to participate in voluntary donations through its in-house payroll deduction program, "Seed of Hope." The fund is operated on a matching grant basis, with the company contributing an additional amount equal to the total amount donated by employees. From 2022 to 2024, the cumulative donation amount reached 109,900,758 KRW, which was used to support underprivileged children and adolescents in Gyeongnam Province, provide educational support, and supply essential goods. The "Year-End Hope Sharing Ceremony," where all employees participate under their own names, has become a representative ESG cultural event for the company.



Community-based social activities

MNC Solution is expanding its engagement with local communities through various programs.

- Group Blood Donation Campaign: We hold company-wide blood donation events twice a year, including our partner companies, to contribute to the stability of the local blood supply.
- Encouraging Bike Commuting: To promote eco-friendly transportation, we provide bike allowances to employees who use bicycles, thereby reducing carbon emissions and improving employee health.
- Lunchbox Meeting Cleanup Activity (Lunch Plogging): During lunch breaks, we conduct internal environmental cleanup activities outside the office to raise awareness about local environmental issues.



Bicycle commuting employees receive bicycle allowance



Group blood donation by employees and internal partners



Lunch Plogging Activity (Community Cleanup Activity)

Responsible execution of community-based donations

MNC Solution ensures transparency in the use of donations by reviewing the settlement reports and audit materials of donation recipients at least once a year, and disclosing them on the company website and sustainability report as necessary.

In addition, employee representatives visit some of the supported organizations to foster emotional ties with the local community.

Future plans and mid- to long-term directions

MNC Solution wants to share its continued growth in the defense industry with the local community. We'll keep strengthening our community responsibility management with our mission of "Walking together with the community," "Growth through sharing," and "A tomorrow created by everyone." Also, we see community activities as more than just "social contribution" but as a strategic part of our ESG management, and we're planning to set up and push forward with the following mid- to long-term strategies

- Introduction of a community impact assessment
- Expansion of joint planning programs with local governments and welfare institutions
- Integration of social contribution KPIs into the ESG strategic framework
- Enhancement of transparency in performance through ESG data quantification (time, amount, participation rate)

Community Communication Process

MNC Solution plans and implements various activities for local communities adjacent to its business sites. Through these activities, we identify areas where the local community needs help and carry out activities to ensure that MNC Solution and the local community can coexist and thrive together.

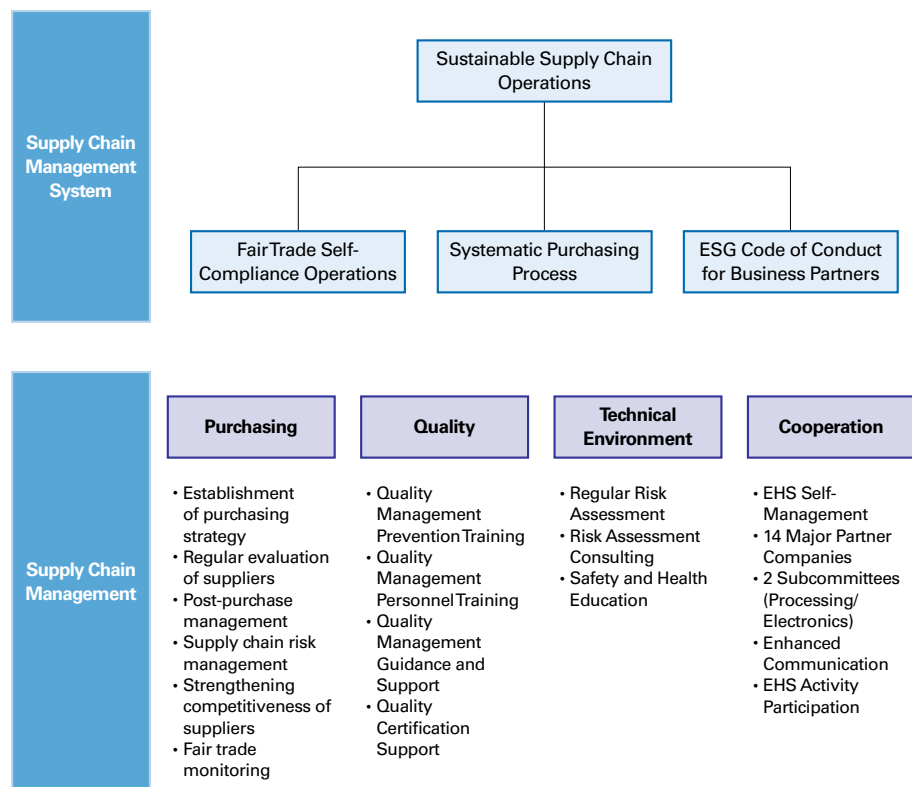
Social Contribution Activity Planning	Activities	Activity Evaluation and Feedback
Reflecting the characteristics of the business location Review of local community-related organizations	Community Cleanup Activities Support for the Disadvantaged in the Community	

Supply Chain Management Implementation Plan

promotional organization

MNC Solution is building an organic collaboration system between internal organizations and partner companies in areas such as purchasing, quality, and technology to foster a healthy ESG ecosystem and operate a sustainable supply chain.

In particular, through supply chain management organizations, including partner meetings, we are realizing mutual growth and continuous communication with our partners, thereby strengthening accountability and sustainability across the entire supply chain.



Characteristics of MNC Solution Supply Chain and ESG Internalization

MNC Solution procures most of the raw materials and parts used in the production of defense systems from domestic suppliers, which requires high technical precision and ESG risk management. In 2024, we will have a total of 192 suppliers, with domestic purchases accounting for 82.7% of the total purchase amount (166,120 million won out of 200,974 million won). The main procurement items are assembled products (44%), processed products (27%), and purchased products (9%). We classify procurement information by material, processing, assembly, and other categories, and based on this, we are enhancing our evaluation focusing on procurement groups with high ESG risks.

The defense industry is characterized by the fact that the government is the main customer, and projects are carried out through procurement contracts with the government.

In our case, we do not directly produce and sell complete weapon systems but instead supply components required by system manufacturers in a bundled form along with technical services.

In particular, we supply components that precisely control mobility, firepower, protection systems, and the mobility stability of maritime and aerial systems, as well as components required for space/satellite projects. During the development process, we procure raw materials that reflect technical aspects such as functionality, structure, durability, maintainability, and patents linked to the system integrators' finished products, as well as ESG factors including human rights, labor, safety, health, environment, ethics, and responsible resource procurement, from various domestic and international suppliers.

Additionally, the company is advancing the localization of key components among imported products. Through joint and independent development with system integrators based on the Defense Acquisition Program Administration's defense component localization policy, the company aims to fulfill its social responsibility as a corporate citizen by contributing to the expansion of domestic defense industries and stable profits.

Category	Unit	2022	2023	2024
Total number of partners	EA	192	212	243
Total purchase amount from partners	Million KRW	87,997	136,815	200,974
Purchase amount from local partners	Million KRW	75,173	113,440	166,120
Purchase ratio from local partners	%	85.4%	82.9%	82.7%

Supply chain management system based on ESG evaluation

Establishment of an ESG-based evaluation system for business partners

MNC Solution integrates ESG factors into the selection and evaluation of its partner companies. The regular ESG evaluation system covers the following areas: human rights and labor (prohibition of forced labor, working conditions, workplace safety), environmental management (management of hazardous substances, waste disposal, energy efficiency), and ethics and compliance (anti-corruption, fair trade, information protection). Based on compliance, points are awarded during regular evaluations, and this system is also applied to the evaluation of new partner companies. No cases of ESG standard violations or other negative impacts were identified among partner companies from 2022 to 2024, and all partner companies have completed improvement implementation and re-certification procedures.

Systematic and fair partner selection process

MNC Solution collaborates with various partner companies based on a complex value chain, and operates a transparent and fair purchasing system to objectively evaluate the capabilities and responsibilities of its partners in this environment.

We select partner companies by comprehensively considering key factors such as technical capabilities, quality, and ESG standards, as well as various other factors, thereby ensuring both the reliability and sustainability of our supply chain.

Systematic management of partner companies through the Sourcing Group

We have formed a Sourcing Group (SG) to systematically manage partner companies with similar products and business categories. In addition, we have established a partner company review system that reflects the characteristics of the SG so that each partner company can be classified and managed according to SG standards, from initial registration to regular evaluations.

Through this system, we have classified partner companies into SGs and established a foundation for effective partner company support, such as operating capacity enhancement programs for vulnerable partner companies.

Fair selection of partner companies through auto screen and registration evaluation

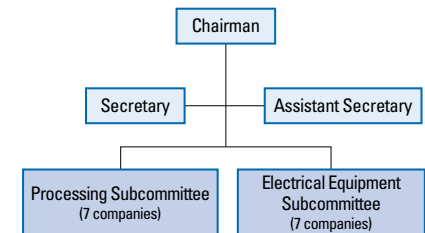
When registering as a partner, companies input their own information into our purchasing system, and an auto-screening function preemptively filters out any applicants who do not meet the qualification criteria. For registered suppliers, we conduct registration evaluations based on item-specific purchasing criteria to assess eligibility requirements, thereby ensuring transparency and fairness in the supplier selection process.

Mutual growth and communication through cooperation association management

MNC Solution is building and operating ESG-related communication channels by holding regular co-operation meetings and briefings to strengthen strategic partnerships with its partners. We hold an annual general meeting to award outstanding partners, share our business vision, and provide start-up support funds. The partnership meeting held in February 2025 was attended by approximately 70 people, including the CEO and representatives from partner companies, who shared ESG-centered business visions and strategic partnership directions. Going forward, we plan to expand the proportion of partner companies subject to ESG evaluation to over 50% by 2026 and expand the scope of free ESG risk diagnosis consulting provided to partner companies to establish a sustainability evaluation system for the supply chain. Additionally, we will enhance the ESG Code of Conduct (CoC) for partner companies and strive for all partner companies to sign it.



Cooperation Council Organization Chart



ESG Evaluation Indicators

Item	Evaluation Indicator	Remarks
Environmental	ISO 14001, Hazardous Chemical Substance Management, etc.	GRI 308-1 Response
Social	Human Rights, Labor, Industrial Safety, etc. (10 items) GRI 414-1 Response	GRI 414-1 Response

ESG evaluation participation rate (compared to regular evaluation targets)

Category	Unit	2022	2023	2024
ESG evaluation participation rate	%	14.80%	20.30%	29.70%
Number of partner companies participating in ESG evaluation	EA	36	43	57
Number of partner companies with confirmed negative impacts	EA	0	0	0
Percentage of partner companies implementing improvement measures	%	0	0	0
Percentage of partner companies whose contracts were terminated due to negative impacts	%	0	0	0
Percentage of new partner companies that underwent ESG due diligence	%	36	24	24

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Governance



Sound corporate governance

Ethics and compliance

ESG information disclosure and transparency

Integrated risk management

Cyber security and information protection

Board of Directors

Board Composition and Operations

MNC Solution operates a board of directors consisting of two internal directors, three external directors, and two other non-executive directors, totaling seven members, in accordance with Article 26 of the Articles of Incorporation. The composition of the board meets the requirements specified in Article 542-8 of the Commercial Act (Appointment of External Directors). Additionally, the board is structured with a diverse and specialized composition, and has established committees and internal support organizations within the board to ensure effective and prudent discussions and decision-making. To enhance the flexibility and transparency of board operations, the company appointed Byung-kook Lee, a non-executive director, as the chairman of the board at the board meeting held on January 3, 2024, and currently operates with separate roles for the CEO and the chairman of the board.

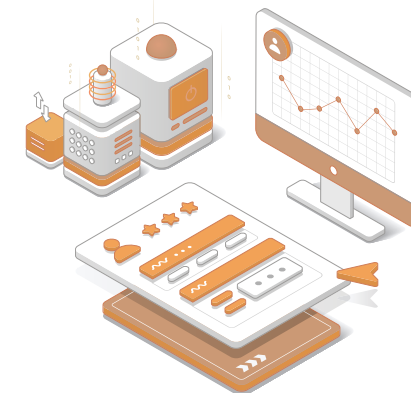
Current Board of Directors

Category	Name	Gender	Position	Term	Area of Expertise	Major Career
CEO	Byong-keon Kim	Male	ESG Committee Chair	2024.08.12 ~ 2027.08.12	Chief Operating Officer	Bachelor of Accounting, Jeonbuk National University Former Senior Manager, Planning, Kumho Tire Co., Ltd. Current CEO, MNC Solution Co., Ltd.
Internal Director	Young-il Park	Male		2024.08.12 ~ 2027.08.12	Operations Director	Bachelor's Degree in Mechanical Engineering, Pusan National University Current Operations Director, MNC Solution Co., Ltd.
Other Non-executive Directors	Byung-kook Lee	Male	Chairman of the Board	2021.01.04 ~ 2027.01.04	Investment Expert	Bachelor's Degree in Law, Kyungpook National University Former Deputy Director, M&A Division, Korea Industrial Bank Current Representative Director, Socius Co., Ltd.
Other Non-Executive Directors	Nam-ryung Lee	Female		2021.01.04 ~ 2027.01.04	Investment Expert	Bachelor of French/Japanese, Hankuk University of Foreign Studies Former Head of Operations, Metiston Equity Partners Co., Ltd. Current Investment Director, Well to Sea Investment
External Director	Dong-hoe Kim	Male	Audit Committee Chairman ESG Committee Member	2024.08.12 ~ 2027.08.12	Financial Accounting Expert	Master of Business Administration, Seoul National University Current Outside Director, KISCO Holdings Current Executive Director, Seo Woo Accounting Corporation
Outside Director	Suk-hwan Chung	Male	Audit Committee Member	2024.08.12 ~ 2027.08.12	Defense Industry Expert Bachelor of Science in Aeronautical Engineering, Korea Air Force	Bachelor of Science in Aeronautical Engineering, Korea Air Force Academy Former Director of the 26th Military Manpower Administration Current CEO, Samyang Chemical Industry Co., Ltd.
External Director	Young-soo Choi	Male	Audit Committee Member ESG Committee Member	2024.08.12 ~ 2027.08.12	Investment Expert	Bachelor of Commerce, Kyungpook National University Former Executive Vice President, Investment Finance Division, San-eun Capital Co., Ltd. Current Auditor, Next Securities Co., Ltd.

Independence of the Board of Directors

MNC Solution complies with the qualifications for the appointment of outside directors as stipulated in Article 382, Paragraph 3, and Article 542-8 of the Commercial Act. In the event that an outside director becomes subject to any of the exclusion criteria after their appointment, they shall lose their position. In particular, in accordance with Article 34, Paragraph 5 of the Implementing Decree of the Commercial Act, we exclude individuals from appointment as outside directors if they have previously worked for an affiliated company or have significant conflicts of interest that would make it difficult for them to faithfully perform their duties as outside directors. Additionally, when recommending candidates for outside directors, we thoroughly review whether they have any significant conflicts of interest with the company. The company discloses the activities of directors in the board of directors and its committees through regular reports, thereby transparently disclosing the activities of directors to shareholders. In particular, for outside directors, the company provides sufficient information on attendance rates at board meetings, voting results on board resolutions, and activities in board committees.

Procedure for Appointing Directors



Board of Directors

Committees within the Board of Directors

MNC Solution operates two committees under the Board of Directors. Each committee is established in accordance with its own regulations, which clearly define its purpose, authority, composition, and matters to be deliberated. The attendance and participation of each director in the Board of Directors and its committees are separately tracked and disclosed in the business report. The Audit Committee conducts audits of all company operations, including financial statements, and has appointed a financial accounting expert as the chair of the Audit Committee to ensure expertise. The ESG Committee is strengthening ESG management to achieve sustainable growth.

Committees within the Board of Directors Current Board of Directors

Composition	Chair	Members	Main Role	Number of Meetings	Agenda (2024.10 ~ 2025.06)
Audit Committee	Dong-hoe Kim	Suk-hwan Chung, Young-soo Choi	(Key Roles) Comprehensive audit of business operations, quarterly and annual performance reviews, investigation of business and financial status	4	Report Items 6 Agenda Items 7
ESG Committee	Byong-keon Kim	Dong-hoe Kim, Young-soo Choi	(Key Roles) · Strengthening ESG management, achieving long-term and sustainable growth	3	Reported Agenda Items 5 Proposed Agenda Items 1

1) The number of meetings and agenda items are based on the period from October 2024 to June 2025.

Board Diversity and Expertise

MNC Solution has established a board of directors consisting of seven directors with expertise in corporate management, including general management and operations, finance and accounting, investment, and defense, as well as expertise in the defense industry, in order to enhance the competitiveness of the board itself and make decisions on important corporate matters based on a wide range of expertise.

In addition, in 2021, we appointed a new female director to enhance the diversity of the board of directors (see table, "Composition of the Board of Directors").

Board of Directors Competency Matrix

Category	Internal Director		Other Non-Executive Director		External Director		
	Byong-keon Kim	Young-il Park	Byung-kook Lee	Nam-ryung Lee	Dong-hoe Kim	Suk-hwan Chung	Young-soo Choi
Independence					○	○	○
Investment Expert			○	○			○
Finance, Accounting	○				○		
INDUSTRY	○	○				○	
Leadership	○	○	○	○	○	○	○
Risk Management	○	○	○	○	○	○	○
Disqualification Requirements for External Directors					None	None	None

Activities of the Board of Directors

The Board of Directors of MNC Solution is divided into regular board meetings held once every March starting from the beginning of the fiscal year and special board meetings held as needed. Regular board meetings are held at least four times a year to review quarterly business performance reports and convene regular shareholders' meetings, while special board meetings are conducted as needed in response to urgent matters. Pursuant to Article 34 of the Articles of Incorporation and Articles 7 and 8 of the Board of Directors Regulations, the board of directors is convened by the chairman, who notifies each director of the meeting date, time, location, and agenda items by the day before the meeting. The Board of Directors may hold a meeting without prior notice if all directors agree. Additionally, to ensure that decisions are made with a thorough understanding of all agenda items, the Board of Directors distributes meeting materials to all directors in advance and solicits their opinions. Board resolutions are made in accordance with Article 35 of the Articles of Incorporation and Article 9 of the Board of Directors Regulations, requiring the attendance of a majority of directors and the approval of a majority of attending directors.

Board of Directors Operations (as of 2024)



Shareholder-friendly management

Board of Directors' Compensation

The compensation of MNC Solution's directors is transparently executed within the range approved by the shareholders' meeting.

We comprehensively evaluate the individual directors' professional expertise, fairness, objectivity, diligence, and responsibility in performing their duties, and for internal directors, we consider the achievement of strategic goals, including financial and non-financial performance, to determine and pay performance incentives.

Number of employees	Amount approved at shareholders' meeting	Total compensation	Average compensation per employee
7 members	KRW 5,000 million	KRW 829 million	KRW 118 million

* There are seven directors, including two non-executive directors.

* The average remuneration per person is calculated by simply averaging the number of employees.

Protection of Shareholders' Rights

Shareholder Information

According to the Articles of Incorporation of MNC Solution, the total number of shares that may be issued is 100,000,000 shares, with a par value of KRW 100 per share. All issued shares are common shares, and each share is entitled to one vote, with voting rights distributed equally among shareholders. As of December 31, 2024, the total number of issued shares of MNC Solution is 9,153,900 shares, and the largest shareholder is Socius Well to Sea Investment No. 2 Corporate Financial Stability Co., Ltd. which holds 73.78% of the total shares.

Shareholder Return Policy

The largest shareholder of MNC Solution is Socius Weltoosi Investment No. 2 Corporate Financial Stability Co., Ltd., which has committed to the Korea Exchange that, provided it maintains its status as a major shareholder at the time of listing on the stock exchange in December 2024, it will distribute 50% of its net income as cash dividends for the three years following the listing.

Protection of Shareholders' Rights

We hold a regular shareholders' meeting within three months after the end of each fiscal year and convene an extraordinary shareholders' meeting as necessary. In accordance with Article 363 of the Commercial Act, we strive to provide shareholders with the necessary information in a timely manner by sending a notice of the shareholders' meeting two weeks prior to the meeting. Additionally, to ensure the proper exercise of rights by minority shareholders, we implemented a written voting system at the 5th regular shareholders' meeting. Additionally, to facilitate the smooth exercise of voting rights by shareholders, we are conducting a proxy solicitation campaign targeting all shareholders listed in the shareholder register as of the end of the fiscal year, utilizing the proxy system.

Key Investor Relations Activities

Category	December 2021 ~ June 2025	Category	December 2021 ~ June 2025
IPO Roadshow	1	Investor and Media Briefing	1
IPO DR / NDR	4 (3 domestic, 1 overseas)	1-on-1/Multi-meeting and Conference Call Meetings	70

Ethical and compliant business activities

Ethics and Compliance Management System

MNC Solution aims to become a model company that earns the trust and recognition of all stakeholders through transparent and fair ethical and compliant management. This goes beyond a simple declaration and reflects our firm commitment to placing ethical values at the forefront of all decisions and activities throughout the company.

Ethical Management Strategy System

Vision	"A sustainable company that earns the trust and recognition of all stakeholders based on ethics and compliance."		
Ethics Strategy	<ul style="list-style-type: none"> Strengthening ethical management leadership Solidifying transparent ethical management 	<ul style="list-style-type: none"> Identifying ethical and human rights risks across the company Preventing corruption through risk control 	<ul style="list-style-type: none"> Improving reporting systems and awareness Promoting communication on ethics and human rights management
Management System	Internal Control/Audit Monitoring	Whistleblowing System (Operation of Cyber Reporting Center)	External Security and Information Leakage Risk Management
	Conduct regular evaluations of the internal accounting management system to review all control processes that affect financial elements/impacts	Operate an anonymous reporting channel to report ethical violations	Strengthen access control and information security for important data such as defense technology documents and delivery information
Ethical Standards	Ethical Regulations, Ethical Standards and Rules, Regulations on Transactions with Interested Parties, Guidelines for the Prevention of Conflicts of Interest		
Reporting Channel	Operating a channel that allows for the transparent and secure reporting of ethical violations, and operating a reporting system that allows for the reporting of ethical violations without revealing one's identity for direct reporting and consultation.		

Transparent ethics management focused on execution

Role of the Board of Directors and Audit Committee (Management)

MNC Solution deeply recognizes the importance of ethical management and regularly operates a board of directors and audit committee to put this into practice. In addition, we have established an internal control audit organization dedicated to ethics and compliance management to systematically supervise compliance with regulations and ethical behavior. In particular, reflecting the unique nature of the defense industry, we have implemented an ethics compliance pledge for all employees, which includes items such as prohibition of improper solicitation, prevention of forgery or alteration, and compliance with security standards. This pledge clearly outlines the ethical standards of conduct that all employees must adhere to.

Ethical Management Organization

Internal Control/Audit Monitoring

Through regular internal accounting management system evaluations, we closely examine company-wide control processes that affect finances, monitor monthly cost execution and compliance with delegation standards to manage risks in advance, and respond promptly to violations.

Operation of a reporting system (cyber reporting center)

By operating an anonymous "Cyber Reporting Center," we have established a channel through which all employees can safely report ethical violations.

External security and information leakage risk management

We are strengthening access control over key confidential information such as defense technology data and delivery information, and actively responding to external security audits to systematically manage the risk of external information leakage.

Systematic implementation and performance management of ethical management

We have established key performance indicators to objectively evaluate the results of our ethical management and improve execution, and we continuously monitor quantitative results. Through these efforts, we are strengthening internal management to ensure that ethical values are translated into practical actions.

Performance Indicators	Description	2025 Target
Ethics Training and Collection of Commitment Letters	Conduct ethics training for all employees and collect commitment letters (annually)	100%
Internal Whistleblowing Handling Rate	Completion rate of handling and providing feedback on received whistleblowing reports	100%
Number of Supplier Verifications	Number of violations of supply chain-related laws (Subcontracting Act, etc.)	0
Supplier Commitment Letter Collection Rate	Collect ethics commitment letters from major suppliers when signing contracts	More than 90%
Internal Control Self-Assessment Implementation Rate	Self-assessment implementation rate for internal control items in each department	100%

Ethical Management Policy

MNC Solution operates a systematic ethical management system to become a company that earns the trust and recognition of all stakeholders based on transparent ethical management and fair compliance management. In particular, we are enhancing various reporting channels, such as anonymous reporting, as measures to prevent potential risks in advance and increase the effectiveness of compliance management. Going forward, MNC Solution will continue to enhance its ethical management to establish itself as a model ethical management company in the defense industry.

Employee Ethics and Compliance Training

MNC Solution operates various suggestion and reporting channels for employees and external stakeholders, and promotes a transparent and fair organizational culture through systematic ethics and compliance training programs.

Additionally, we have established an “Education and Training Process” that clearly defines all stages from planning to execution and post-implementation management. The status of education programs is transparently shared through the company's internal portal and human resources system, enabling all employees to easily access the information.

Fair Trade/Anti-corruption Education

MNC Solution conducts annual compliance training for all employees on fair trade and anti-corruption as core topics, and also provides separate basic training for partner companies on a regular basis. For employees responsible for fair trade-related tasks, we offer specialized practical courses that analyze recent trends and cases related to relevant laws and regulations, including internal transactions, collusion, subcontracting laws (general, unfair, and technical data), mutual prosperity cooperation laws, in-house subcontracting, insider transactions, trade secret protection, and anti-corruption measures. In addition, to promote mutual growth with our partner companies and prevent fair trade risks, we regularly conduct compliance training twice a year for representatives of our primary partner companies, focusing on revisions to relevant laws and the latest cases related to anti-corruption, unfair practices, internal transactions, and collusion.

Through these efforts, MNC Solution is spreading a culture of ethics and compliance throughout the company and its supply chain based on diverse communication channels and systematic education programs.

Grievance Handling System

MNC Solution operates various channels through which employees and external stakeholders can freely make suggestions or reports in order to establish a transparent and fair ethical and compliance management system. Employees can express their opinions through the company website, internal email, and messenger when they encounter difficulties in complying with laws and regulations during work or when they believe that system improvements are necessary. This contributes to system improvements and the establishment of an effective compliance culture. Separately, the company operates a whistleblowing system to receive reports from external stakeholders regarding unfair business practices, abuse of authority, or corruption by employees. This system ensures strict confidentiality, allowing reports to be submitted either anonymously or under real names. In cases of workplace sexual harassment, verbal abuse, or other forms of harassment, we operate a “Grievance Resolution Center” to ensure immediate response and prevention. This center prioritizes the protection of whistleblowers and confidentiality, fostering a safe and equitable organizational culture where all employees can work with peace of mind.

Ethical Management Activities (Reporting and Grievance Handling)

“To establish a transparent and fair ethical and compliance management system, we operate channels through which all employees and external stakeholders can make suggestions or reports related to ethical and compliance management.”

Category	Types	Purpose and Characteristics
Compliance Activities	<ul style="list-style-type: none"> Unfair joint conduct, violations of unfair subcontracting transactions Violations of the Anti-Bribery and Anti-Corruption Act, including bribery and improper solicitation Violations of the Labor Standards Act, the Equal Employment Opportunity Act for Men and Women, and workplace sexual harassment or bullying, etc. Other violations of laws and regulations or matters of concern, etc. 	<ul style="list-style-type: none"> Operated through reports submitted via the company website and email Utilized when employees face difficulties in complying with laws and regulations or have suggestions for system improvements Resolving difficulties related to employees' compliance with laws and regulations in the course of their duties and collecting improvement suggestions
Whistleblowing	<ul style="list-style-type: none"> Embezzlement or bribery of public funds by employees Unfair handling of duties by employees Demands for or provision of money, gifts, or entertainment Cases of employees holding dual employment Violations of the Code of Ethics, sexual harassment, and other cases of misconduct 	<ul style="list-style-type: none"> Receiving reports on unfair business practices, improper conduct, or corruption by employees using their positions Reports can be submitted by external stakeholders Both real names and anonymous submissions are accepted (to reduce the burden on reporters)
Handling Procedures	<div> <div>① Report Submission</div> <div>Receive reports through online and offline reporting channels</div> </div> <div> <div>② Fact-finding</div> <div>- Investigate the facts of the damage and the problem</div> <div>- Investigate the objective facts</div> </div> <div> <div>③ Problem Resolution</div> <div>- Follow-up measures and feedback</div> <div>- Activities to prevent recurrence</div> </div>	

ESC Information Disclosure

Transparent information disclosure, the cornerstone of sustainable management

MNC Solution is strengthening its accountability and transparency in information disclosure following its listing on the Korea Stock Exchange (KOSPI), recognizing ESG information disclosure as a core foundation for building corporate trust, beyond mere reporting. Despite the high security requirements inherent in the defense industry, it is essential to establish a disclosure system that can proactively respond to the expectations of global stakeholders. To this end, MNC Solution has introduced a sustainable management reporting framework that aligns with global ESG disclosure standards such as the GRI Standards 2021 and ISSB IFRS S1/S2, as well as the evaluation frameworks of major domestic assessment institutions like SustainBest and the Korea ESG Standards Institute. Additionally, we have identified swift and strategic responses to changes in global supply chain-related disclosure standards such as CSDDD, CBAM, and EcoVadis as core priorities for enhancing ESG disclosure transparency. We plan to strengthen our position as a responsible global company through our first disclosure this year.

Short- and medium-term agenda for effectively establishing an ESG management system

Short-term Quick-win Initiatives

- Enhancing responsiveness to global standards related to ESG disclosure criteria
 - Addressing ISSB (IFRS S1_General Requirements/S2_Climate Disclosure) related to sustainability financial disclosure
 - Addressing GRI standards related to sustainability information disclosure
 - Addressing Sustainable Development Goals (SDGs)
- Prepare a sustainability management report reflecting quantitative and qualitative expansion of ESG information disclosure and short-term improvement tasks
 - AA1000 verification of sustainability management report verification standards
- Enhancing corporate value through responses to ESG evaluations by major domestic evaluation institutions
 - Preparing for the 2026 KCGS evaluation of listed companies in 2024 and proactively participating in government ESG evaluations to obtain an S-grade ESG management level diagnosis report
- Implementing 11 key ESG initiatives requested by shareholders in 2025
 - Quarterly performance reports on ESG committee agenda items

A phased response with a mid- to long-term perspective

- Drafting a mid- to long-term implementation roadmap
 - Reviewing draft core goals, strategies, and roadmaps for each ESG area
- Establishing an ESG management system and R&R that reflects the requirements of key stakeholders in each ESG area
- Finalize company-wide goals, strategies, and long-term roadmaps for core ESG items such as climate change response and supply chain management in MNC Solution
 - E: Greenhouse gas inventory strategy (Scope 1, 2, 3)
 - S: Social contribution strategy, human rights/labor strategy, supply chain strategy
 - G: Integrated risk management strategy, governance (board of directors, etc.) expertise enhancement strategy, disclosure strategy, etc.

Publication of Sustainability Report

Strengthening stakeholder communication
(Enhanced disclosure and preparation for ESG evaluation)

Establishment of ESG strategy

Enhancement of ESG management
(Establishment of key strategies for each ESG area)

2025 Short-term Quick-win Tasks

- Establish ESG management system
- Obtain S (highest grade) in the Ministry of Trade, Industry and Energy's ESG Management Level Assessment
- Publish the first MNC Solution Sustainability Report

Promotion of mid- to long-term core tasks for 2026-2030, and advancement

- Reporting and implementation of ESG mid- to long-term strategy roadmap
- Step-by-step upgrade/maintenance of ESG KCGS rating from 'B' to 'A'
- Advancement of sustainable management

2031– Internalization for carbon neutrality

- Synchronization of ESG policies with global, government, and customer policies
- Maintenance of ESG KCGS rating of 'A' or higher
- Internalization of sustainable management
- Declaration of carbon neutrality by 2050

Enhancement of ESG management system

ESG operational system overhaul for global supply chain response and strategy internalization

MNC Solution is streamlining and enhancing its ESG operational framework to effectively address global supply chain risks and embed ESG strategies across the entire organization. Given the defense industry's requirement for high ethical standards and responsible management, we are intensifying efforts to establish ESG as a substantive management execution framework beyond mere declarations. In particular, with the 2024 KOSPI listing as a catalyst, the company is establishing a virtuous cycle structure that connects strategy formulation, execution, evaluation, and feedback across all areas of the environment (E), society (S), and governance (G), and is actively promoting the construction of an ESG system that meets the needs of key stakeholders.

ESG Council Operation and Internal Organization Integration

MNC Solution is establishing an ESG task force as a practical implementation organization by referring to leading cases in the same industry, and is building a system to handle all ESG-related tasks. Through an ESG task force consisting of relevant departments such as the Strategy Planning Team, HR Team, Quality Team, Technology and Environment Team, and Purchasing Team, we plan to comprehensively manage issue response, report writing, review of customer requests, and internal evaluation reports. Additionally, dedicated departments are designated for key ESG issues such as information security, product quality, and human rights/labor, with clear roles and responsibilities (Role & Responsibility) assigned to each area. This approach aims to establish an organizational operating framework centered on execution capability.

Establishment of ESG strategy KPI linkage and evaluation system

MNC Solution is introducing a system to enhance the effectiveness of its ESG strategy by linking ESG key performance indicators (KPIs) to business performance and systematically evaluating the level of responsibility fulfillment in each division. We are promoting the advancement of ESG management by linking annual business plans with ESG KPIs, and have established key performance indicators centered on the following quantitative indicators for each area.

- Environment (E): Greenhouse gas intensity, energy consumption, accident rate, etc.
- Social (S): Supplier evaluation rate, safety training completion rate, education investment, etc.
- Governance (G): Board participation rate, internal audit results, etc.

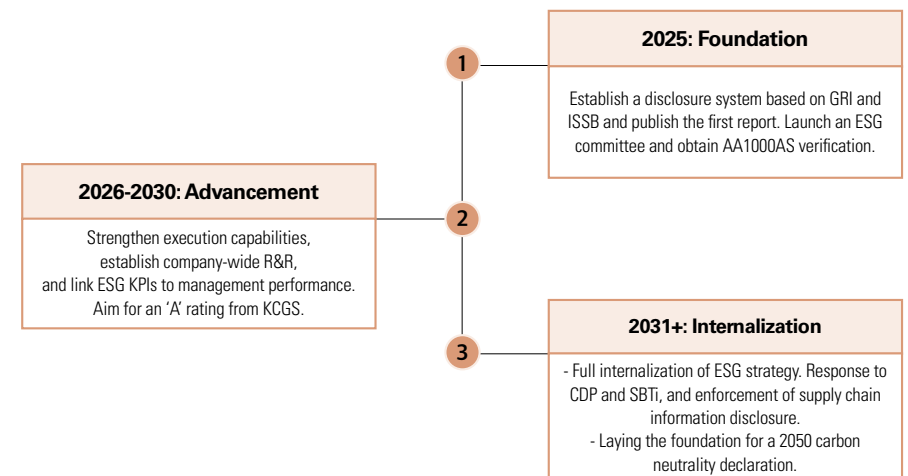
These KPIs will be directly reflected in management performance evaluations, thereby supporting the realization of company-wide ESG responsibility management.

ESG Information Disclosure and Evaluation Response Linkage

MNC Solution considers strengthening ESG information disclosure as a core pillar of internalizing ESG management and is continuously enhancing its capabilities to respond to major ESG evaluations through the advancement of its reporting system. Going forward, to systematically manage ESG evaluations at a strategic level, we will analyze the indicator standards of evaluation agencies (KCGS, SustainBest, CDP, EcoVadis, etc.) and establish our own disclosure standards to ensure consistency between disclosure, performance, and strategy. Additionally, we intend to progressively expand CDP disclosure, supply chain Scope 3 carbon emissions information, ISO 26000-based social issue reporting, and GRI/SASB-based parallel reporting frameworks.

ESG Roadmap

MNC Solution is embedding ESG not as a mere response to trends, but as a core execution framework within its corporate strategy. By establishing an ESG governance framework, strengthening collaborative bodies and operational capabilities, and linking key ESG indicators to business performance for management, we are simultaneously securing the company's sustainability and global competitiveness. Going forward, MNC Solution will continue to enhance its ESG management framework to strengthen trust with domestic and international customers and investors, and solidify its position as a sustainable partner in the global defense supply chain.



Risk Management Promotion System

ESG Risk Management Promotion System

MNC Solution has established and operates an enterprise-wide “Integrated Risk Management System (ERM)” to proactively identify and respond to financial and non-financial risks that may arise in the complex business environment of the defense industry. Financial risks, which directly impact business performance, are systematically managed with a focus on factors such as market volatility, liquidity, and credit risk. Non-financial risks, including ESG-based qualitative factors such as climate change, human rights, industrial safety, quality, information security, regulatory compliance, and corporate reputation, are also actively addressed. Each risk is monitored on an ongoing basis by relevant departments and dedicated personnel, and quarterly integrated reviews are conducted under the leadership of the Risk Management Committee (tentative name). Major risks are regularly reported to the CEO and the ESG Committee, and we continuously strengthen our risk response capabilities through response strategies and preventive measures based on risk assessments and scenario analyses.

financial risk

ESG disclosure standards (GRI, KCGS, DJSI, etc.) recognize financial risk as a core element of sustainable management and address a company's ability to identify and respond to such risks as key evaluation items. GRI 201 standards require companies to disclose information on how sensitive they are to changes in external economic conditions such as interest rates and exchange rates. KCGS includes capital structure, dividend policy, and debt-to-equity ratio as key items in its governance evaluation. DJSI focuses on evaluating whether companies have identified financial risks within their enterprise risk management (ERM) framework and whether they have taken appropriate measures to address them.

Market Risk	Credit Risk	Liquidity risk	Capital risk
We monitor market indicators on a semi-annual basis to prepare for the possibility of sudden changes in interest rates, exchange rates, and raw material prices, and establish proactive hedging strategies based on external economic forecasts.	We conduct preliminary reviews and periodic evaluations to prepare for the possibility of a decline in the credit rating of our business partners or the possibility of delinquency, and apply financial institution evaluation standards (BB+ or higher).	We predict working capital requirements based on the supply of production materials and parts, and implement measures to secure liquidity in case of supply disruptions.	We periodically review capital ratios to maintain an optimal capital structure, and reflect financial soundness indicators in our decision-making.

Non-financial risks

MNC Solution has established a dedicated ESG team to strengthen its risk management capabilities across all ESG areas, including ethics, environment, labor, human rights, and supply chain, and is building a systematic management and oversight framework. The ESG task force continuously monitors non-financial risks in each area and regularly reports major issues to management, enabling early risk identification and proactive response. In addition, we operate a dedicated organization for quality and safety management to ensure product quality and safety, and we continuously promote interdepartmental consultation and improvement activities on related issues.

MNC Solution's Integrated Risk Management Classification

Category	Risk Type	Key Description	Response Strategy
Financial Risk	Market Risk	Market volatility such as exchange rates and interest rates	External risk analysis, termination strategy establishment
	Liquidity Risk	Liquidity shortage and increased funding demand	Working capital plan establishment, advance supply and demand coordination
	Credit Risk	Delinquency and default of business partners	Advance credit evaluation, application of business partner rating criteria
	Capital risk	Capital structure imbalance and cost risk	Setting target ratios, reviewing capital cost scenarios
Non-financial risks	Climate/environmental risks	Carbon emission regulations, costs of transitioning to eco-friendly operations	Establishment of reduction plans based on SBTi, regulatory analysis
	Legal/regulatory risks	ESG disclosure, export regulations, legal changes	Policy monitoring, certification management system establishment
	Information security risks	Cyber threats, internal information leakage	Operation of an integrated security monitoring center, incident response protocols
	Human Rights/Labor Risks	Working conditions, ethical hiring issues	Establishment of human rights policies, incorporation of evaluation criteria for suppliers
	Safety Risks	Industrial accidents, accidents during production	Safety inspection plans, internalization of ISO 45001
	Reputation Risks	Failure to comply with ESG standards, social criticism	Stakeholder communication strategies, ensuring transparency in disclosures

Enterprise Risk Management Process

Enterprise Risk Management Process

MNC Solution systematically operates an integrated risk management process from risk identification to analysis, response, and follow-up measures from a company-wide perspective.

Enterprise-wide integrated risk management process from proactive identification to response and follow-up measures

MNC Solution has established and operates an enterprise risk management (ERM) system to achieve sustainable growth amid the complex and unpredictable business environment of the defense industry. Risks are recognized as strategic tasks for the entire company, not just the domain of a single department, and are managed through a systematic process of identification, assessment, response, and follow-up. This management framework is closely integrated with our ESG management system, applying the same process to non-financial risks such as financial, supply chain, information security, climate change, and human rights and labor issues, thereby enhancing the effectiveness and consistency of risk response.

Risk Management Process

"Operating a systematic integrated risk management process, from risk identification to follow-up measures"		
Procedure	Management Items	Operational Details
① Risk Identification	<ul style="list-style-type: none"> Regular/irregular risk assessment → based on stakeholder requirements 	<ul style="list-style-type: none"> Risks that may affect management activities are systematically identified by reflecting the perspectives of internal and external stakeholders
② Risk Analysis and Evaluation	<ul style="list-style-type: none"> Determination of risk level (grade) → consideration of comprehensive factors such as frequency of occurrence and severity 	<ul style="list-style-type: none"> For items that require response according to the risk level, the relevant department establishes an action plan.
③ Risk response decision-making	<ul style="list-style-type: none"> Establish action plan → Report action plan to risk management department 	<ul style="list-style-type: none"> For items that require response according to the risk level, the relevant department establishes an action plan.
④ Follow-up Measures for Risk Response	<ul style="list-style-type: none"> Evaluation of response activities → Report evaluation results to the Board of Directors 	<ul style="list-style-type: none"> Approved response plans are implemented by the responsible departments, and the results of the measures are reviewed by the risk management officer and reported internally. In particular, for high-risk risks, the results of the measures are reported to the ESG Committee or the Board of Directors.

Risk identification

MNC Solution systematically identifies risks that could affect business operations by reflecting the perspectives of internal and external stakeholders. Risks are not only evaluated on a regular basis but also reviewed on an ad hoc basis when issues arise, taking into account a wide range of external factors such as changes in the market environment, regulatory trends, and media reports. Identified risks are managed comprehensively through a company-wide risk registration system.

When new risks emerge, the relevant items are promptly updated, and the necessary response measures are immediately implemented, thereby enhancing the agility and effectiveness of risk management.

Risk Analysis and Assessment

MNC Solution conducts quantitative and qualitative assessments of identified risks based on their likelihood and impact. Likelihood is determined through analysis of recent external cases and similar issues, while impact is assessed by comprehensively considering various factors such as financial loss, business interruption, legal liability, and damage to reputation. Based on these evaluation results, we classify risks into levels and operate a separate reporting system for high-risk risks, which are thoroughly managed through continuous monitoring. In addition, we calculate a comprehensive risk rating by integrating quantitative indicators such as KPIs and qualitative factors such as reputation and policy changes, and reflect this in the company-wide risk matrix to establish a systematic and consistent risk response framework.

Risk response decision-making

MNC Solution establishes specific action plans for necessary response items based on risk levels, with relevant departments developing these plans. These plans are reviewed and approved by the Risk Management Committee and the ESG Committee before implementation. Response strategies are selected from Avoid, Transfer, Mitigate, or Accept, with the most appropriate measures determined by comprehensively considering feasibility and cost-effectiveness. For example, when high-risk supply chain risks are identified, we proactively review and implement measures such as securing alternative suppliers, diversifying deliveries, and establishing production shutdown scenarios to minimize the impact of risks and ensure stable business operations.

Risk Response and Follow-up Measures

MNC Solution's approved response plan is implemented by the responsible department, and the results of the measures are reviewed by the risk management officer and reported internally. In particular, for high-risk risks, the results of the measures are reported to the ESG Committee or the Board of Directors at least once a year, and the reporting targets are determined according to predefined criteria. Follow-up measures go beyond simply checking whether the measures have been implemented and include the following procedures: ① Evaluation of the effectiveness of response measures, ② Verification of remaining risks, ③ Development of preventive measures to prevent recurrence, ④ Re-assessment of risk ratings. The results of these reviews are incorporated into future business plans and ESG strategy development processes, contributing to the continuous enhancement of MNC Solution's risk response capabilities.

Information Security Operations

Information security governance

As a defense contractor with core national technologies, MNC Solution recognizes that technology leakage and hacking threats are serious risks that go beyond simple corporate losses and are directly linked to national security. In response to recent changes in the environment, such as the sophistication of cyber threats, the increase in supply chain-based hacking, and the strengthening of security requirements from defense customers, MNC Solution is internalizing information security as a core element of ESG management. Information security has evolved beyond a mere IT management issue and has become an essential element for creating sustainable value and ensuring corporate trust. In line with this, MNC Solution is strategically enhancing its information security governance.

Information Security Governance Framework

MNC Solution recognizes information security as a core element of enterprise risk management rather than a simple IT technology area, and has established and operates a clear governance system for this purpose. The level of information security in a company is not limited to system configuration, but is managed across the entire organization, including the commitment of top management, management systems, and policy enforcement structures.

Information Security Management

MNC Solution complies with information security guidelines and relevant laws and regulations (such as the Defense Technology Protection Act and the Personal Information Protection Act) issued by relevant government agencies such as the National Intelligence Service and the Ministry of National Defense. We establish internal information security policies and update them regularly. These policies include the purpose of information security, designation of responsible parties, role and responsibility (R&R) distribution, incident response procedures, and external audit response procedures. They are disseminated to all employees through regular training and notifications to ensure full understanding and compliance.

Security Inspection and Audit

MNC Solution conducts regular and ongoing security inspections to review the level of security policy implementation and identify areas for improvement. We conduct internal security inspections, such as mock drills and security log analysis, on an ad hoc basis, and enhance security reliability through security measurements conducted by the Defense Acquisition Program Administration (DAPA). In particular, we undergo an annual cyber security vulnerability assessment conducted by DAPA, which includes cyber security mock hacking.

Embedding information security

Information security education activities

MNC Solution establishes and implements a company-wide defense industry technology protection action plan. We conduct annual security training to ensure that all employees practice information security. In 2024, we conducted training on understanding and practicing information security for our partners. In addition, we shared the latest issues through a biweekly security newsletter, focusing on case studies to raise employee awareness of security.

Training Name	Target	Frequency
Technology Protection Training (Online)	All full-time employees	Once a year
Technology Protection Training (Offline)	All full-time employees	Once every six months
Security Training for New Employees (New/Experienced)	New employees	As needed
Security Training for Partner Companies	Partner companies	Once every six months
Training for Retirees	Retirees	As needed
Training for Business Travelers	Business travelers	As needed
Simulation Training	All executives and employees	Twice a year

Phishing Email Simulation Training

MNC Solution is strengthening employee security awareness by conducting phishing email simulation training that reflects the latest hacking trends in order to prevent cyber security incidents.

Annual Security Inspection Activities

External audit	Number of sessions	Internal inspection	Number of sessions
Integrated security status survey	Once a year	Unannounced security inspection	Once a quarter
Cyber vulnerability diagnosis	Once a year	Physical self-security inspection	As needed
ITGC audit	Once a year	Self-inspection of important security logs	As needed

Information Security Strategy

Information Security Strategy

MNC Solution operates an organization to respond swiftly to security incidents. Furthermore, we conduct simulated failure drills to proactively prevent security incidents and strive to respond effectively for rapid resolution.

Information Security Objectives

Based on the results of the previous year's performance analysis, MNC Solution establishes plans for security and defense industry technology protection activities and continuously improves its information security management system by identifying areas for improvement. We will continue to monitor various domestic and international security laws and regulations and revise our internal policies accordingly, while actively implementing various security-related activities.

Goal	Implementation Plan
Improve the level of protection for information assets	Revise and implement information security policies, personal information protection policies, and other regulations
Strengthen information security vulnerability management activities	Conduct cyber threat penetration tests
	Identify and improve vulnerabilities through security verification
Raise employee security awareness	Expand information security education for all employees
	Provide regular security activity updates through security letters
	Conduct training on how to respond to phishing emails containing malicious code

Number of data and personal information leaks

MNC Solution has not violated any information security or personal information protection laws or suffered any damage due to information leaks over the past three years.

Category	2022	2023	2024
Company data	0	0	0
Personal information	0	0	0

Security incident response/management

MNC Solution's information security governance system is linked to education and awareness-raising activities. We conduct company-wide security training at least once a year and provide customized training for new employees and partners. Recently, we have been improving security awareness through practical training content, such as phishing email simulation training and newsletters on the latest hacking cases.

Category	Main Activities
Hacking detection and monitoring	24x365 security event monitoring
	Notification (E-Mail/SMS) when signs of intrusion occur
Incident Response Support	Analysis of causes and damages in the event of a hacking incident
Report	Security monitoring operation status and security system inspection report
	Urgent reports such as generated tickets

Cyber Security Monitoring Center

MNC Solution operates an integrated security monitoring center around the clock to respond to cyber threats and security breaches. We monitor in real time to prepare for external hacking attacks and malware incidents, and immediately detect and block malicious and suspicious traffic to protect information.

Future Plans

MNC Solution is gradually upgrading its information security management system to comply with CMMC in order to enhance its information security level to international standards, and is strengthening the management items and documentation system accordingly. Additionally, to quantitatively manage the outcomes of information security activities, we have established key performance indicators (KPIs) such as training completion rates, cyber threat detection rates, security investment amounts, and incident response counts. We plan to operate a performance evaluation system linked to the company's overall management performance framework based on these KPIs.

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ESG Data & Appendix





Financial Performance

Environmental Data

Social Data

Governance Data

GRI Standard Index

SASB Index

UN SDGs Index

Certifications/Awards and Memberships

Third-party Verification Reports

Financial Performance

Summary of Three-Year Financial Statements

Consolidated Balance Sheet

Classification	Unit	2022	2023	2024
Assets				
Current assets	million won	119,754	221,869	243,840
Non-current assets	million won	106,007	106,886	113,274
Total assets	million won	225,761	328,756	357,113
Liabilities				
Current liabilities	million won	138,721	245,763	190,453
Non-current liabilities	million won	786	1,201	1,275
Total liabilities	million won	139,507	246,964	191,727
Capital				
Total capital	million won	86,254	81,792	165,385
Total liabilities and capital	million won	225,761	328,756	357,113

※ The 2022 balance sheet is a carve-out balance sheet that has been restated to reflect the impact of the 2023 personnel split.

Economic value creation and distribution for stakeholders

Category		Unit	2022	2023	2024
Creation of economic value					
Revenue (consolidated)		million won	125,933	183,450	282,797
Income before income taxes		million won	10,461	20,740	34,390
Net income		million won	8,954	14,531	26,964
Distribution of economic value					
Employees	Salaries	million won	15,407	17,310	24,820
	Welfare benefits	million won	3,904	4,199	5,783
Shareholders and investors	Total dividends	million won	12,000	20,000	20,000
	Interest expenses	million won	0	0	0
Business partners	Purchases	million won	87,997	136,815	200,974
Local communities	Donations	million won	37	35	37
Attachments	Income taxes	million won	1,507	3,960	7,160

※ The 2022 income statement is a carve-out income statement that has been restated to reflect the impact of the 2023 personnel split.

Stock Ownership

	Category	Unit	2022	2023	2024
Shareholding Status	Socius Well-To-See Investment No. 2 Corporate Financial Stability Corporation	%	100	100	73.78
	Our Employee Stock Ownership Association	%	0	0	1.01
	National Pension Service shareholding ratio	%	0	0	1.35
	Other	%	0	0	23.86
Total Number of Shares	Total Number of Shares Issued	shares	600,000	106,052	9,153,900
	Number of Shares in Circulation	shares	0	0	2,307,858

Research and Development (R&D)

	Category	Unit	2022	2023	2024
R&D Investment	R&D Expenses	million won	5,577	7,534	8,356
	R&D Costs as a Percentage of Sales ¹⁾	%	4.43	4.11	2.95
	R&D Personnel	Person	66	72	88

1) Research and development costs based on business reports

Government support amount

	Category	Unit	2022	2023	2024
Government subsidies for national projects	Research and development expenses	million won	82	415	747

※ Details of government subsidies are excluded for security reasons.

Environmental DATA

Three-year environmental DATA

Greenhouse gas emissions

Category	Unit	2022	2023	2024
Direct/indirect greenhouse gas emissions (Scope 1+2)	tCO ₂ eq	9,190.5	7,912.2	7,998.3
Direct greenhouse gas emissions (Scope 1)	tCO ₂ eq	1,043.0	923.8	913.1
Indirect greenhouse gas emissions (Scope 2)	tCO ₂ eq	8,147.5	6,995.4	7,085.2

※ Data for 2022 is before the corporate split, and data for 2023–2024 is after the corporate split.

Greenhouse gas reduction amount

Category	Unit	2022	2023	2024
Changwon Plant	tCO ₂ eq	Base Year	-1,271.4	-1,192.3

※ Reduction amounts are calculated based on 2022 figures.

Energy consumption

Category	Unit	2022	2023	2024
Total energy consumption (Scope 1+2)	TJ	183.2	157.9	159.5
Renewable energy consumption	TJ	0	0	0
Direct energy consumption	fuel	TJ	19.6	17.4
Indirect energy consumption	electricity	TJ	163.6	140.5

※ Data for 2022 is before the corporate split, and data for 2023–2024 is after the corporate split.

Water supply and wastewater

Category	Unit	2022	2023	2024
Total water intake	Subtotal	m'	40,034	31,871
	Water supply	m'	40,034	31,871
	Groundwater	m'	0	0

※ Data for 2022 is before the corporate split, and data for 2023–2024 is after the corporate split.

Air Pollutants

Category	Unit	2022	2023	2024
Particulate Matter (PM)	ton	0.58	0.55	0.076

※ Data prior to corporate split in 2022–2023, post-corporate split in 2024

Waste

Category	Unit	2022	2023	2024
Total waste generated ¹⁾	ton	868	849	430
General waste generated	ton	293	283	223
Designated waste generated	ton	575	566	208
Total waste disposed of	ton	868	849	430
General waste disposed of	Subtotal	ton	293	283
By type	Recycling	ton	183	181
	Incineration	ton	0	0
	Landfill	ton	110	102
	Other	ton	0	0
Method	Subtotal	ton	293	283
	In-house disposal	ton	0	0
	Contract disposal	ton	293	283
Designated waste disposal amount	Subtotal	ton	575	566
Type	Recycling	ton	465	467
	Incineration	ton	110	99
	Landfill	ton	0	0
	Other	ton	0	0
Method	In-house disposal	ton	0	0
	Contract disposal	ton	575	566

※ Data before corporate split in 2022–2023 and after corporate split in 2024.

Three-year data related to the environment

Waste recycling

Category		Unit	2022	2023	2024
Total waste recycling amount		ton	648	648	366
General waste recycling amount		ton	183	181	216
By method	In-house processing	ton	0	0	0
	Outsourced processing	ton	183	181	216
Designated waste recycling amount		ton	465	467	150
By method	In-house processing	ton	0	0	0
	Outsourced processing	ton	465	467	150
Total waste recyclables		%	75	76	85

※ Data before corporate split in 2022–2023 and after corporate split in 2024.

Hazardous Chemical Substances

Category		Unit	2022	2023	2024
Hazardous Chemical Substances Used		ton	0.022	0.113	0.167
Chemical Substances Emitted		ton	2.094	2.159	1.991

※ Data before corporate split in 2022–2023 and after corporate split in 2024.

Environmental Compliance

Category		Unit	2022	2023	2024
Number of environmental law violations		Number	0	0	0
Number of monetary penalties (fines)		Number	0	0	0
Number of non-monetary penalties		Number	0	0	0
Amount of fines paid for environmental law violations		million won	0	0	0
Amount paid for violations that occurred in the reporting year		million won	0	0	0
Amount paid for violations that occurred in the previous year		million won	0	0	0

※ Data before corporate split in 2022–2023 and after corporate split in 2024.

Social DATA

Social 3-year DATA

Employee status

Category			Unit	2022	2023	2024	
Total number of employees			Person	502	290	308	
Gender		Male	Person	463	272	289	
		Female	Person	39	18	19	
Employment type	permanent	Subtotal		Person	487	283	297
		Gender	Male	Person	456	266	280
			Female	Person	31	17	17
		Age	Under 30	Person	39	16	24
			30-50	Person	303	177	183
			Over 50	Person	145	90	90
		non-permanent	Subtotal		Person	15	7
	Gender		Male	Person	7	6	9
			Female	Person	8	1	2
	Age		Under 30	Person	4	0	1
			30-50	Person	10	5	7
			Over 50	Person	1	2	3

Category			Unit	2022	2023	2024	
By job title	executive	Subtotal		Person	6	5	5
		Gender	Male	Person	6	5	5
			Female	Person	0	0	0
		Age	Under 30	Person	0	0	0
			30-50	Person	2	1	1
			Over 50	Person	4	4	4
	management	Subtotal		Person	31	19	19
		Gender	Male	Person	31	18	18
			Female	Person	0	1	1
		Age	Under 30	Person	0	0	0
			30-50	Person	20	14	15
			Over 50	Person	11	5	4
	middle management	Subtotal		Person	194	106	113
		Gender	Male	Person	186	101	108
			Female	Person	8	5	5
		Age	Under 30	Person	0	0	0
			30-50	Person	155	74	76
			Over 50	Person	39	32	37
	non-management	Subtotal		Person	271	160	171
		Gender	Male	Person	240	148	158
			Female	Person	31	12	13
		Age	Under 30	Person	43	16	25
			30-50	Person	135	93	98
			Over 50	Person	93	51	48

※ Data before corporate split in 2022-2023 and after corporate split in 2024.

Social DATA

Social 3-year DATA

Recruitment and tenure

Category		Unit	2022	2023	2024
New hires		Person	38	30	35
Employment type	permanent	Person	28	22	24
	non-permanent	Person	10	8	11
Gender	Male	Person	32	26	33
	Female	Person	6	4	2
Age	Under 30	Person	17	10	12
	30–50	Person	19	18	19
	Over 50	Person	2	3	4
Average Tenure		Years	17.1	17.2	16.6
Employment type	permanent	Years	17.5	18.0	17.3
	non-permanent	Years	3.8	1.6	2.7
Gender	Male	Years	18.1	17.9	17.1
	Female	Years	5.2	7.9	8.5

※ Data before corporate split in 2022-2023 and after corporate split in 2024.

Resignation and retirement

Category		Unit	2022	2023	2024
Total turnover and retirees		Person	41	16	16
Voluntary turnover		Person	28	10	10
	Voluntary retirement	Person	0	0	0
	Turnover (voluntary retirement)	Person	28	10	10
Involuntary turnover		Person	13	6	6
	Retirement	Person	12	6	6
	Recommended resignation (dismissal, disciplinary action, etc.)	Person	1	0	0
Gender	male	Person	38	15	15
	female	Person	3	1	1
Age	under 30	Person	10	1	1
	30–50	Person	18	5	8
	over 50	Person	13	10	7
Turnover rate		%	8.2%	5.4%	5.2%
Voluntary turnover rate		%	5.6%	3.4%	3.2%
Involuntary turnover rate		%	2.6%	2.0%	1.9%
Gender	male	%	7.6%	5.2%	4.9%
	female	%	0.6%	0.3%	0.3%
Age	under 30	%	2.0%	0.3%	0.3%
	30–50	%	3.6%	1.7%	2.6%
	over 50	%	2.6%	3.4%	2.3%

※ Data prior to corporate split in 2022, post-corporate split in 2023-2024

Social 3-year DATA

Employee Diversity

Category	Unit	2022	2023	2024
Total number of female employees	Person	39	18	19
Number of female executives	Person	0	0	0
Number of female managers	Person	8	6	6
Percentage of female managers (section chiefs and above)	%	20.5%	31.6%	31.6%
Number of employees with disabilities ¹⁾	Person	11	6	6
Employment rate of employees with disabilities	%	2.2%	2.1%	1.9%
Number of employees who are national veterans	Person	1	0	0
Employment rate of national veterans	%	0.2%	0.0%	0.0%
Average monthly base salary for men	million won	4.4	4.6	4.7
Average monthly base salary for women	million won	4.2	3.9	4.0
Ratio of average base salary for women to men	%	95.5%	84.8%	85.1%

1) Based on reporting standards of the Korea Employment Agency for the Disabled

※ Data before corporate split in 2022 and after corporate split in 2023-2024.

Non-Discrimination

Category	Unit	2022	2023	2024
Number of Discrimination Incidents ¹⁾	Number	0	0	0
Discrimination Incidents Under Investigation	Number	0	0	0
Discrimination Incident Response/Mitigation Plan Complete	Number	0	0	0
Discrimination Incident Response Completed	Number	0	0	0

1) Cases of discrimination occurring due to age, gender, disability, religion, or political beliefs targeting internal/external stakeholders

※ Data before corporate split in 2022 and after corporate split in 2023-2024.

Employee Training

Category	Unit	2022	2023	2024
Education Cost	million won	93	25	18
Education Hours	시간	3,160	2,124	1,868
Number of Participants	Person	524	399	337
Education Hours per Employee	Hour/person	6.3	7.3	6.1
Male	Hour/person	5.9	6.9	5.6
Female	Hour/person	0.4	0.3	0.4

※ Data before corporate split in 2022 and after corporate split in 2023-2024

Performance Evaluation

Category	Unit	2022	2023	2024
Number of employees subject to performance evaluation	Person	281	161	183
Number of employees who received regular performance evaluations	Person	281	161	183
Percentage of employees who received regular performance evaluations	%	100	100	100

※ Data before corporate split in 2022 and after corporate split in 2023-2024

Occupational Health and Safety Management System¹⁾

Category	Unit	2022	2023	2024
Number of employees covered by occupational health and safety certification ²⁾	Person	655	270	293
Percentage of employees covered by occupational health and safety certification	%	100	100	100

1) ISO 45001 standard (occupational health and safety certification standard)

2) Includes personnel from internal partner companies

※ Data before corporate split in 2022 and after corporate split in 2023-2024

Social DATA

Social field 3-year DATA

Parental leave

Category	Unit	2022	2023	2024
Number of Employees Using Parental Leave	Person	5	6	4
Male	Person	5	5	4
Female	Person	0	1	0
Number of Employees Returning from Parental Leave	Person	8	2	6
Male	Person	6	2	5
Female	Person	2	0	1
Number of Employees Eligible to Return from Parental Leave	Person	9	4	7
Male	Person	7	4	6
Female	Person	2	0	1
Number of Employees Who Have Worked for Over 1 Year After Returning from Parental Leave	Person	7	10	10
Male	Person	5	7	7
Female	Person	2	3	3

※ Data before corporate split in 2022-2023 and after corporate split in 2024.

Retirement Benefits

Category	Unit	2022	2023	2024
Present Value of Defined Benefit Obligations	million won	28,958	18,783	20,091

※ Data before corporate split in 2022-2023 and after corporate split in 2024.

Industrial accidents

Category	Unit	2022	2023	2024
Employees				
Number of industrial accidents	Number	1	0	0
Industrial accident rate	%	0.2	0	0
Lost time injury rate (LTIR) ^{1), 2)}	Per 100,000 hours	0.93	0	0
Number of lost time injuries (LTI)	Person	1	0	0
Number of recordable injuries (RI) ³⁾	Number	0	0	0
Non-employees				
Serious Accident Count	Number	0	0	0
Industrial Accident Count	Number	0	0	0
Industrial Accident Rate ¹⁾	%	0	0	0
Fatal Accident Count	Number	0	0	0
Fatality Rate	%	0	0	0
Worker Injury Rate (LTIR) ^{1), 2)}	Per 100,000 hours	0	0	0
Worker Injury Count (LTI)	Person	0	0	0
Number of recordable injuries (RI) ³⁾	Number	0	0	0

1) Differences in the past year's lost-time injury rate (LTIR) due to changes in calculation standards

- Before the change: Only the number of lost workdays due to accidents was reflected

- After the change: The number of industrial accident investigation forms submitted, including both accidents and occupational diseases, is calculated based on the number of injured workers

2) LTIR = (Number of workers with lost-time injuries / Total working hours) × 1,000,000

3) Includes the number of workers who submitted industrial accident investigation forms due to occupational diseases, making it identical to LTI data

※ Data prior to the corporate split in 2022 and after the corporate split in 2023-2024.

Social 3-year DATA

Occupational diseases¹⁾

Category	Unit	2022	2023	2024
Employees				
Work-related illness incidence rate (QIFR) ²⁾	%	0.93	0	0
Number of occupational diseases	Number	1	0	0
Number of deaths due to occupational diseases	Number	0	0	0
Non-affiliated workers				
Work-related illness incidence rate (QIFR) ²⁾	%	0	0	0
Number of occupational diseases	Number	0	0	0
Number of deaths due to occupational diseases	Number	0	0	0

1) Based on cases approved by the Workers' Compensation Insurance Corporation

2) Occupational Illness Incidence Rate (OIFR) = (Number of occupational disease cases / Total working hours) * 1,000,000

※ Data prior to the corporate split in 2022 and after the corporate split in 2023–2024.

Information Security

Category	Unit	2022	2023	2024
Number of cyber security incidents	Number	0	0	0
Number of customer personal information leaks	Number	0	0	0

Inclusive growth

Category	Unit	2022	2023	2024
Inclusive growth index ¹⁾	Grade	0	0	0
Fair Trade Agreement Implementation Evaluation	Grade	0	0	0

1) Based on the Korea Commission for Corporate Partnership

Status of Partner Companies

Category	million won	2022	2023	2024
Total number of partner companies	Number	192	212	243
Total purchases from partner companies	million won	87,997	136,815	200,974
Domestic				
Purchases from local partner companies	million won	75,173	113,440	166,120
Percentage of purchases from local partner companies	%	85.4%	82.9%	82.7%
Overseas				
Purchases from local partner companies	million won	12,824	23,375	34,854
Percentage of purchases from overseas partners	%	14.6%	17.1%	17.3%

ESG Evaluation of Partner Companies¹⁾

Category	Number	2022	2023	2024
ESG evaluation participation rate	%	18.8%	20.3%	23.5%
Number of partner companies participating in ESG evaluation	Number	36	43	57
Number of partner companies with confirmed negative impacts	Number	0	0	0
Percentage of partner companies agreeing to implement improvement measures	%	0	0	0
Percentage of partner companies whose contracts were terminated due to negative impacts	%	0	0	0
Percentage of new partner companies that underwent ESG due diligence	%	36	24	24

1) Percentage of total partner companies; ESG evaluation not conducted in 2022 due to COVID-19

Customer Satisfaction

Category	Unit	2022	2023	2024
Customer Satisfaction Survey Results ¹⁾	점	7.0	7.2	7.2

1) Based on a 10-point scale

Social Contribution

Category	Unit	2022	2023	2024
Donations	million won	37	35	37
Number of participating employees	Person	290	168	165
Employee participation rate	%	58%	58%	54%
Total hours of employee volunteer work ¹⁾	Hour	0	0	0
Hours of volunteer work per employee	Hour/person	0	0	0

1) No volunteer activities were conducted from 2022 to 2024, so a social contribution plan for 2025 has been established and volunteer activities are currently underway.

Governance DATA

Governance 3-year DATA

Board of Directors

Category		Unit	2022	2023	2024
Board of Directors Composition		Person	8	8	7
Internal Directors		Person	1	1	2
External Directors		Person	2	2	2
Other Non-Executive Directors		Person	5	5	3
Board Diversity					
Female Directors	Number of Directors	Person	1	1	1
	Percentage of Directors	%	12.5	12.5	14.28
Age Distribution	Under 30	Person	0	0	0
	30 to 49	Person	2	1	1
	50 and Over	Person	6	7	6
Board of Directors Operations					
Number of Board Meetings Held		Number	5	7	17
Average Attendance Rate at Board Meetings ¹⁾		%	100	100	99.4
Board Agenda Items	Resolutions	Number	6	8	17
	Reports	Number	0	0	0

1) $\Sigma(\text{Total number of directors present} / \text{Total number of directors}) / \text{Number of board meetings held}$

※ Data for 2022 before corporate split, and 2023-2024 after corporate split.

Director Compensation

Category	Unit	2022	2023	2024
Maximum Compensation Recipient (CEO) Amount	million won	584	401	358
Average Annual Salary per Employee	million won	84	82	87
Compensation Ratio ¹⁾	%	695.2	489.0	411.5

1) Ratio of Maximum Compensation Recipient Amount to Average Salary per Employee

※ Data for 2022 before corporate split, 2023-2024 after corporate split

Compliance with Laws and Regulations

Category		Unit	2022	2023	2024
Number of violations of laws and regulations		Number	0	0	0
Number of monetary sanctions		Number	0	0	0
Number of non-monetary sanctions		Number	0	0	0
Amount of fines imposed for violations of laws and regulations		million won	0	0	0
Amount incurred during the current reporting period		million won	0	0	0
Amount incurred during the previous reporting period		million won	0	0	0
Number of anti-corruption violations ¹⁾		Number	0	0	0
Non-monetary sanctions (employees)	Disciplinary action	Number	0	0	0
	Dismissal	Number	0	0	0
Non-monetary sanctions (business partners)	Contract termination/ Renewal cancellation	Number	0	0	0
Amount of fines imposed for anti-corruption violations		million won	0	0	0
Number of fair trade/anti-competitive violations ²⁾		Number	0	0	0
Number of pending lawsuits		Number	0	0	0
Number of concluded lawsuits		Number	0	0	0

1) Bribery, kickbacks, corruption, extortion, collusion, and money laundering-related violations

2) Violations related to internal transactions, subcontracting transactions, franchise business, and agency transactions due to abuse of fair competition or dominant market position

※ Data for 2022 before corporate split, and 2023-2024 after corporate split.

Governance 3-Year DATA

Status of Ethics and Compliance Training

Category	Unit	2022	2023	2024
Employee Compliance Training				
Training Hours	Hour	243	136	156
Number of Employees Who Completed Training	Person	486	271	311
Percentage of Employees Who Completed Training	%	100	100	100
Workplace Sexual Harassment Prevention Training				
Training Hours	Hour	1,944	1,084	1,244
Number of Participants	Person	486	271	311
Workplace Bullying Prevention Training				
Training Hours	Hour	1,944	1,084	1,244
Number of Participants	Person	486	271	311
Disability Awareness Training				
Training Hours	Hour	1,944	1,084	1,244
Number of Participants	Person	486	271	311
Personal Information Protection Training				
Training Hours	Hour	1,944	1,084	1,244
Number of Participants	Person	486	271	311
Fair Trade Training				
Training Hours	Hour	110	120	124
Number of Participants	Person	55	60	62

※ Data for 2022 before corporate split, and 2023-2024 after corporate split.

Communication on anti-corruption policies and procedures

Category	Unit	2022	2023	2024
Compliance pledge ¹⁾				
Number of employees participating in the pledge	Person	502	295	312
Percentage of pledge participants among eligible employees (employees)	%	100%	100%	100%
Integrity Pledge ²⁾				
Number of partner companies	Number	243	212	192
Number of partner companies that have signed the pledge	Number	0	19	33
Percentage of partner companies that have signed the pledge	%	0.0%	9.0%	17.2%

1) Includes various obligations such as fair trade, anti-corruption, protection of trade secrets, and subcontracting and mutual prosperity

2) Includes a commitment not to accept bribes, make improper requests, or offer gifts

※ Data for 2022 before corporate split, and 2023-2024 after corporate split.

GRI STANDARD INDEX

Universal Standards(GRI 1, 2)

Statement of Use	[Name of organization] has reported the information cited in this GRI content index for the period [reporting period start and end dates] with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	As of December 2024, there are no Sector Standards published through GRI for the defense industry applicable to MNC Solution.

GRI Standard	Disclosure Item	Category	Page	Remarks
GRI 2 General Disclosures				
Organization and reporting practices	2-1	Organizational details	8	
	2-2	Entities included in the organization's sustainability reporting	8	
	2-3	Reporting period, frequency and contact point	2	
	2-4	Restatements of information	-	First Report
	2-5	External assurance	2, 84, 85	
Activities and Workers	2-6	Activities, value chain and other business relationships	8	
	2-7	Employees	71	
	2-8	Workers who are not employees	71	
Governance	2-9	Governance structure and composition	55, 56, 57	
	2-10	Nomination and selection of the highest governance body	55, 56	
	2-11	Chair of the highest governance body	55, 56	
	2-12	Role of the highest governance body in overseeing the management of impacts	55, 56, 57	
	2-13	Delegation of responsibility for managing impacts	55, 56, 57	
	2-14	Role of the highest governance body in sustainability reporting	56	
	2-15	Conflicts of interest	55, 56	
	2-16	Communication of critical concerns	20, 21, 48, 49	
	2-17	Collective knowledge of the highest governance body	55	
	2-18	Evaluation of the performance of the highest governance body	16	
	2-19	Remuneration policies	57, 76	
	2-20	Process to determine remuneration	-	Not Disclosed Externally
	2-21	Annual total compensation ratio	-	Not Disclosed Externally

GRI Standard	Disclosure Item	Category	Page	Remarks
strategy, policy, practice	2-22	Statement on sustainable development strategy	6, 7, 26	
	2-23	Policy commitments	34, 36, 43, 50, 60, 61, 65	
	2-24	Embedding policy commitments	34, 36, 43, 50, 60, 61, 65	
	2-25	Processes to remediate negative impacts	49	
	2-26	Mechanisms for seeking advice and raising concerns	49	
	2-27	Compliance with laws and regulations	58, 59, 70, 76	
	2-28	Membership associations	83	
	2-29	Approach to stakeholder engagement	20, 21, 22, 23	
Stakeholder participation	2-30	Collective bargaining agreements	48	
GRI 3: Material Topics				
Material Topics 2021	3-1	Process to determine material topics	24	
	3-2	List of material topics	25	

Topic Standards

GRI Standard	Disclosure Item	Category	Page	Remarks
Strengthening product responsibility	GRI 3 Material Topics			
	3-3	Management of material topics	25	
	GRI 416 Customer health and safety			
	416-1	Assessment of the health and safety impacts of product and service categories	36, 37	
Climate Change Response	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	37	
	GRI 3 Material Topics			
	3-3	Management of material topics	25	
	GRI 302 Energy			
	302-1	Energy consumption within the organization	69	
	302-2	Energy consumption outside of the organization	-	Data not managed
	302-3	Energy intensity	-	
	302-4	Reduction of energy consumption	33	
	302-5	Reductions in energy requirements of products and services		
	GRI 305 Emissions			
	305-1	Direct (Scope 1) GHG emissions	69	
	305-2	Energy indirect (Scope 2) GHG emissions	69	
	305-3	Other indirect (Scope 3) GHG emissions	-	Data not managed
	305-4	GHG emissions intensity	-	
	305-5	Reduction of GHG emissions	33	
	305-6	Emissions of ozone-depleting substances (ODS)	-	Data not managed
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	38, 69	
Responsible technology and innovation	GRI 3 Material Topics			
	3-3	Management of material topics	25	
	NON-GRI	Issues specific to NON-GRI organizations	34, 35	

GRI Standard	Disclosure Item	Category	Page	Remarks
Workplace Safety and Health	GRI 3 Material Topics			
	3-3	Management of material topics	25	
	GRI 403 Occupational Health and Safety			
	403-1	Occupational health and safety management system	47	
	403-2	Hazard identification, risk assessment, and incident investigation	47	
	403-3	Occupational health services	27, 47	
	403-4	Worker participation, consultation, and communication on occupational health and safety	27	
	403-5	Worker training on occupational health and safety	27, 47	
	403-6	Promotion of worker health	27	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	46, 47	
Training and Education	403-8	Workers covered by an occupational health and safety management system	74	
	403-9	Work-related injuries	74	
	403-10	Work-related ill health	74	
	GRI 3 Material Topics			
	3-3	Management of material topics	25	
	GRI 404 Training and Education			
	404-1	Average hours of training per year per employee	42, 47, 73, 77	
	404-2	Programs for upgrading employee skills and transition assistance programs	44, 45	
Supply Chain ESG Management	404-3	Percentage of employees receiving regular performance and career development reviews	49	
	GRI 3 Material Topics			
	3-3	Important Issue Management	25	
	GRI 308 Supplier Environmental Assessment			
	308-1	New suppliers that were screened using environmental criteria	52, 75	
	GRI 414 Supplier Social Assessment			
	414-1	New suppliers that were screened using social criteria	52, 75	

GRI Standard Index

Topic Standards

GRI Standard 2021	Disclosure Item	Category	Page	Remarks
GRI 200 Economic Performance				
GRI 201 Economic Performance	201-1	Direct economic value generated and distributed	68	
	201-2	Financial implications and other risks and opportunities due to climate change	62, 63	
	201-3	Defined benefit plan obligations and other retirement plans	-	
	201-4	Financial assistance received from government	68	
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	-	
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	66, 67	
	205-2	Communication and training about anti-corruption policies and procedures	63, 64	
	205-3	Confirmed incidents of corruption and actions taken	63	
GRI 207: Tax	207-1	Approach to tax	-	
GRI 300 Environmental Performance				
GRI 303 Water and Effluents	303-3	Water withdrawal	69	
	303-4	Water discharge	69	
	303-5	Water consumption	69	
GRI 306 Emissions	306-1	Waste generation and significant waste-related impacts	69	
	306-2	Management of significant waste-related impacts	69	
	306-3	Waste generated	69	
	306-4	Waste diverted from disposal	70	
	306-5	Waste directed to disposal	70	

GRI Standard 2021	Disclosure Item	Category	Page	Remarks
GRI 400 Social Performance				
GRI 401 Employment	401-1	New employee hires and employee turnover	72	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	72	
	401-3	Parental leave	74	
GRI 402 : Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	48, 49	
GRI 405 : Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	55, 73, 76	
	405-2	Ratio of basic salary and remuneration of women to men	76	
GRI 407 : Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not applicable	
GRI 410 : Security Practices	410-1	Security personnel trained in human rights policies or procedures	Not applicable	
GRI 413 : Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	50, 51	
	413-2	Operations with significant actual and potential negative impacts on local communities	50, 51	
GRI 418 : Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	64, 65	

SASB Index

Resource Transformation(Aerospace & Defense)

1. SASB industry-specific metrics are composed of a total of 77 industry-specific criteria across 11 industry groups in accordance with the Sustainability Industry Classification System (SICS).
2. Based on SASB's SICS, the columns in SASB's Materiality Map are displayed, and ESG information items are categorized by industry to enable disclosure of sustainability issues most relevant to each industry.
3. The MNC Solution is classified under the SASB 'Resource Transformation (Aerospace & Defense)' sector, and the indicators for this industry are as follows.














Theme	Code	Indicator	Unit	2022	2023	2024
Energy Management	RT-AE-130a.1	(1) Total energy consumption	TJ	183.2	157.9	159.5
	RT-AE-130a.2	(2) Grid power ratio	%	0	0	0
	RT-AE-130a.3	(3) Renewable energy ratio	%	0	0	0
Hazardous Waste Management	RT-AE-150a.1	Hazardous waste generated	Ton	-	-	-
		Recycling rate	%	75	76	85
	RT-AE-150a.2	Number and total amount of reportable spills recovered	Unit, kg	0	.	.
Data Security	RT-AE-230a.1	(1) Number of data breaches	Unit	0	0	0
		(2) Percentage of breaches involving confidential information	%	0	0	0
	RT-AE-230a.2	(1) Description of approach to identifying and addressing data security risks in business operations	-	-	-	-
		(2) Description of approach to identifying and addressing data security risks in products	-	-	-	-
Product Safety	RT-AE-250a.1	Number of recalls announced and total number of units recalled	Unit, pcs	0	0	0
	RT-AE-250a.2	Number of counterfeit parts detected and prevention rate	Unit, %	0	0	0
	RT-AE-250a.3	Number of Airworthiness Directives issued and total quantity affected	Unit, pcs	Not applicable	Not applicable	Not applicable
	RT-AE-250a.4	Total amount of financial loss incurred as a result of legal proceedings related to product safety	KRW	Not applicable	Not applicable	Not applicable
Fuel Economy & Emissions in Use-phase	RT-AE-410a.1	Number of alternative energy-related products	KRW	-	-	-
	RT-AE-410a.2	Discussion and approach to strategies for addressing fuel economy and greenhouse gas emissions of products	-	-	-	-
Materials Sourcing	RT-AE-440a.1	Description of risk management related to the use of important materials	-	-	-	-
Business Ethics	RT-AE-510a.1	Financial losses resulting from legal proceedings related to bribery, corruption, or government corruption	Million KRW	0	0	0
	RT-AE-510a.2	Revenue from countries rated "E" or "F" in the Government Defense Anti-Corruption Index by Transparency International	KRW	-	-	-
	RT-AE-510a.3	Discussion on the corporate ethics risk management process across the entire supply chain	-	-	-	62, 63
Activity Metrics	RT-AE-000.A	Report by production segment	Number	Confidentiality restrictions	Confidentiality restrictions	Confidentiality restrictions
	RT-AE-000.B	Number of employees	Person	502	290	308

UN SDGs Index



The UN Sustainable Development Goals (SDGs) adopted at the UN General Assembly in 2015 aim to build a sustainable society through social development, environmental protection, and inclusive economic growth from 2016 to 2030. MNC Solution is committed to contributing to the achievement of the UN SDGs. Considering the characteristics of its business operations, MNC Solution has identified SDGs with high relevance and is actively promoting various sustainable management activities.

UN SDGs-related activities

UN SDGs			MNC Solution Activities
	Goal 3 Good health and well-being	Ensure healthy lives for all ages and promote well-being.	<ul style="list-style-type: none"> Strengthen worker health management by conducting surveys on musculoskeletal risk factors Establish an industrial accident prevention system, including company-wide safety and health education and provision of protective equipment
	Goal 4 Quality Education	Ensure inclusive and equitable quality education for all and promote lifelong learning opportunities.	<ul style="list-style-type: none"> Establish a talent development system through customized education programs for new employees and specific job types Strengthen job expertise through legal education, etc.
	Goal 5 Gender Equality	Achieve gender equality and empower all women and girls.	<ul style="list-style-type: none"> Operate a recruitment and evaluation system free of gender discrimination Regularly conduct sexual harassment prevention training to raise gender awareness within the organization
	Goal 6 Water and sanitation	Ensure access to water and sanitation for all and ensure sustainable management.	<ul style="list-style-type: none"> Operate our own wastewater treatment facilities Prevent water pollution by conducting regular water quality inspections in accordance with legal standards
	Goal 7 Clean Energy	Ensure access to affordable, reliable, sustainable, and modern energy for all.	<ul style="list-style-type: none"> Energy transition through the introduction of renewable energy such as solar power Energy efficiency management through the operation of an energy consumption monitoring system
	Goal 8 Decent work and economic growth	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.	<ul style="list-style-type: none"> Maintain regular employment and provide stable jobs within local communities Improve job satisfaction through flexible working arrangements
	Goal 9 Industry, Innovation, and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.	<ul style="list-style-type: none"> Continue developing future vehicle technologies such as lightweight materials and eco-friendly alloys Improve productivity through automation of production facilities and upgrading of quality systems
	Goal 11 Sustainable cities and communities	Ensure inclusive, safe, resilient, and sustainable cities and settlements.	<ul style="list-style-type: none"> Contribute to the local community through volunteer activities Protect the living environment by operating dust reduction facilities and implementing noise prevention measures
	Goal 12 Responsible consumption and production	Ensure sustainable consumption and production patterns.	<ul style="list-style-type: none"> Increase the recycling rate of raw materials Ensure supply chain sustainability through ESG evaluation and code of conduct for partner companies
	Goal 13 Climate Action	Take urgent action to combat climate change and its impacts.	<ul style="list-style-type: none"> Establish Scope 1 and 2 greenhouse gas emissions and reduction targets Promote carbon emission reduction activities through the introduction of energy-saving equipment
	Goal 15 Terrestrial ecosystems	Protect, restore, and promote sustainable use of terrestrial ecosystems.	<ul style="list-style-type: none"> Minimize impact on terrestrial environments by introducing equipment to prevent air and water pollution Treat and manage waste, such as waste oil and wastewater, in accordance with legal standards
	Goal 16 Peace, Justice, and Strong Institutions	Promote peaceful and inclusive societies, provide access to justice for all, and build effective institutions that promote inclusiveness and the rule of law.	<ul style="list-style-type: none"> Ethics training for employees and operation of internal reporting system Realization of compliance management through establishment of anti-corruption guidelines and fair trade standards
	Goal 17 Partnerships for SDGs	Strengthen implementation means and revitalize the global partnership for sustainable development.	<ul style="list-style-type: none"> Establish a win-win cooperation system through ESG status surveys of suppliers and improvement feedback.

Certifications/Awards and Association Memberships

Certification Status

No	Certification Standards/Norms	Certification Name	Initial Certification Date	Certification Scope	Certification Authority
1	Certificate of Corporate Research Institute		November 24, 1986	MNC Solution Co., Ltd. Technology Research Institute	Korea Industrial Technology Promotion Agency
2	ISO 14001	Environmental Management System Certification	December 13, 2005	Design, development, production, sales, and related services for defense industry products (hydraulic devices, hydraulic drive devices, and hydraulic suspension devices)	Korea Quality Foundation
3	ISO 45001	Occupational Health and Safety Management System Certification Certificate	July 4, 2019	Design, development, production, sales, and related services for defense industry products (hydraulic devices, hydraulic drive devices, and hydraulic suspension devices)	Korea Quality Foundation
4	AS 9100	Quality Management System (QMS) Certification for Aerospace and Defense Industries	July 20, 2016	Design, development, and manufacturing of hydraulic systems for aerospace and defense industries, and fuel supply and ignition drive systems for missiles	KIWA Korea
5	KDS 0050-9000-5	Defense Quality Management System Certification Certificate	February 4, 2000	Hydraulic equipment (hydraulic suspension devices, hydraulic devices, hydraulic drive devices) Design, development, and manufacturing	Defense Acquisition Program Administration
6	PMS(Level 7)	Productivity Management System Certification Certificate	May 6, 2022	Headquarters and Business Sites	Korea Productivity Center
7	ESG Management Level "S" Grade	ESG Management Level Confirmation Certificate	April 11, 2025	MNC Solution Co., Ltd.	Korea Productivity Center



Awards

No	Award Year	Award Details	Awarding Organization
1	2024.12	1st Safety Culture Innovation Award, Excellence Award	Korea Federation of Employers' Associations
2	2023.12	Safety Management Award	Minister of Labor
3	2021.11	Carbon Neutral Green Management Award	Prime Minister/Ministry of Interior and Safety
4	2015.09	Korea Green Management Award	Minister of Environment
5	2014.07	Excellent Case Study Presentation Contest for Health Promotion Activities, Excellence Award	Korea Occupational Safety and Health Agency
6	2012.12	Environmental Management Award, Gold Award	Changwon City Hall
7	2011.09	Resource Recycling Leading Company Award	Prime Minister



Association Membership

Membership Associations	Year of enrollment
Gyeongnam Federation of Employers' Associations	2024
Korea Metrology Association	2020
Korea Customs Association	1990
Korea Fire Safety Association	2012
Industrial Nurses Association	2011
Korea International Trade Association	2021
Korea Industrial Safety Association Changwon Branch	2012
Hydraulic and Pneumatic Construction Machinery Society	2024
Korean Society of Defense and Aerospace	2024
Emergency Planning Association	2024
Korean Defense Industry Promotion Association	1978
Korean Industrial Complex Corporation Integrated Defense Council	1978
Korean Electrical Engineers Association	2022
Korean Listed Companies Association	2024
Korean Defense and Foreign Affairs Association	2024

Third-party Assurance Statement

Preface

The Korea Compliance Initiative (hereinafter referred to as the “Verifier”) has received a request from MNC Solution (hereinafter referred to as the ‘Issuer’) to conduct a third-party assurance of the “MNC Solution 2025 Sustainability Report” (hereinafter referred to as the “Report”) and hereby submits this Assurance Statement.

The Issuer is solely responsible for the information contained in this Report. The Verifier's responsibility is to provide the Issuer with an independent assurance opinion in accordance with the specified assurance methodology.

Furthermore, the Verifier has no conflicts of interest with the Issuer that could impair its independence.

Limitations

In line with the stated “Assurance Standards, Scope, and Level,” the Verifier reviewed the information presented in the Report as follows: Financial data was confirmed through the public corporate management information disclosure system.

Environmental, social, and governance activities and performance were verified using management performance reports, shared growth evaluation reports, as well as interviews with relevant personnel and review of supporting documentation.

This Assurance Statement has been prepared under contract with the Issuer for the management's use. Final responsibility for all activities and performance information disclosed in the Report remains with the Issuer, as the Report is ultimately approved by the Issuer.

Assurance criteria, scope, and level

This assurance was conducted in accordance with the AA1000 AS (2020) assurance standard at the Moderate Level. The report was assured in accordance with the AA1000 AP v3 (2018) report assurance standard, assessing compliance with the four principles of comprehensiveness, responsiveness, materiality, and impact, and was conducted in accordance with the AA1000 AS (2018) Type 1 assurance type.

Additionally, compliance with the GRI Standards (2021) GRI 1 Foundation, which serves as the basis for sustainable management reporting, has been confirmed.

The scope of the assurance covers the activities and performance of the issuer's MNC Solution headquarters (Gyeongnam Changwon City) and its factories.

Assurance Criteria, Scope, and Level

The verifier has assured the information in this report in accordance with the “assurance Criteria, Scope, and Level” as follows.

Financial data was assured through the Public Institution Management Information Disclosure System, while social, environmental, and governance activities and performance were assured through the Management Performance Report, the Companion Growth Evaluation Report, and interviews with relevant personnel and written information.

This assurance opinion is issued for management in accordance with the contract with the issuer, and the issuer is ultimately responsible for all activity and performance information included in the report.

Assurance Method

The verifier has complied with the Korea Compliance Promotion Agency's assurance standards and performed the following assurance activities in accordance with the methodology for improving the quality of the report.

- Compliance with GRI Standards (2021) GRI 1 Foundation requirements
- Compliance with the principles of information and quality based on GRI Standards
- Appropriateness of materiality assessment procedures and results
- Key contents related to the approach, activities, outcomes, monitoring, and targets associated with materiality issues
- Appropriateness of the activities and outcomes described in the report for the year 2024
- Data collection process, generation, management, and accuracy

Assurance Results

The publisher's report confirmed that there were no inappropriate or inaccurate descriptions of sustainable management activities and performance.

In addition, we reviewed the level of application of the GRI Standards, as well as general disclosures, material topics, and topic standards.

- General Disclosures: 2-1, 2-2, 2-3, 2-4, 2-5, 2-6, 2-7, 2-8, 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20, 2-21, 2-22, 2-23, 2-24, 2-25, 2-26, 2-27, 2-28, 2-29, 2-30
- Material Topics: 3-1, 3-2, 3-3
- Topic Standards
 - Economic Performance: 201-1, 201-2, 201-3, 201-4, 204-1, 205-1, 205-2, 205-3, 207-1
 - Environmental Performance: 301-1, 301-2, 301-3, 302-1, 302-2, 302-3, 302-4, 302-5, 303-1, 303-2, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5, 308-1
 - Social Performance: 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 404-1, 404-2, 404-3, 405-1, 405-2, 407-1, 410-1, 413-1, 413-2, 414-1, 416-1, 416-2, 418-1

- **Inclusivity: Encouraging feedback and participation regarding stakeholder impacts**
MNC Solution classifies its customers, employees, shareholders and investors, business partners, local communities, and NGOs as key stakeholders. We adhere to the principle of inclusivity by operating communication channels tailored to each stakeholder group, fostering open dialogue, and disclosing key issues.
In particular, the participation framework for each stakeholder group regarding key issues and the key activities identified through this process are appropriately linked.
- **Responsiveness: Transparent disclosure of important sustainability issues and impacts and appropriate responses**
We confirmed that the company has identified important sustainability issues and responded to stakeholder needs and expectations by appropriately describing related activities and achievements in the report. In addition, the company's commitment to addressing issues related to stakeholders can be confirmed through the presentation of targets for some issues.
- **Materiality: Identification of important sustainability topics and prioritization**
We confirmed that the issuer has selected important issues and core issues through materiality assessment and has described them appropriately in the report. In addition, industry issues have been appropriately reflected through benchmarking with similar institutions, and the selected issues are clearly reflected in the relevant activities and achievements in this report.
- **Impact: Understanding, recognizing, and managing the impact of the organization's activities on the ecosystem**
The issuer has set the scope of stakeholder impact on the issues and presented efforts to understand and improve the impact of the organization on society and society on the organization. In particular, we have confirmed that the issuer is making efforts to mitigate risk factors through continuous monitoring and management for each impact.

July 7, 2025

Seoul, Republic of Korea



Korea Compliance Initiative (KCI) President

Handwritten signature



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