

DIG AIRGAS SUSTAINABILITY REPORT 2023

DIG Airgas 2023 Sustainability Report



About this Report

Report overview	This is the first Sustainability Report published by DIG Airgas. As an industrial gas solution provider that creates social value, DIG Airgas places utmost importance on the safety of customers, employees, products, and services, and pursues customer satisfaction and sustainable growth. Starting from 2023, when our inaugural sustainability report is published, DIG Airgas will regularly share various financial and non-financial performances related to sustainability with stakeholders every year. The 2023 Sustainability Report contains DIG Airgas' sustainable activities and achievements. In the future, DIG Airgas will continue to strive to fulfill the company's social responsibility and create sustainable value.
Reporting principles and standards	This report was prepared in accordance with the 'GRI (Global Reporting Initiative) Standards 2021 requirements'. Financial information is based on IFRS consolidated financial statements, and non-financial information was prepared based on the fiscal year in accordance with our disclosure system. This report is DIG Airgas' first sustainability report, and there were no changes compared to the previous report or any other separate organizational change.
Reporting period	The main reporting period is from January 1 to December 31, 2022. To identify the increase/decrease statuses, quantitative performances were reported for the last three years of 2020, 2021, and 2022. Additionally, for some data, the contents from the first half of 2023 were reported.
Reporting scope	Financial information was prepared based on DIG Airgas' consolidated audit report encompassing both domestic and overseas work places. Non-financial information, on the other hand, was prepared based on audit reports specific to domestic workplaces.
Third party verification	DIG Airgas has been verified by the British Standards Institution (BSI), an independent verification agency, for the reliability of the report and disclosed information, and the written verification opinion is included in the Appendix.
More information	DIG Airgas website www.dig-airgas.com

Associations that DIG Airgas is affiliated with Joined Korea Industrial & specialty gas Association (KISGA) in 2007, Joined Korea Display Industry Association (KDIA) in 2007

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INTERACTIVE PDF User Guide

This report has been published as an Interactive PDF that includes functions such as moving to related pages and shortcuts to related web pages. Click Past / Next / First / Table of Contents pages to move to the relevant pages. Click on the magnifying glass to search.

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Introduction

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CEO Message



“

In order to create better future value, we will fulfill our responsibilities for the economy, society and environment, and become a company loved and respected by customers and society.

”

Dear respected stakeholders, I would like to express my deep gratitude for the warm support and affection you always send to DIG Airgas.

DIG Airgas, which has grown and developed as a leading company in manufacturing and supplying industrial gases for 44 years since its founding in 1979, is fulfilling its role as the main artery of industrial development in South Korea by supplying industrial gases and specialty gases, which are essential to key national industries such as semiconductors, displays, petrochemicals, oil refining, secondary batteries, steel, and shipbuilding.

We have come to publish our first sustainability report to flexibly respond to the rapidly changing business environment, fulfill our social responsibilities, and communicate transparently with all stakeholders.

In order to actively respond to changes in the business environment due to ESG management, which has recently become a hot topic in corporate management, DIG Airgas has established an ESG Steering Group directly reporting to the CEO in 2022 and strengthened integration for close interaction with the

existing WHSE Office.

Through this, we have formulized internal management systems throughout all ESG areas by actively participating in internal and external evaluations, ESG win-win cooperation in the supply chain of domestic key accounts, establishing internal Net-Zero goals, performing improvement activities through safety consulting to prevent major accidents, and establishment of conflict minerals management policies. Based on the foregoing, in 2023, we intend to further advance our internal and external integrated response management system by continuously strengthening ESG management and digitalization such as transparent information disclosure to enhance communication with diverse stakeholders and create better performance of sustainable management activities, promotion of joining in international initiatives (CDP, TCFD), establishment of a roadmap to achieve the Net-Zero goal, strengthening cyber security, and promotion of smart factories to reduce energy consumption.

In particular, DIG Airgas, which uses electricity as its main energy source due to the nature of its industrial gas business, is continuously practicing energy reduction activities to actively respond to the climate change crisis. For the past two years (2021-2022), we have implemented PDIS (Process Data Interface System) and APC (Advanced Process Control) systems to advance the production process of the entire company and have been continuing a series of improvement activities such as identifying low-efficiency facilities and replacing them with higher performance ones to save energy. Furthermore, in 2023, we plan to establish a smart factory system for production optimization and predictive maintenance in response to company wide digital transformation (DX) initiatives. We expect such initiative will result in much more energy saving effects on across all the DIG facilities in the near future.

We ask for our stakeholders' unwavering support and encouragement on the journey for sustainable management of DIG Airgas.

June 2023

CEO of DIG Airgas Co., Ltd. **Gyu-Seok Oh**

Company Introduction

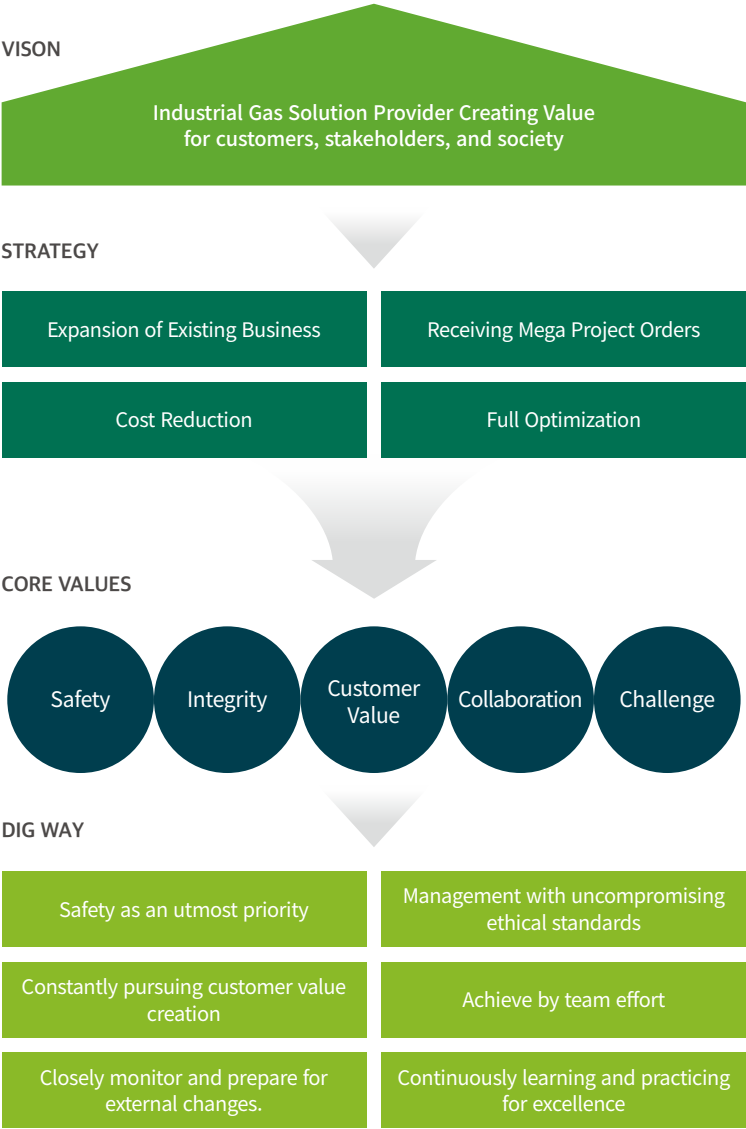
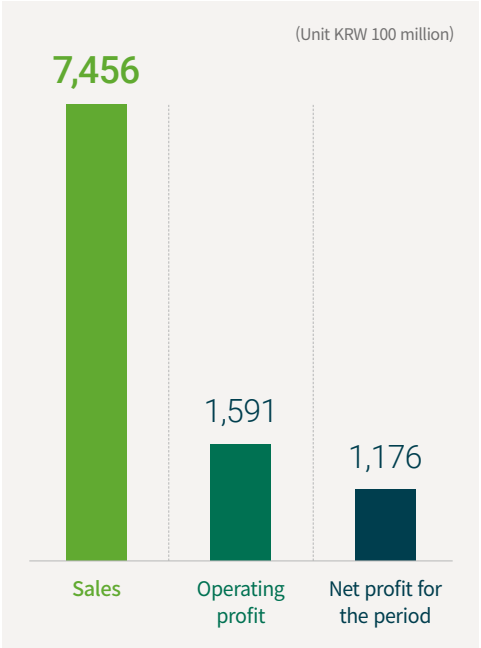
DIG Profile

Since its founding in 1979, DIG Airgas produces and supplies industrial gases that are essential to national key industries. Since its establishment, the company has continuously improved its technological capabilities in the field of industrial gases by establishing the Cryogenic Research Institute and training technical manpower, and has grown together with customers in the semiconductor, display, oil refining, and petrochemical industries. The company possesses exceptional technological capabilities to compete with global industrial gas competitors resulting in a top tier market share position in Korea. Furthermore, it is expanding its geographic footprint through its global operations.

Company name	DIG Airgas Co., Ltd.
CEO	Gyu-Seok Oh
Business fields	Gas and Plant manufacturing and sales
Head office location	20th floor, Tongil-ro 10, Jung-gu, Seoul (84-11, Namdaemun-ro 5-ga)
Employee	551 (as of December 2022)
Establishment date	February 19, 1979
Joint venture	Seoul Air Conditioning Inc., Green Air Co., Ltd.
Subsidiary	DIG(Guangzhou) Gases Co., Ltd.

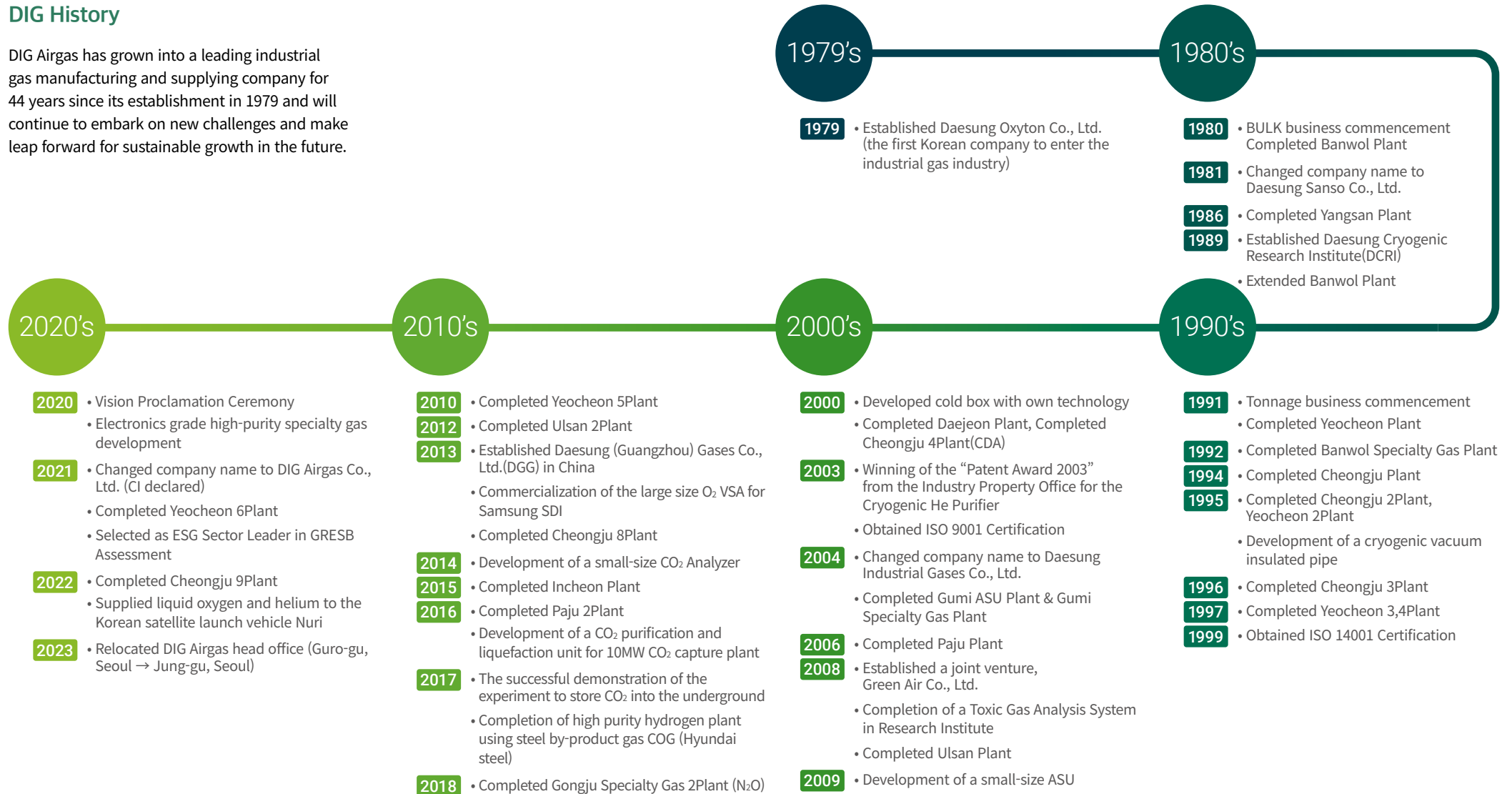
2022 Financial performance
(based on IFRS as of December 2022)

Sales	KRW 745.6 billion
Operating profit	KRW 159.1 billion
Current net income	KRW 117.6 billion



DIG History

DIG Airgas has grown into a leading industrial gas manufacturing and supplying company for 44 years since its establishment in 1979 and will continue to embark on new challenges and make leap forward for sustainable growth in the future.



Product/service



Air gases

Oxygen

Oxygen is the second-most abundant component existing in the air next to nitrogen, is non-flammable, and is a combustible gas that has the oxidizing property to react with flammable substances. It is used in the oil refining, petrochemical, semiconductor, steel, and glass industries, paper manufacturing, medical and secondary battery material manufacturing processes.

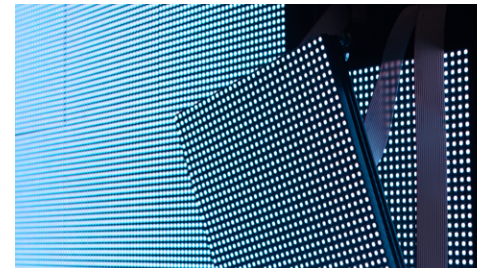
Nitrogen

Nitrogen is an inert and non-flammable gas that is used in various business fields such as chemical processes, metals, semiconductors, glass, and tire curing.

Argon

Argon is inert even at high temperature and pressure, is mainly used for high-quality welding such as a smelting and refining atmosphere gas,

and is also mainly used for manufacturing silicon ingots, which are solar power materials, and semiconductor chips.



Specialty gas

Electronic gas

Electronic gases used in semiconductors, displays, and solar cells are diverse and require ultra-high-purity technology.

Ultra-high-purity pure gas

Ultra-high-purity pure gases are used in the semiconductor, petrochemical, and metal industries, and are supplied through state-of-the-art refining and charging facilities.

Standard gas

Standard gases are used for calibration of various analyzers, processes, process management, and quality control, and we are meeting customer needs with thorough quality control and precise

analysis methods.

Mixture gas

Mixture gases are widely used in various business fields, such as laser, food, welding, medical care, and lighting, and consist of two or more high-purity gases mixed at the required concentrations

Other specialty gases

By sourcing raw materials such as SF₆ and Ne from major overseas manufacturers, DIG Airgas further purifies and services in various quantities of specialty gases to domestic consumers.

Specialty gas cylinder internal treatment

In order to maintain the best quality of gases, we provide grinding and cleaning services for high-pressure gases suitable for gas properties such as ultra-high purity, and toxicity and corrosiveness for semiconductors.



Equipment

In line with domestic and foreign customers' gas usage patterns, we are promoting comprehensive engineering tasks ranging from design, construction, and commissioning of all gas supply facilities, including air separators.

Cryogenic Air Separation Unit (ASU)

The cryogenic separator is a high-efficiency device that separates nitrogen (78%), oxygen (21%), and argon (0.9%) in the air using the boiling point differences and is a facility that separates and produces high-purity nitrogen, oxygen, and argon.

PSA (Pressure Swing Adsorption)

This is a system to obtain nitrogen or oxygen by separating air using an adsorbent, and its device structure is simpler than that of ASU because it separates air at room temperature.

Gas Analysis Facility

DIG Airgas sells gas analyzing system, which was developed for its own use, for gas research experiments and industrial demand.

Cryogenic Facility

DIG Airgas provides store liquid nitrogen (LN₂), liquid oxygen (LO₂), and liquid argon (LAR) at low temperatures and, when necessary, vaporize and evaporate the ultra-low-temperature liquefied gases at the required pressure and flow rate, and supply them to users in a gaseous state.

Specialty gas Supply Facility

DIG Airgas provides systems that can safely and stably supply specialty gases for semiconductors (N₂O, NH₃, NF₃, SiH₄, DCS, PH₃, SF₆, F₂, HBr, HCl, Cl₂) to customers.

Gas Purifier

This is a device that removes impurities (O₂, CO, CO₂, H₂O, CH₄, etc.) from high-purity raw material gases (99.999% or more) and supplies ultra-high purity gases in ppb units.



Engineering

DIG Airgas designs, manufactures, and supplies high-pressure gas-related equipment researched and developed by its own technology in the technology research institute in accordance with customer requirements.

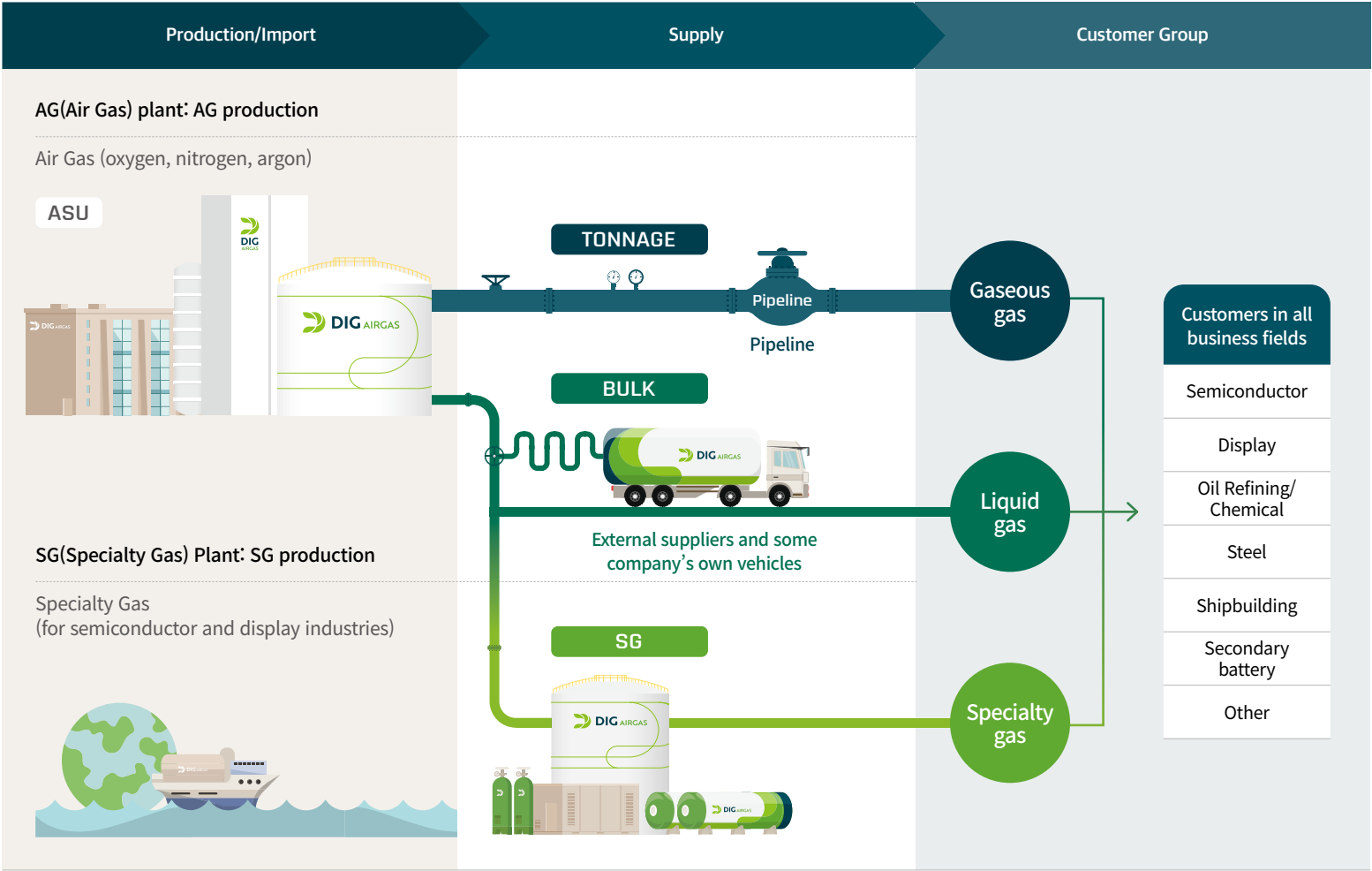
- ① Domestic and overseas ASU (Air Separation Unit) plant construction (GO₂, GN₂, Ar production)
- ② O₂, N₂ Generator design and manufacturing
- ③ Specialty gas plants for gases such as Ne, He, Kr, Xe
- ④ H₂ Plant, PSA, VSA facilities
- ⑤ Medium and high-pressure CO₂ supply facilities
- ⑥ Various gas supply facilities (storage facilities, vaporization facilities, etc.)

Business Introduction

DIG AIRGAS fulfilling the core role of South Korea’s key industry

Business Structure

DIG Airgas lays utmost importance on safety, trust, and partnership with customers, and provides comprehensive solutions to produce and supply industrial gases that are served as essential material of all industries. DIG Airgas is leading the domestic market based on continuous technology research and development and is striving to become a global player by expanding into the overseas markets.



*BULK transportation vehicles belong to external suppliers (except for some company’s own vehicles)

DIG Network

Since its establishment, DIG Airgas has been producing and selling industrial gases and plant facilities not only domestically but also to overseas areas, including Asia, Middle East and Europe. DIG Airgas is currently operating an overseas workplace with two plants in Guangzhou, China.

Overseas workplace
China DIG (Guangzhou)
Gases Co., Ltd. (2 plants)

Domestic workplaces
AG 17 (39 plants)
SG 4 (4 plants)



Domestic production bases for air gases and specialty gases

AG Air gas workplace

Gyeonggi-do / Incheon

Banwol, Paju, Icheon, Incheon

Gangwon-do

Munmak

Chungcheongbuk-do

Cheongju, Jincheon

Chungcheongnam-do

Daejeon, Geumsan, Seosan,
Seocheon, Dangjin(Green Air)

Gyeongsangbuk-do

Gumi, Gyeongju

Gyeongsangnam-do

Ulsan, Yangsan

Jeollanam-do

Yeocheon



SG Specialty gas workplace

Gyeonggi-do

Banwol specialty gas workplace

Daejeon

Daejeon specialty gas workplace

Chungcheongnam-do

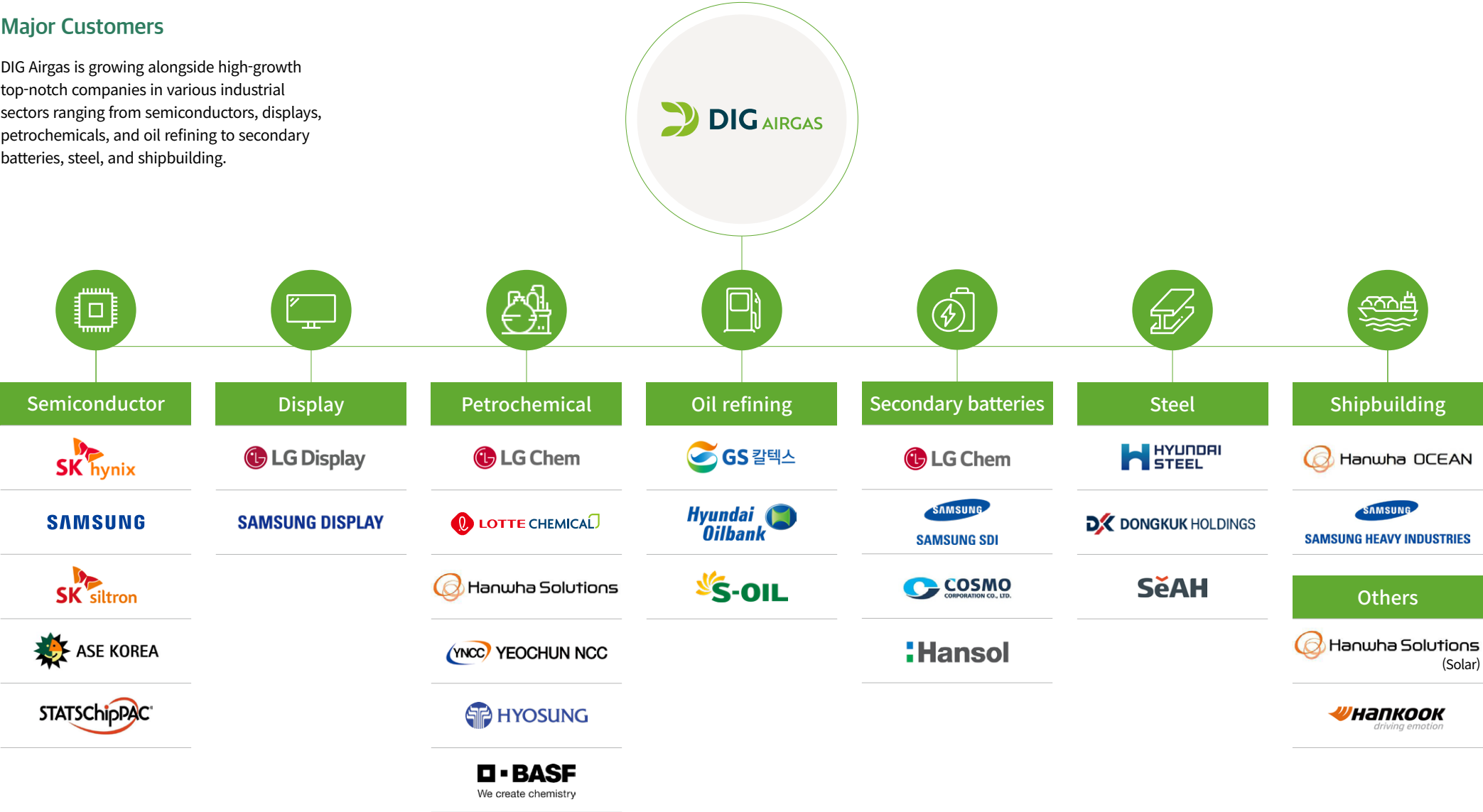
Gongju specialty gas workplace

Gyeongsangbuk-do

Gumi specialty gas workplace

Major Customers

DIG Airgas is growing alongside high-growth top-notch companies in various industrial sectors ranging from semiconductors, displays, petrochemicals, and oil refining to secondary batteries, steel, and shipbuilding.



Major Business Performance in 2022

Even in the difficult business environments at domestic and overseas, DIG Airgas achieved KRW 745.6 billion in sales, with a growth of 14.2% from the previous year.

AG Business Division



Even in the situation where key industries such as petrochemicals and displays were sluggish due to the global economic recession, we have achieved sustained growth. In addition, we have won the orders of major strategic partner’s projects which will deepen the foundation for future growth. In particular, new orders received in the fields of semiconductors and secondary batteries, which are growing industries, are expected to greatly contribute to our future growth.

SG Business Division



We have turned the crisis situation in Ukraine into an opportunity for growth by preemptively responding to it through careful market analysis, and solidified customer trust further by stably supplying core products to major strategic customers. In addition, for expansion into the high-growth semiconductor field, we are advancing our existing business portfolio through diversified efforts such as promoting the localization of specialty gases.

Production Division

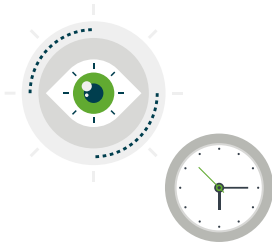
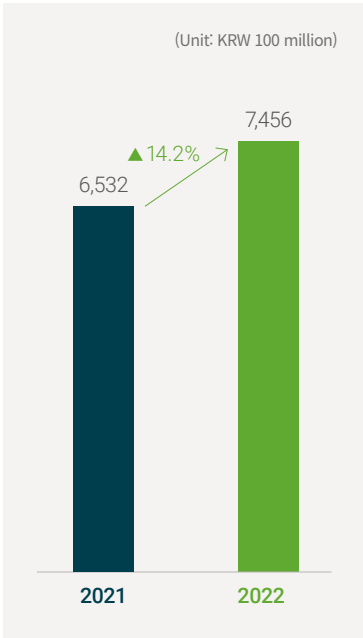


Despite the increase in electricity costs, we have improved the unit power consumption by increasing the production efficiency of compressors, etc. In particular, we achieved 99.95% plant operation reliability by minimizing unplanned shutdowns through process automation with the expansion of APC (Advanced Process Control) and the introduction of a predictive maintenance system. In addition, we completed physical security systems at nine workplaces, including the head office, to reinforce security management for plant access and major facilities, and further strengthened the safety management system by appointing dedicated safety managers at all workplaces and conducting regular emergency response training.

Technology Division



Despite difficult external environments such as COVID-19, the Shanghai lockdown, and the construction union strike, we successfully completed six medium and large-scale projects, including a large ASU in Cheongju. Many other small and medium-sized projects also achieved results in enhancing the reliability of customers by supplying stable gas to them in a timely manner. We also contributed to the safe supply of gas by completing the plant with the highest quality without a single fatal accident despite carrying out numerous projects.



Future outlook

Although there is an expectation that market demand will partially revive as China freed up covid 19 restrictions, major downstream industries and many customers seem to face uncertainties with regards to level of demand, inflation, interest rates and exchange rates and this may have a some impact on DIG Airgas.

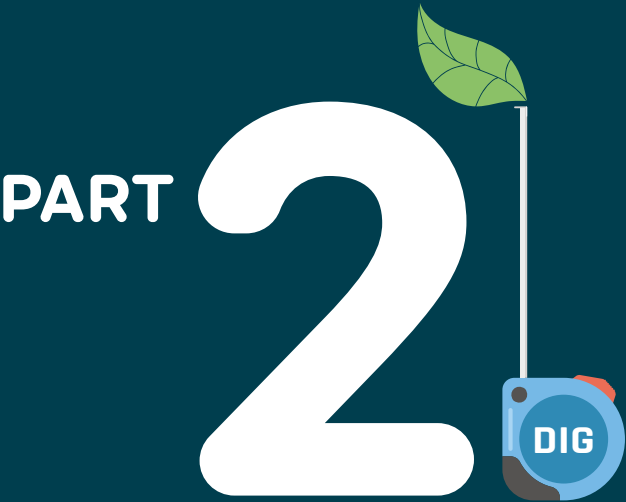
To address uncertainties in the external environment as such and ensure sustained growth DIG Airgas has formulated the following management strategies.

Reestablishment of business portfolio strategy to grow even in crisis

In order to respond to the crisis expected in 2023, DIG Airgas will thoroughly examine the business environment to re-establish a business portfolio strategy to grow even in a crisis. To that end, we will closely review changes in the business environment and customer needs again and accelerate qualitative growth through constitution improvement in all business areas. In particular, we will continue our company-wide efforts to enhance corporate value by securing new opportunities in strategic growth industries such as semiconductors and secondary batteries.

Development of continued innovation activities to respond to changes in the external environment

The internal and external business environments are conveying a message of continuous changes to companies. We intend to respond to changes in the external environment by focusing on ESG management to enhance value as a social enterprise and building smart factories, a manufacturing innovation in the era of the 4th industrial revolution. We will publish a sustainability report in the ESG field to disclose ESG management performance internally and externally, establish a roadmap for building smart factories, and establish and implement practical tasks for optimizing production and predictive maintenance.



Sustainability Management
ESG Strategy
Risk Management
Double Materiality Assessment
Stakeholder Engagement Channels

ESG Strategy

DIG ESG Management System

DIG Airgas pursues a better future of the environment, society, and community based on trust with stakeholders. We have established a sustainable growth strategy that linked ESG to corporate management strategies by recognizing the effects of company operation and business processes on the environment and the society at large. Therefore, in addition to the WHSE office, which was the existing working department for environment, safety, and health, in 2022, we newly established an ESG Steering Group dedicated to ESG management under the direct report to the CEO. The ESG Steering Group establishes goals of individual divisions, monitors ESG management performance, and reports major ESG issues related to company operations. In addition, the WHSE Office monitors Health and Safety-related policies, performance reports, and GHG emissions. Based on the reports from the ESG Steering Group and the WHSE Office, ESG-related issues are discussed and reviewed by Executive meeting, Executive Committee and WHS Committee. In accordance with these discussions and reviews, we make decisions on ESG implementation policies. In the future, DIG Airgas will continue to advance its ESG management system by transparently disclosing information, establishing a greenhouse gas reduction roadmap, and promoting membership registration in international initiatives.

DIG Airgas ESG Management System

Division	ESG Sector			Role of the organization
Decision making	Board of Directors		※ ESG-related major agendas of the Board of Directors • Net Zero 2040 Business Plan • WHS Committee-related issues • Matters related to the operation of audit and internal accounting control systems, etc.	• Management of the activities of committees under the board of directors
	Executive Committee (ExCom)	WHS Committee		• Review and approval of matters entrusted by the board of directors and other important management matters
Executive review and decision on whether to proceed	Executive meeting			• Regular meetings of CEO & executives • Review and decide on major business progresses and whether to continue
Integrated management	ESG Steering Group		WHSE Office	• Practical implementation team • Report major business matters to the CEO and executives • Integrated management (monitoring) of all workplaces
	• Establishment of company-wide ESG strategies and policies • Joining international initiatives and responding to internal and external evaluations • Responding to key accounts' requirements (submission of greenhouse gas emissions based on key accounts' standards, etc.) • Establishment of ESG goals by division and monitor KPIs • Responding to internal and external stakeholders		• Establishment and management of Health and Safety policies • Establishment and management of greenhouse gas reduction targets (Net-Zero) • Submission and disclosure of greenhouse gas emissions based on Ministry of Environment's standard	

DIG ESG Management factor & Approach

		Management factor	DIG Approach	DIG Policy
DIG Policy	Environment, society, and governance	- ESG management strategy that linked ESG factors and business - A system for managing actual and potential ESG risks	- Review and approval of ESG issues and strategies through the Executive Committee (Board of Directors), and establishment of ESG-related activity goals and KPIs by division - The ESG Steering Group and WHSE Office establish an ESG integrated management system by managing risks by ESG area	- Integrated ESG Management System - Management of goals by division
Environment	Climate change	- Actual operating costs increase due to climate change - Request for disclosure of responses to climate change from domestic and foreign customers and organizations	- Review and management of operational changes and directivity due to climate change, regular reporting to the executives centered on the ESG Steering Group - Disclosure of climate change information according to TCFD recommendations and promotion of joining CDP in 2023	- Environment-related internal and external management - System for constant monitoring of environmental change - Reflection of management policy - Joining international initiatives
	Greenhouse gas emissions and energy consumption	- Achievement of government-allocated goals as a company subject to allocation of greenhouse gas emission rights - Management of actual climate change risks due to greenhouse gas emissions and energy consumption	- Promotion of energy use reduction activities through process efficiency improvement, replacement of old facilities, renewable energy generation facilities, and eco-friendly alternative gas R&D - R&D and improvement activities related to greenhouse gas reduction are managed as KPI indicators	
	Pollutant emissions	Risks of air pollutants, water pollutants, chemicals, and hazardous chemicals arising from business operations	- Each division carries out management to minimize environmental impact - Maintain ISO 14001 Environmental Management System Certification	ISO 14001 Environmental Management Guidelines
Social	Waste management and resource efficiency	Proper disposal considering the impact of wastes on the environment, water use during recycling-enhanced operations, and wastewater discharge management	- Management from waste generation to final disposal according to waste management guidelines - Resource efficiency improvement through efficient water supply and use, and water quality management	- Waste Management Guidelines - Water consumption reduction and water quality management guidelines
	Executives and staff members	- Enhancing business strengths through fostering of executives and staff members - Employee satisfaction through fair compensation, performance management, and welfare support	- Established DIG talent and it’s fostering system - Fair and transparent personnel management	- Job training support - Performance management system
	Customer satisfaction	- Stable supply of products and production activities - Production of high-quality products	- Establishment of an organization dedicated to quality assurance and ISO 9001 quality management system implementation - Operation and response to review in accordance with GMP (Good Manufacturing Practice; Medical High-Pressure Gas Manufacturing and Quality Control Standards)	- ISO 9001 Quality Management Guidelines - GMP quality evaluation and regular examination
	Health and Safety	- Settlement of Accident Zero and safe environment culture - Reinforcing Health and Safety and worker safety prevention management - Compliance with relevant laws and regulations (Occupational Health and Safety Act, Serious Accident Punishment Act, etc.)	- HSE VISION HOUSE, establishment of safety philosophy - Establishment of goals for Safety Golden Rules and management of accident-free workplaces goals - Fostering a WHSE culture that encompasses stakeholder Health and Safety - Reinforcing facility safety management through the establishment of a physical security system - Compliance with regulations according to relevant laws, and continuous monitoring	- Company-wide Health and Safety policy - Safety philosophy - Safety Golden Rules - Physical security regulations - Preparatory system in case of new law establishment and related detail changes



		Management factor	DIG Approach	DIG Policy
Social 	Supplier (supply chain) management	- Management of ESG risks in cooperative companies - Participation in ESG win-win cooperation with suppliers	- Encouraging participation in ESG management by outlining supply chain ethical management and non-use of conflict minerals policy and collecting signatures for them - Planning to establish a supply chain code of conduct and distribute it within the supply chain (by 2023) - Promotion of partner support activities in the dimension of win-win cooperation (education, consulting)	- Pledge to comply with and practice supply chain ethical management - Supplier code of conduct - Conflict minerals management policy - Participation in win-win cooperation
	Community support	- Contribution to the local community as a member of society - Corporate social responsibility for local community contribution activities	- Promotion of Matching Grant, corporate sponsorship activities, and local environmental protection activities - Acquisition of external (member of the National Assembly) commendation for corporate contribution to the local community	- Matching Grant Scheme - Social contribution activities
	Human rights management	- Diversity, equity, and inclusion within the company (non-discrimination) - Prevention of the occurrence of sexual harassment and bullying in the workplace	- Advancement of human rights management system by establishing guidelines - Improvement of human rights awareness through regular employee training	Human Rights Management Guidelines and Related Regulations
	Labor and industrial relations	- Prohibition of child labor and forced labor - Guarantee of freedom of association and basic labor rights - Operation of labor-management communication channel	- Thorough compliance with relevant laws and internal management standards - In addition to quarterly holding labor-management council meetings and concluding collective bargaining agreements, operation of labor-management communication channels such as town hall meetings	- Employment rules - Collective agreement - Operate regular communication channels
	Taxation	Compliance with tax laws and policies and fulfillment of tax obligations by country where the workplace is located	- Establishment of internal tax management standards and faithfully comply with tax obligations - Regular monitoring of relevant laws and regulations and review of matters for internal compliance	- Corporate tax filing regulations - Acquisition tax return and management regulations - Comprehensive real estate tax return regulations - Local tax examination receiving regulation - Value added tax declaration regulation
Governance 	Board of directors	- Reinforcing transparency in key corporate decision-making - Management support activities to maximize corporate value	- Reporting ESG-related matters to the executives and the board of directors and make decisions - Reflection of major ESG-related issues on management policies through the operation of the Executive Committee under the Board of Directors	- Board of directors' regulation - Executive Committee Operating Regulations
	Ethical management	- Violations of ethical management and protection of information on informants - Anti-corruption, prevention of conflict of interest and money laundering - Information Security (Cyber Security) and Privacy	- Establishment of the Code of Ethics and related standards so that employees thoroughly comply with them when performing their duties. - Thoroughly protect the identity of the informant and protect him/her against any disadvantages	- Code of Ethics (Code of Conduct) - Anti-Corruption Regulations - Anti-money laundering regulations
	Cyber security	- Corporate internal information security (Cyber Security) and personal information security - Physical security of tangible and intangible assets (facility, people, information) in the workplace	- Establishment of information security policy covering personal information, stakeholder information, server, and physical security - Establishment of security management policies for tangible and intangible assets of workplaces - Carrying out regular inspections and training to improve information security awareness and response capabilities	- Information Protection Management Regulations - Internal Privacy Guidelines - Customer information protection regulations - Server and Physical Security Guidelines

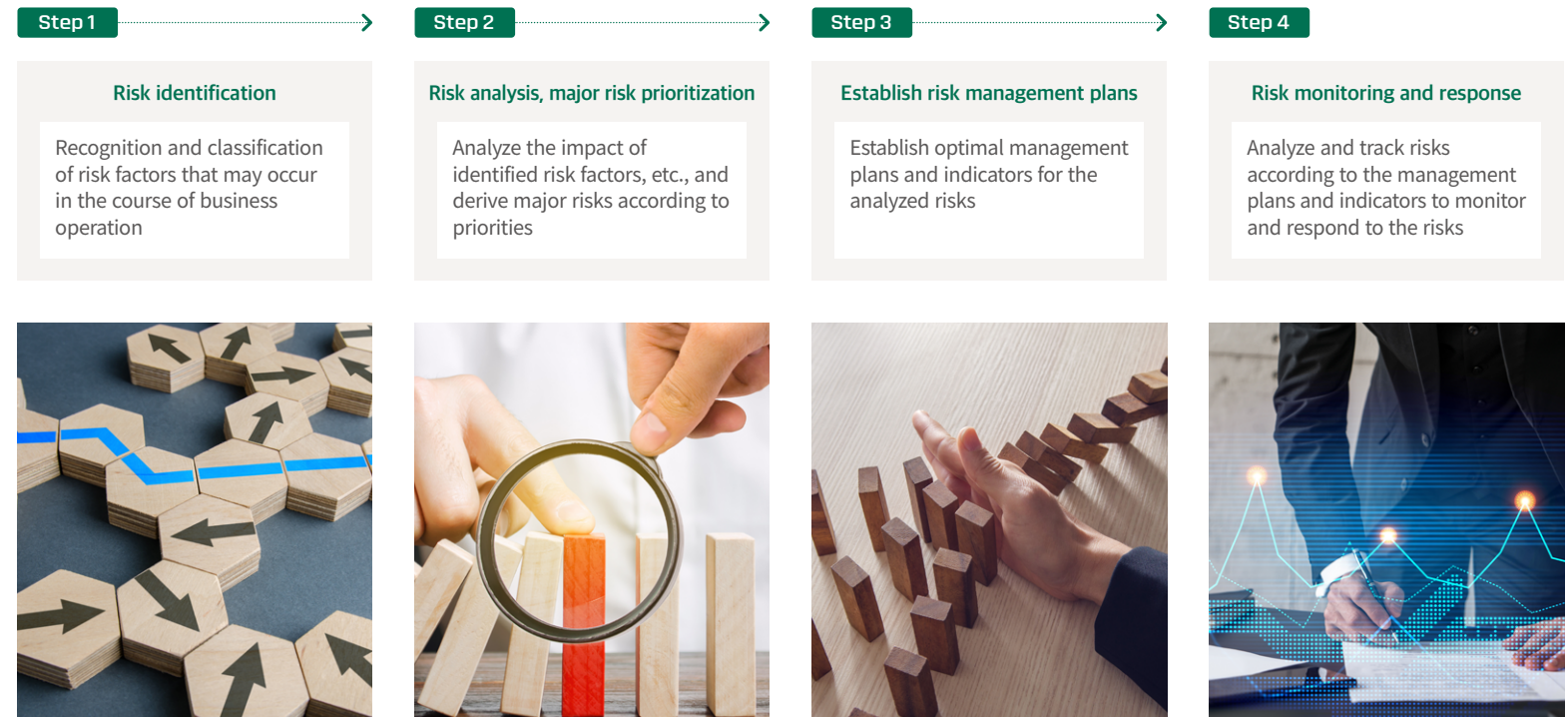
Risk Management

Risk management policy

In the rapidly changing business environment, unpredictable business risks that affect the corporate performance are increasing. DIG Airgas intends to create a stable business environment by establishing a risk management system to identify potential risk elements in advance and respond efficiently.

Risk management system

DIG Airgas strives to prevent various risk factors that may negatively affect corporate management activities in advance and minimize the volatility of corporate value by establishing a company-wide risk management system. We have established a system to identify monitor and respond to risk to effectively manage them.



Financial Risk

Risk type	Liquidity Risk	Financial Risk	Tax Risk
Organization in charge	Funding team	Funding team	Accounting team
Possible risks	Risk of non-payment of trade payables and financial liabilities due to lack of liquidity	Increase in the corporate financial burden due to increased interest rate volatility resulting from uncertainty and volatility in the financial market	Tax risks arising from failure to comply with or omission of tax payment deadlines in the course of business operations
DIG Approach	- Securing adequate liquidity through fund balance forecasting, performance analysis, and adjustment	- Carrying out regular monitoring of the financial market - Minimizing financial costs by diversifying procurement sources and establishing an appropriate borrowing structure (long-term/short-term borrowing ratio, fixed/floating interest rate ratio)	- Identifying tax laws and policy trends - Faithfully fulfilling tax payment obligations



Non-financial Risk

Risk type	Environmental Risk	Health and Safety Risk	Governance and Compliance and Ethical Risks	Supplier(supply chain) Risk	Information Security Risk
Organization in charge	ESG Steering Group / WHSE Office	WHSE Office	Compliance Office	Purchasing Team / ESG Steering Group	DX Strategy Team
Possible risks	Risk of occurrence of adverse environmental impacts that may occur due to climate change in the process of business operation	Risk of occurrence of Health and Safety accidents in the workplace	Risk of legal sanctions and decline of corporate reputation due to lack of transparency in board decision-making and non-compliance with domestic and foreign laws	Risk of supply chain uncertainty due to externally ever-present factors such as climate change and war risks	Risk of leakage of information such as corporate internal confidential information and personal information
DIG Approach	- Establishment of internal and external integrated management system through ESG-dedicated organization - Greenhouse gas reduction through the establishment of the 2040 Net Zero Plan	- Reinforcing safety through the operation of the WHS Committee under the Board of Directors - Reinforcing accident prevention through an organization dedicated to Health and Safety management and establish a prompt follow-up action process system - Reinforcing Health and Safety activities such as safety diagnosis to prevent serious accidents - Carrying out regular HSE Audits for all workplaces	- Establishment of a system to monitor whether employees comply with internal management standards and changes in domestic and foreign laws through a dedicated organization - Receiving reports of irregularities through the grievance handling system and website	Reinforcing management activities to prevent and minimize supplier risks by making suppliers sign a written pledge to comply with our ethical management and a certificate of non-use of conflict minerals	- Establishment of an information protection system and prepare personal information protection guidelines - Preparation of information security training and information security accident response processes

Double Materiality Assessment

Overview of Double Materiality Assessment

DIG Airgas carried out materiality assessment to identify effects on and matters of interest of internal and external stakeholders under the value of sustainable management. In particular, the “double materiality assessment” was carried out in accordance with the GRI (Global Reporting Initiative) Standard 2021, and through this, not only the non-financial status and effects of management activities, but also internal and external environmental and social factors that affect the financial position were considered. Based on the results of the double materiality assessment, DIG Airgas will link material issues to sustainability strategies and goals hereafter and reflect them on management activities to create the value of sustainable management.

Double Materiality Assessment Process

STEP 1

DIG Issue Pool Construction

Analysis of global standards / external assessment factors

ISO 26000, GRI (2021), SASB, UN SDGs, UN Global Compact, TCFD

Benchmarking of leading companies and competitors in the same industry

Analysis of the present situation of sustainable management of domestic and overseas companies

Analysis of companies’ internal data and industry issues

Analysis of disclosed data such as business reports and companies’ internal report data

Media research analysis

Analysis of 410 articles from January to December 2022

※ Carry out issue pool list selection/review work such as removal of duplicate issues, integration of similar issues, etc.

DIG Issue Pool Creation

STEP 2

Carry out materiality assessment and analysis

※ Carry out social and environmental interest evaluation’ and ‘financial impact’ evaluation for the 31 issues finally selected.

Analysis of social and environmental impact

- Analysis of the impacts of global ESG-related standards and assessment items (GRI, UN SDGs, etc.)
- Media research analysis
- Analysis of the impacts of issues through social and environmental impact surveys with stakeholder groups
- Analysis of sustainability management of peer group within industry group

Financial impact analysis

- Analysis of the impacts of global ESG-related standards and assessment items (GRI, TCFD, SASB, etc.)
- Analysis of the impacts of issues through financial impact questionnaire surveys with stakeholder groups

Prioritization of DIG Airgas’ important issues

STEP 3

Derive material issues

- ① Derive DIG Airgas’ material issues for sustainability management and related sub-issues
- ② Analyze the actual / potential impacts of each issue
- ③ Compose a report by linking 10 key issues, and reflect them on the detailed planning and contents of the report

Main report on 10 most important issues*

*GRI Guide

Double Materiality Assessment Impact Measurement



Selection of Material Issues

Materials Issues	GRI Index	Related stakeholders	Reporting page
① Mitigating climate change and reducing greenhouse gas emissions	201 Economic performance	Customer, shareholder, employee	16~17, 28~32
② Building safe workplaces and monitoring employee health risks	403 Occupational health and safety	Customer, shareholder, employee, supplier	16~17, 36~43
③ Establishment of an environmental management system such as creating an organization dedicated to environments and expanding eco-friendly investments	302 Energy	Customer, shareholder, employee, supplier, association, press	16~17, 24~25
④ Reporting ESG management policy / performance / goal to the board of directors and discussing development direction	201 Economic performance	Customer, shareholder, employee, association, press	15~17, 51~53
⑤ Prevention of pollution by strengthening chemical management	305 Emission	Customer, shareholder, employee, supplier, association, local community	16~17, 26~27
⑥ Improving the resource consumption efficiency through resource consumption control and rigorous process efficiency improvement	306 Effluents and wastes	Customer, shareholder, employee	16~17, 26~27
⑦ Securing industrial stability through stable supply of products and production activities	203 Indirect economic impacts	Customer, shareholder, employee, supplier, local community, association, press	13, 16~17, 44~47, 73
⑧ Ensuring employees' basic labor rights and prohibiting forced labor and child labor	408 Child labor, 409 Forced Labor	Customer, shareholder, employee, supplier, local community	16~17, 34~35, 41~43
⑨ Establishing an ethical management system and strengthening anti-corruption ethical management	205 Anti-corruption	Customer, shareholder, employee, supplier, press	16~17, 54~55
⑩ Pursuing active communication in labor-management relations such as expanding communication channels and respecting the right to join a labor union	407 Freedom of association and collective bargaining	Shareholder, employee	16~17, 36~43

Stakeholder Engagement Channels

DIG Airgas has defined major stakeholders as those who are directly or indirectly affected by the company’s operations. Therefore, major stakeholders have been divided into 6 groups, and various communication channels are being operated according to the major interests of each group.

	Stakeholder Communication Channel		Related major issues
	Major channels	Period	GRI element
Customers 	• Conduct customer satisfaction surveys and reflect the results on business • Strengthen the public relations of ESG activities • Respond to customers’ ESG demand (evaluation)	Yearly Constant use of homepage and media Constantly	• Contributing to the circular economy through efficient resource consumption • Stable supply of products • Supply of safe products including securing chemical safety
Shareholders 	• ExCom meeting • Board of directors meeting and general meeting of shareholders • WHS Committee	Monthly Quarterly and yearly Quarterly	• Establishment of environmental management system • Establishment of ethical management system • Board policy and structure reorganization in compliance with international standards
Employees 	• Town hall meeting • Labor-Management Council • Reverse Mentoring Activities • Reinforce environmental safety management activities	Biannually Quarterly Constantly Constantly	• Strengthening workplace Health and Safety management • Strengthening chemical management • Guarantee of active communication and rights in labor-management relations
Suppliers 	• Code of Conduct • Conflict Minerals Management	Yearly Yearly	• Prohibition of forced labor and child labor • Reinforcement of supplier ESG capabilities and risk assessment • Establishment and implementation of human rights management practice guidelines that comply with international norms
Association, Press 	• Korea Industrial & Specialty Gases Association activities • External communications and press response	Quarterly Constantly	• Efforts to mitigate climate change and reduce greenhouse gas emissions in business operations • ESG management policy and performance • Transparent information disclosure
Local community 	• Promoting local community care activities • Implementation of Matching Grant • Social contribution activities	Yearly Yearly	• Attracting industries in the region • Community-centered social contribution activities • Protection of habitats in the region



Environment

- Environmental Management
- Resource and Pollution Management
- TCFD (Task force on Climate-related Financial Disclosure)

Environment

Environmental Management

Globally, corporate eco-friendly management activities are being required to minimize environmental risks such as global warming and climate change. DIG Airgas recognizes its social responsibility for the environment and continuously monitors and promotes activities to minimize environmental impacts and reduce energy consumption throughout its entire business process.

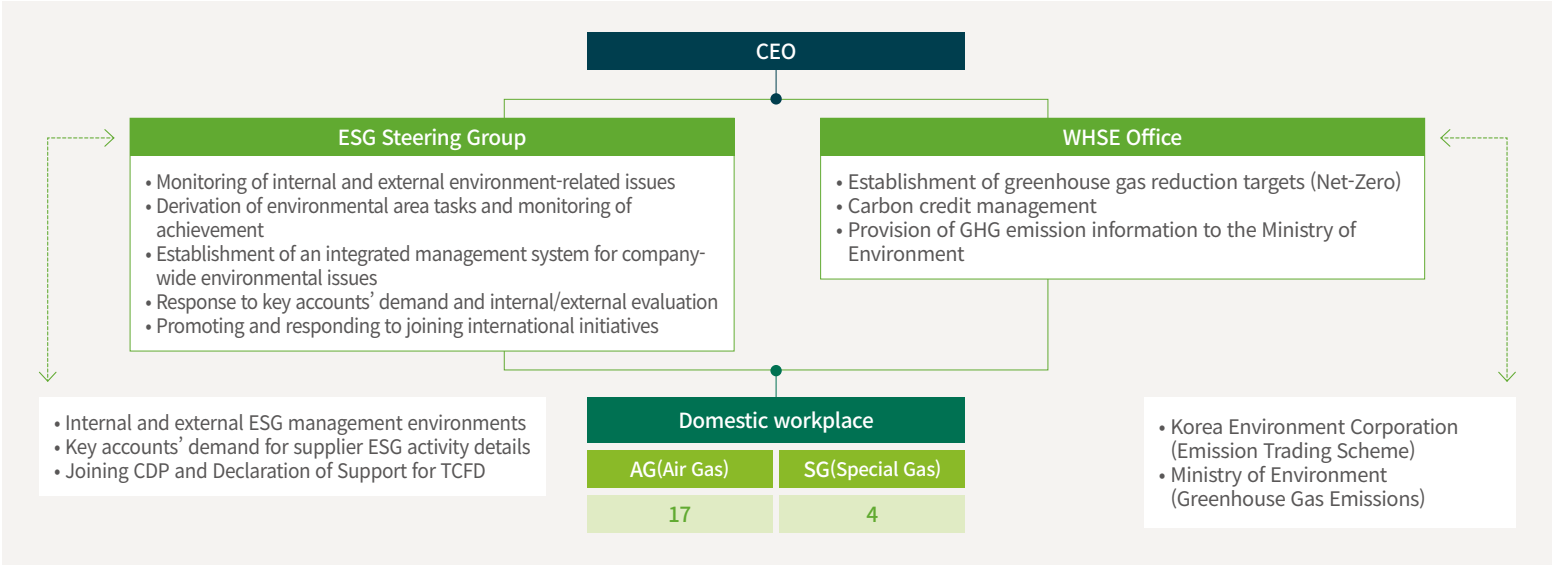
Environmental management strategy and promotion system

DIG Airgas was awarded the certification of and established an environmental management system (ISO 14001) in 1999. Since then, it has conducted continuous evaluation and improvement activities, made multilateral efforts in environmental and energy management activities, and promoted investments in energy efficiency improvement. Based on the foregoing, DIG Airgas has made significant progresses in energy consumption reduction, facility efficiency improvement, water resource protection, and waste reduction in order to minimize environmental impact. In 2023, DIG Airgas plans to strengthen its environmental management system by joining the CDP.

Establish and operate a dedicated environmental management organization

In order to establish company-wide environmental policies and build an eco-friendly management system, DIG Airgas organizes and operates the WHSE Office and ESG Steering Group under the direct control of the CEO. The WHSE Office is responsible for management of workplace Health and Safety activities, carrying out regular audits, identifying whether relevant laws are complied with, management of carbon credits and disclosure of emissions submitted to the Ministry of Environment, and monitors performance. The ESG Steering Group manages and establishes strategies for overall ESG management activities such as identifying internal and external environmental trends, managing goals and outcomes of divisions responding to the supplier ESG evaluation and due diligence of key accounts, and promoting joining international initiatives, and monitors the progresses. Through the dedicated organizations as such, DIG Airgas has established an environmental management system so that key details and issues related to the environment are regularly reported to the executives, ensuring their incorporation into management policies.

[Environmental management promotion system]



Compliance with Environmental Laws

To manage environmental field risks, DIG Airgas has organized its own dedicated organization (WHSE Office) to periodically check the present situation of domestic and foreign subsidiaries’ compliance with laws and risks, promptly report issues to the executives, and take actions.

[Number of violations of environmental laws] (Unit: cases)

Division	2020	2021	2022
Violations of environmental laws	0	0	0

Eco-friendly Investment

For efficient management of the environments of production and business facilities, DIG Airgas executed R&D and investments for eco-friendly business. We have looked into various eco-friendly industries in cooperation with related companies and academia, such as high-purity hydrogen plant business using by-product gases from steelmaking, development of CO₂ purification and liquefaction equipment for CO₂ capture plants, and participation in frontier R&D projects for CO₂ reduction. In addition, we are continuously promoting investments to reduce greenhouse gas emissions by reducing energy consumption through facility efficiency improvement. In the future, we will continue to make multilateral efforts to reduce adverse environmental impacts in the process of operation by continuously executing investments.



[Details of eco-friendly investments and activities]

2021 ~ 2025

Reduction of energy consumption through Facility efficiency and improvement (reduction of greenhouse gas emissions)

Compressor efficiency improvement, APC(Advanced Process Control) installation revamping of inefficiency aging facility, smart factory implementation in all plant

2020

Low NOx burner replacement: Burner replacement at Paju Plant and 4 other plants

Replaced all boilers in Paju, Ulsan, Gumi, Yecheon, and Banwol to reduce environmental pollutant emissions

2017

Completed a hydrogen gas plant using steel-making by-product gas

Completed a plant that refines by-product gas (COG) from a steel mill, rather than the typical petrochemical process by-product gases, to produce high-purity hydrogen (99.999% or higher)

2017

Success in CO2 underground storage demonstration experiment of the CCS project of the Ministry of Commerce, Industry and Energy

Participated in the demonstration project for medium-scale offshore CO₂ underground storage in the Pohang Basin to complete the production of CO₂ pilot injection facility for CO₂ onshore underground storage, and design and build injection facility for CO₂ offshore underground storage

2016

Developed CO2 purification and liquefaction equipment for CO2 capture plants

As an organization participating in the governmental task of developing a 10MW grade dry CO₂ capture plant commercial package after combustion, DIG Airgas developed 3TPD LCO₂ liquefaction pilot device (design, manufacture, installation, and trial operation) in connection with a dry CO₂ capture plant.

2002 ~ 2012

Participated in frontier R&D projects for CO2 reduction

Performed two tasks related to pure oxygen production out of R&D to separate only CO₂ replacing air combustion in thermal power plants with pure oxygen
① Developed large-capacity PVSA process for producing high-purity oxygen (2002-2008)-Success in development of 200 Nm³ / h 95% purity device using PSA
② Developed O₂ manufacturing process technology using ITM (Ion transport membrane) (2008~2012)

Environment

Resource and Pollution Management

Due to serious resource depletion and environmental pollution, DIG Airgas is aware of the importance of resource and pollution management in the process of production and operation. DIG Airgas identifies the present situation of pollutant emissions at the head office and individual workplaces and manages the degree of environmental risks that may occur during operation according to the classification system.



Workplace Environment Management

DIG Airgas strives to reduce environmental impacts that may occur in the process of operation through workplace environment management in accordance with environmental management system (ISO 14001) certification and management regulations. Therefore, DIG Airgas manages goals and performance on various environmental indicators, education and training, documents and records, and periodically checks what kinds of pollution occur. In addition, DIG Airgas acquires and continuously renews environmental permits essential under the law.

[Administrative rules for workplace management]



Waste Management

DIG Airgas minimizes the wastes generated in workplaces and disposes of the wastes in compliance with the Wastes Control Act. The work procedures from waste generation to final disposal are thoroughly managed in accordance with waste management procedures (ISO 14001 / 45001 standards), and the transparency of the waste disposal process is secured through regular monitoring. In addition, DIG Airgas checks whether the company has legal permission and disposal ability when selecting a consigned waste disposal company, and regularly checks whether wastes are disposed of conforming legal standard. Waste discharge and disposal records are transparently disclosed through the environmental information disclosure system and the Allbaro system, and the recycling process is specified in the waste management procedure to maximize the circular economy through resource recycling.

Chemical Substance Management

For systematic chemical substance information management, DIG Airgas establishes and operates a chemical substance management process. MSDS (Material Safety Data Sheet) data are placed at each workplace so that the data regarding the purchase, handling, and storage can be checked and reflected on work, and harmful substance management procedures are prescribed to carefully manage the handling of harmful substances. DIG Airgas strives to thoroughly protect workers and the environment of nearby residents from harmful chemicals strictly adhering to procedures required by laws and regulations related to handling harmful chemicals in all management processes.

※ Disclose the stability of harmful chemicals in the registration system (Civil Petition 24) related to the Chemical Substances Control Act

Water and Water Intake Management

Water resources are not only important for DIG Airgas’ high-quality gas production, but also valuable public resources essential for all members of the community. Therefore, DIG Airgas monitors water consumption in order to efficiently and stably take water resources and use them with minimal environmental impact. In addition, DIG Airgas plans to actively manage water consumption and water intake hereafter through process efficiency improvement and water recycling to minimize water use in the operating process.

Air Pollutants and Water Pollutants Management

Due to the nature of the business, almost no air pollutants such as dust, nitrogen oxides, sulfur oxides, water pollutants such as biochemical oxygen demand (BOD), nor chemical oxygen demand (COD) are emitted during operation. Therefore, DIG Airgas has managed air and water pollutants below the emission standards of the 「Clean Air Conservation Act」 and the 「Water Environment Conservation Act」.

Energy Management

Recognizing the importance of energy efficiency due to the business characteristics of heavy use of power, DIG Airgas makes an all round efforts to reduce energy consumption. Accordingly, DIG Airgas strives to reduce power consumption by improving the efficiency of major facilities and improving processes. It meticulously monitors and manages the energy sources used at the workplaces and the related consumptions.

[Key Initiatives for Energy Efficiency]

	Division	Detail	Promotion period
Facility efficiency and improvement	Compressor	Energy saving through compressor efficiency enhancement	2021~2025
	APC (Advanced Process Control)	Process operation optimization maintenance control	2021~2025
	Replacing old facilities	Energy efficiency enhancement through facility replacement	Occasional
	Smart factory	Establishment of smartization and digitalization plan for production optimization and facility (electric power) predictive maintenance	2022~2025
Business structure change	Factory operation	Retirement of inefficient aging facility operation	2021
New & renewable energy	Solar power	Solar power generation in the workplace	2022~2025



Environment

TCFD (Task Force on Climate-related Financial Disclosures)

In accordance with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD), DIG Airgas standardizes its climate change-related information with TCFD recommendations and discloses it transparently to stakeholders.

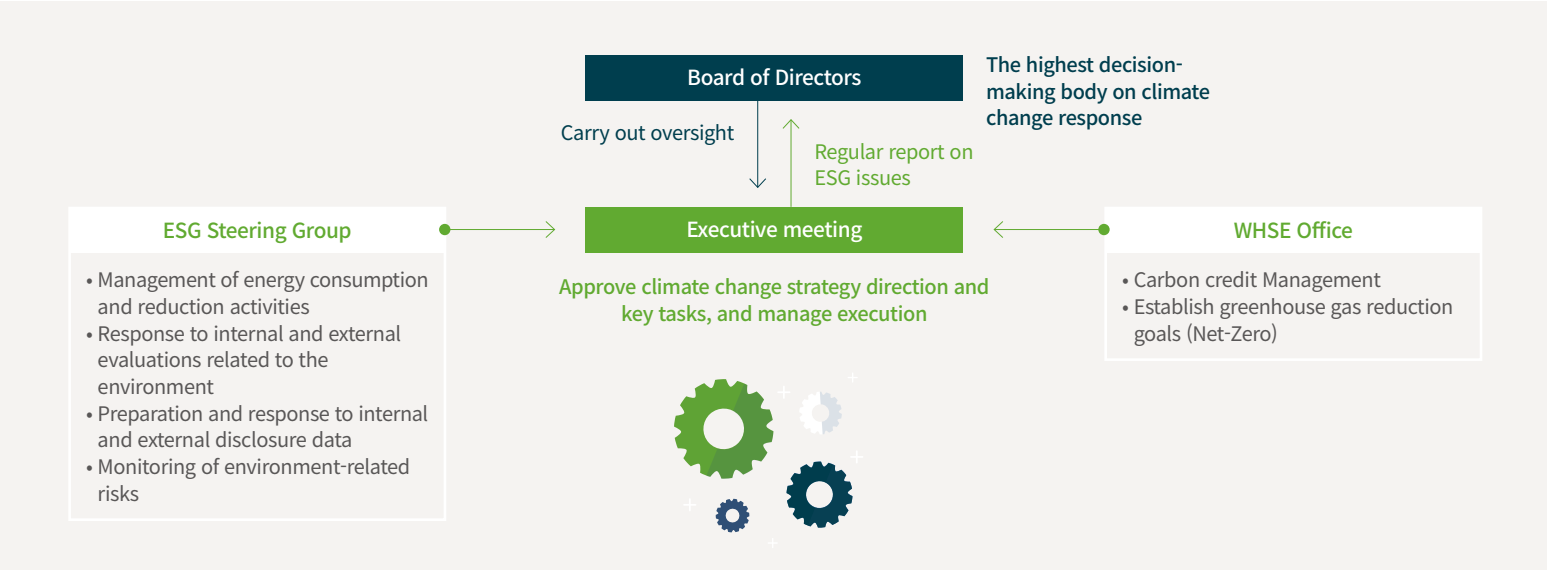


Governance

Organizational governance in response to climate change-related risks and opportunities

Our company establishes a systematic management and monitoring process so that all matters necessary for ESG management policies can be regularly/ constantly reviewed and reported to the executives through company-wide integrated management of mid- to long-term climate change-related financial risks and ESG-related activities. Through this, ESG issues affecting our company are reviewed multilaterally and objectively and monitored continuously. Matters that have been reviewed at the top management level are finally resolved by the Executive Committee and the Board of Directors, and the resolved climate change response plan is managed so that it can be executed in connection with DIG Airgas’ business strategy. In addition, our company sets activity goals by division and reflects them in organization’s KPIs so that all organizations can contribute to ESG management at the company-wide level.

[Governance for Climate Change Response Activities]



Strategy

Promotion of mid- to long-term strategies through the establishment of a company-wide integrated management system

We identify climate change risks that may affect our business, establish mid- to long-term response strategies, and promote company-wide multilateral efforts to mitigate the risks. From 2021, to reduce greenhouse gas emissions and energy consumption at the company-wide level, we established reduction targets by division and workplace and established a more systematic management along the timeline of short, medium and long-term goal achievement target.

[Risk identification / response plan]

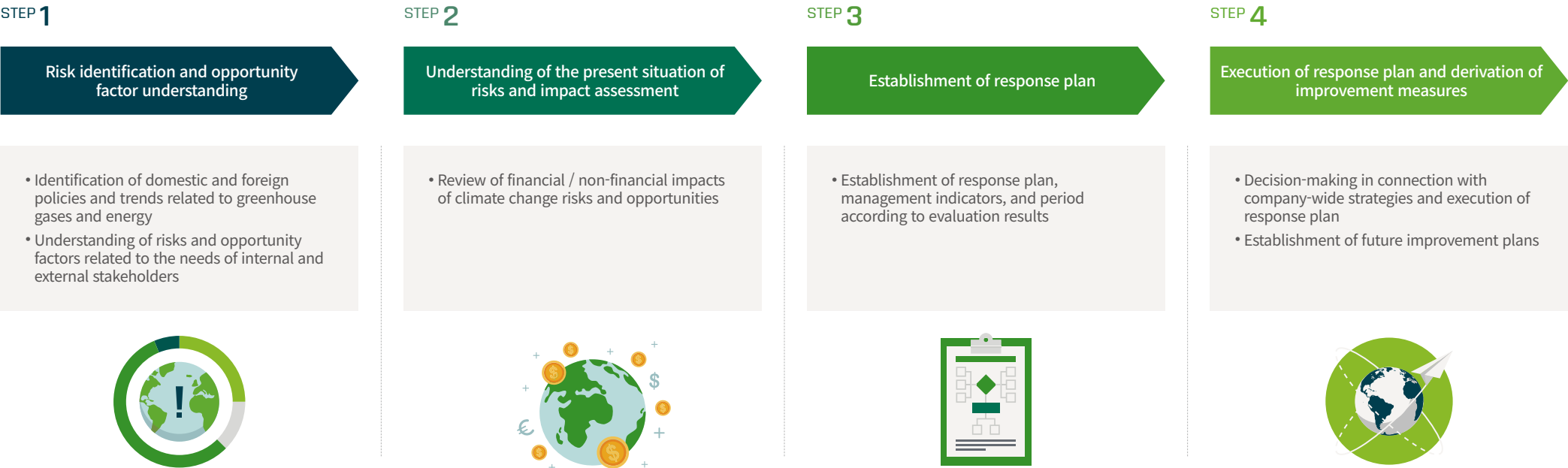
Division	Risk	Potential financial impact	DIG Approach
Physical Risk			
Acute (short-term)	Physical loss due to increased frequency and intensity of unexpected natural disasters such as storms, floods, and earthquakes	Human and material financial losses such as production delays and equipment restoration costs in the event of an accident at the level of requiring the demolition of existing facilities	Minimize human and material losses by establishing a crisis management system for acute risk incidents.
Chronic (long-term)	Impact of climate change such as frequent droughts due to global warming, high temperature weather that causes fires, rise in average temperature, and severe cold	- Increased repair costs in the event of equipment failure and incidents such as fires - Decrease in productivity, due to frequent plant stoppages, increase in production loss, reduction in facility efficiency, decrease in the physical strength of field workers, and accumulation of fatigue.	- Establishment of an emergency response process in case of accidents such as facility failure and fire and carry out regular training - Buying comprehensive workplace property insurance - Minimize production capacity deterioration through management activities such as regular diagnosis of equipment and processes - Minimizing productivity deterioration of field workers through continuous work efficiency enhancement and welfare support
Transition Risk			
Policy / Legal	- Reinforcing greenhouse gas emissions trading system and carbon regulation, increase in environment-related issues - Increase in energy costs	- Rise in the price of carbon credits and increase in paid allocations - Facility investment for greenhouse gas reduction - Electricity and energy price increases	- Response through regular monitoring system and the organization dedicated to management (WHSE Office) - Continuous management through goal setting for production facility efficiency enhancement and process optimization
Industry	- Strengthening of supply chain ESG management of key accounts - Increase in the cost of raw materials - Demand for the development of alternative gases due to restrictions on the use of greenhouse gases (six major greenhouse gases)	- Reinforcing evaluation of ESG activity details and demand joining international standards - Use of low-carbon raw materials and product production - Increase in research funds for alternative gas development - Market restrictions and high GWP gases such as SF₆, N₂O gas sales decline.	- Joining CDP and declare support for TCFD in 2023 - Review of low-carbon alternative gas development from a long-term perspective
Technology	- Transition to eco-friendly, low-carbon technologies and improvement of energy efficiency - Securing technological capabilities to reduce greenhouse gas emissions	- Investment cost for energy efficiency enhancement - Expansion of eco-friendly business - Securing R&D costs for technology development for greenhouse gas reduction	- Continuous management such as replacement with high-efficiency facility and process improvement - Discovering eco-friendly projects from a long-term perspective and develop technologies for greenhouse gas reduction

Risk Management

Analysis of risk factors and response plan to climate change

Climate change-related risks are classified as core risks to identify internal and external risk factors based on global trends (supply chain management, related regulations, policies, carbon tax, etc.), stakeholder surveys, and global evaluation standards, and establish response plan and management systems for the risk factors through materiality assessment for major risks according to their financial impacts and business impacts. Major climate change risks are divided into physical risks and transition risks and are continuously monitored and managed, and major matters that affect business strategies and finance are reported to the management through the ESG Steering Group so that the final decision-making process is carried out. The greenhouse gas reduction goal (Net-Zero) is set by the Environment, Health and Safety Organization (WHSE Office), and a mid- to long-term roadmap will be established to achieve the goal. In addition, the impact of climate change risks on the entire company will be systematically and efficiently managed by the advancement of the evaluation system through joining the CDP in 2023 and continuous monitoring.

[Climate change risk identification and management process]





Greenhouse Gas Indicators and Reduction Targets

GHG reduction target

As an energy intensive business, DIG Airgas develops and continuously monitors various indicators for greenhouse gas and energy management. Based on the absolute values of greenhouse gas emissions and energy consumption as major management indicators, detailed targets and plans for emission units in comparison with sales and greenhouse gas reduction measures are managed, and basic information for the foregoing is registered with NGMS (National Greenhouse Gas Management System) every year to disclose it transparently. In addition, major environmental indicators by workplace are continuously managed.

※ Disclosed by uploading on the environmental information disclosure system every year based on the information registered with NGMS

[GHG emissions] (tCO₂-eq / Based on domestic workplaces)

Division	2020	2021	2022	Target (2023 business plan)
Scope 1	9,985	9,580	10,117	9,588
Scope 2	799,744	819,140	807,437	831,990
Total	809,729	828,720	817,554	841,578

*Target: Based on 2023 business plan (subject to change depending on internal and external business environment)
*Scope 1: mobile combustion (road-vehicle), general boiler facilities, other gaseous/liquid fuel combustion
*Scope 2: GHG emissions management standard, the amounts of electricity and steam

[GHG emissions change rate in comparison with the previous year] (tontCO₂-eq)

Division	2021	2022	Target (2023 business plan)
Scope 1	96%	106%	95%
Scope 2	102%	99%	103%
Total	102%	99%	103%

[GHG Intensity] (tCO₂-eq / Sales 100 million won)

Division	2020	2021	2022	Target (2023 business plan)
Scope 1	2	2	1	1
Scope 2	145	135	117	116
Total	147	137	118	117

*Sales are based on audit report (domestic business places)

[GHG intensity change rate in comparison with the previous year]

Division	2021	2022	Target (2023 business plan)
Scope 1	87%	93%	91%
Scope 2	93%	87%	99%
Total	93%	87%	99%

Greenhouse Gas Indicators and Reduction Targets

Major activities promoted to reduce GHG

1

Facility efficiency enhancement (improvement)

Energy saving through compressor efficiency enhancement, establishment of smart factory construction plan and roadmap



2

Optimization of production process operation

Establishment and utilization of PDIS (Process Data Integration System) and Installation of Advanced Process Control (APC) in major factories



3

Transportation vehicle efficiency enhancement

Improvement in loading capacity through the change of tank lorry insulation method, transitioning to renewable energy vehicles in the long term



4

Installation of photovoltaic lighting system

Installation of photovoltaic lighting systems in the office buildings of the workplaces





Social

- Human Rights Management
- Workplace Health and Safety Management
- Talent Management
- Customer Satisfaction Management
- Supply Chain ESG Management
- Social Contribution

Social

Human Rights Management

As a continuously growing company, DIG Airgas seeks to realize the value of respect for human rights throughout its management activities in order to communicate and grow with various stakeholders. In addition, we will advance the human rights management system in line with the business environment where the social value and importance of human rights are increasing globally and human rights-related legislation is strengthening.



Human Rights Management System

Human rights management is a key indicator of ESG management and based on the management philosophy of respect for human rights and the spirit of management with high ethical standard, our company reflects human rights management for the working environment of employees, guarantee of legal freedom, and respect for human dignity in internal systems and guidelines, and actively practice it. In the future, our company plans to advance its human rights management system in line with the increasing importance of human rights worldwide and trends of legislation.

Respect for Human Diversity

We believe that diversity in our workforce drives innovation in our organization, and we are committed to ensuring that our employees are not discriminated against on the basis of gender, race, national origin, disability, or other inherent conditions. To this end, we provide fair opportunities to employees and build an organizational culture that respects diversity by stipulating in company-wide code of ethics, employment rules and collective agreements that all employees are not discriminated against on the basis of gender, race, nationality, ethnicity, disability, religion, union activity, pregnancy and marital status, age, and physical condition. In addition, we strictly prohibit sexual harassment and harassment in the workplace and conduct annual training on sexual harassment prevention and workplace harassment prevention to internalize awareness of respect for human rights.

Human Rights Education

In order to prevent possible human rights violations and spread a culture of respect for human rights, we are promoting preventive measures against various issues such as sexual harassment in the workplace, discrimination against the disabled and women, and bullying in the workplace, and are striving to establish a culture of mutual respect through human rights education activities.

[Human rights education]

Education	Main Content
Statutory education, such as prevention of sexual harassment, improvement of awareness of persons with disabilities, prevention of workplace bullying	Execution of statutory essential education that must be carried out by the company as a legal obligation.



[Operation of guidelines reflecting human rights management]

	Rules	Content
Respect for human rights	Code of Ethics	The company respects all employees as human beings, and thoroughly manages human relations so that harsh acts and inhumane treatment such as sexual harassment, workplace bullying, and labor exploitation would not be tolerated under any circumstances based on trust and harmony.
Prevention of sexual harassment and bullying in the workplace	Employment rules	To protect the human rights of employees, the company establishes a prevention policy for sexual harassment, bullying in the workplace, and conducts annual prevention education to internalize awareness of respect for human rights.
Non-discrimination (Diversity and Inclusion)	Collective agreement	The company does not discriminate against any employees on the ground of gender, race, nationality, ethnicity, disability, religion, union activity, pregnancy and marital status, age, physical condition, social status, etc. without reasonable causes, provides fair opportunities, and builds an organizational culture to respect diversity.
Compliance with working conditions	Collective agreement	The company complies with the statutory working hours, pays reasonable remunerations for work to all employees along with the payslip, and provides sufficient educational opportunities and work environment appropriate for job performance to develop competency and improve the quality of life.
Guarantee of freedom of association and collective bargaining	Collective agreement	The company gives opportunities for communication between employees, guarantees the freedom of association and collective bargaining, prohibits disadvantageous treatment due to the foregoing, and respects workers' right to participate or not to participate in such activities.
No child labor	Employment rules	The company complies with the minimum employment age standard set by the law (prohibition of employment of people under the age of 15) and provides work opportunities only when the employment is not illegal (violation) according to local laws and regulations.
Prohibition of power abuse and forced labor	Collective agreement	The company does not force any employees to work against their free will by unfairly restricting their physical and mental freedom, ensures that all works are done voluntarily, does not keep worker identification and related documents, and guarantees the freedom of movement
Protection of human rights for suppliers	Supplier code of conduct	The company establishes a code of conduct for suppliers to share human rights and labor standards with suppliers accordingly, and manages human rights risks based on relevant laws and regulations through participation.
Prevention of human rights violations and environmental pollution	Conflict Minerals Management Policy	The company recognizes the human rights violations such as labor exploitation, ecosystem damage, and environmental pollution that occur in the process of mining minerals in conflict areas as serious problems and checks to make sure that conflict minerals are not included in the supply chains for the production of the company's products in order to fulfill corporate social responsibilities.

Social

Workplace Health and Safety management

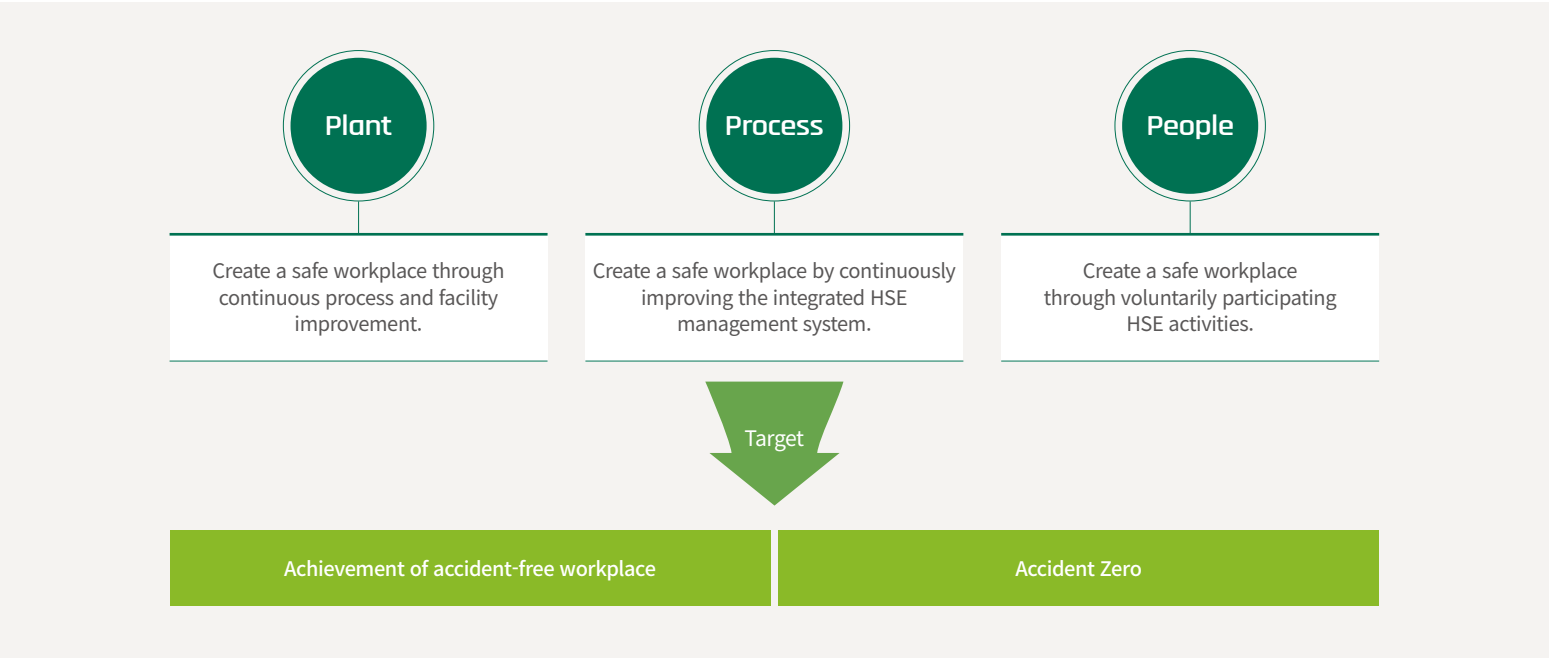
With the revision of the Occupational Health and Safety Act and the enactment and enforcement of the Serious Accidents Punishment Act, corporate Health and Safety regulations are being strengthened and the importance of safety management is being emphasized. DIG Airgas has established a company-wide Health and Safety policy so that all employees can work in a safe and pleasant working environment and is doing its best to manage workplace Health and Safety according to company-wide safety rules.



Health and Safety Management Policy and Goal

With the safety and security of all stakeholders as the core value, we have established the company-wide safety and health policy “HSE VISION HOUSE”, the safety and health philosophy “DIG Safety Philosophy”, and the safety and health rules “Safety Golden Rules”, and distributed them throughout the company to ensure compliance within the workplace. In addition, we strive to improve the awareness and management system of all employees on safety culture through various safety and health activities such as online safety management system operation and smart safety management, and company-wide education to establish and achieve accident-free workplace operation and accident zero as safety goals.

[Health and Safety Policy and Goal]

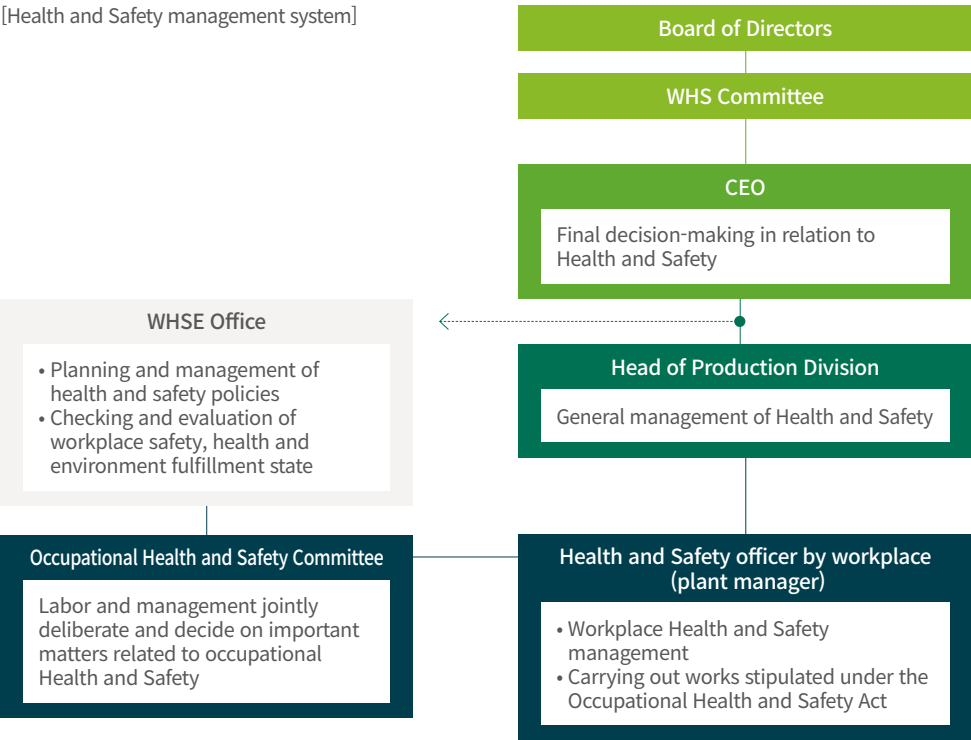


Health and Safety management system

The WHSE Office is an organization dedicated to occupational Health and Safety under the direct control of the CEO and strives to protect the lives and bodies of workers from various risks in the workplace. The WHSE Office analyzes and supports unsafe behavior through HSE Audit and BBS* observation by workplace, and health and safety managers designated by workplace prevent human and material losses in advance and create pleasant working environments and thoroughly manage the working environments to ultimately achieve company-wide HSE ACCIDENT “ZERO”.

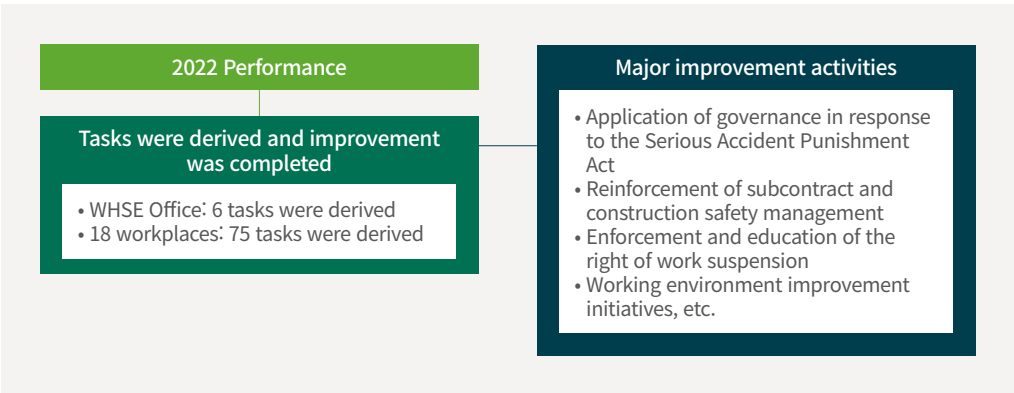
*BBS (Behavior Based Safety)

[Health and Safety management system]



Safety consulting to prevent serious accidents and establishment of a prevention system

In 2021 and 2022, safety diagnoses to prevent serious accidents were conducted for all workplaces through a specialized external agency. Through this, internal processes and activities for occupational Health and Safety were closely reviewed, and items that must be improved for improvement of Health and Safety were identified. Implementation status was reviewed and a serious accident prevention system was established based on the results.



Implementation of safety, health, and environment education

DIG Airgas implements appropriate education and training programs to raise awareness of safety, health, and environment and prevent the occurrence of accidents during work. In order to foster experts in safety, health, and environment, DIG Airgas performed technical manpower and manager training specified under related laws such as the Clean Air Conservation Act, Water Environment Conservation Act, and Chemical Substances Control Act, and educated all employees and suppliers' employees on hazardous risk factors in handling hazardous chemicals and related countermeasures.

Reinforcement of Health and Safety management

Taking the Health and Safety of employees and stakeholders as a core value, DIG Airgas conducts safety management education and training regularly (at least once a year) to enhance safety awareness. In order to promote Health and Safety awareness and prevent industrial accidents, DIG Airgas conducts mandatory Health and Safety education, recruitment training, training when changing work contents, and special safety training for hazardous chemicals and works required in accordance with the Occupational Health and Safety Act, and has established a safety management system so that not only employees and executives but also suppliers' employees faithfully participate in the education. In addition, DIG Airgas strives to achieve accident-free workplaces where no safety accident occurs by providing appropriate protective gears for work and operating a workplace Health and Safety manual that includes management procedures to prevent entanglement and electric shock accidents when working on machinery and equipment.

*Safety management system: submission of safe work plans, execution of work risk assessment, and management of records of safety training, etc.

[Health and Safety risk prevention activities and management]

WHS Committee Report

Period/target	Quarterly (held 4 times in 2022) / Company-wide
Content	Consulting for 2nd phase response to the Serious Accident Punishment Act / HSE activity execution monitoring / safety culture improvement / plans regarding Health and Safety plans, etc.

HSE Audit

Period/target	Twice a year / all workplaces				
Content	For systematic safety, health, and environment management and the minimization of related impacts, HSE Audits are conducted periodically for all workplaces, through which environmental impacts from operations are identified and managed. In the case of significant environmental impacts, periodic monitoring is conducted to check operations and verify progress and completion of improvements.				
Major activities	• Safety, health and environment risk assessment including workplace risk assessment • Derivation of improvement items and monitoring of the execution of improvement measures • Audit details and the results of improvement measures are reported to the management to establish the direction of management 2022 HSE Audit Implementation Rate <table><tr><th>Education</th><th>Major content</th></tr><tr><td>No. of workplaces that implemented (ratio of implementation)</td><td>100% of 18 domestic workplaces (excluding the head office)</td></tr></table>	Education	Major content	No. of workplaces that implemented (ratio of implementation)	100% of 18 domestic workplaces (excluding the head office)
Education	Major content				
No. of workplaces that implemented (ratio of implementation)	100% of 18 domestic workplaces (excluding the head office)				

WHSE Culture Survey

Period/target	Once a year / all employees
Content	Every year, a survey on workplace safety , health, and environment is conducted with all DIG Airgas employees through a professional consulting company, and based on the results of the survey, our company's awareness of safety culture is evaluated and the direction of improvement is derived and reflected in the Health and Safety management policy.
Major activities	Identification of internal safety culture awareness, collection of opinions from employees, derivation of plans to improve Health and Safety, and reflection of the plans in management policies

HSE Point Program

Period/target	Twice a year / all employees
Content	HSE Point Program is operated regularly every year to motivate employees to improve HSE culture and achieve the “HSE ACCIDENT ZERO” target, and encourage employees to engage in HSE activities, and employees are rewarded according to the performances by employee.
Major activities	Submission of HSE proposals and near-miss prevention ideas, records of awards from external institutions, related qualifications, HSE process improvement, contribution to construction safety management, etc.

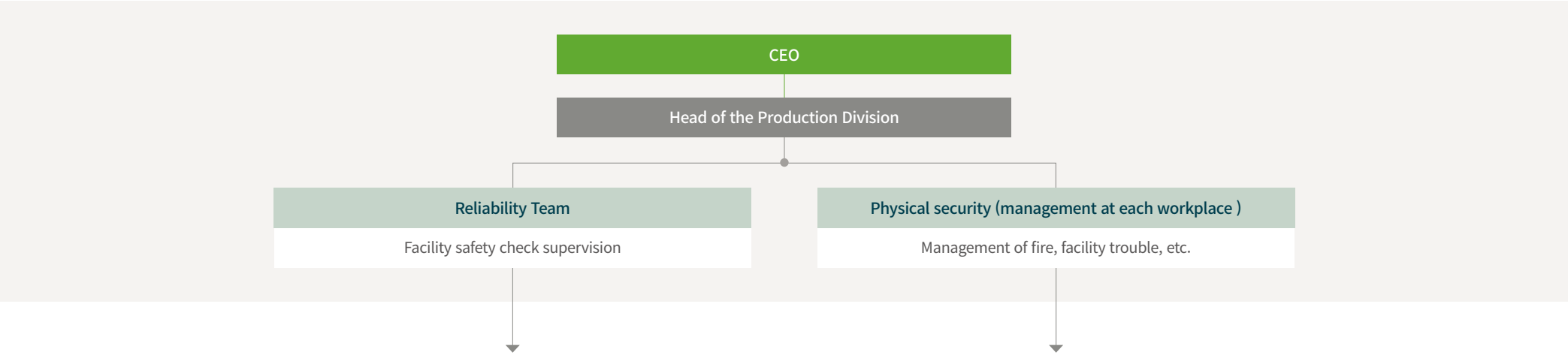
Near Miss System

Period/target	Anytime / all employees
Content	Contributing to the establishment of a safety culture through the operation of a committee bulletin board on the internal website, regular comprehensive analysis of near-miss details, company-wide sharing, and notification, and the company shares direct and indirect experiences of various accidents that may occur on site with all employees to prevent accidents from occurring in advance.

Safety Talk

Period/target	Regular (held before major meetings, including weekly executive meetings) / executives
Content	Establishment of a Health and Safety culture by selecting a topic in the safety sector so that executives can share and discuss various cases and contents on safety at the beginning of every executive meetings.

Facility Safety Check System



Reliability team activity

Facility safety check is conducted at least once a year with the supervision by the Reliability Team of the Production Division

- Manage a list of aging facilities and perform proper maintenance
- Safety check for facilities using thermal safety inspection equipment (high voltage motor, electrical equipment, rotating body, etc.)
- Vibration of main equipment, noise, temperature check

Physical security (establishment of an online safety management system and reinforcement of workplace smart safety management)

In 2021, DIG Airgas established a safety management system that can manage the histories of not only employees but also suppliers ranging from access control for all workplaces to work management and work risk assessment online in 2021. In addition, in 2022, DIG Airgas established a physical security system to prevent physical and human safety accidents and minimize damage in the fields of workplaces thereby advancing the Health and Safety systems at all workplaces.

- Expansion of CCTV installation for by major facility at the workplace / detection of fire, facility troubles, and accidents during field work through the establishment of an access control system
- Establishment of a smart safety management system to protect tangible and intangible assets from unauthorized external intrusion
 - ① Control of major facilities and fire monitoring
 - ② Monitoring of restricted access areas
 - ③ Monitoring of explosion-proof areas
 - ④ Workplace access control (people, vehicles)
 - ⑤ Perimeter control
 - ⑥ Workplace blind spot monitoring

Establishment of physical security systems



① Control of major facilities and fire monitoring



② Monitoring of restricted access areas



③ Monitoring of explosion-proof areas



④ Workplace access control (people, vehicles)



⑤ Perimeter control



⑥ Workplace blind spot monitoring

Health and Safety Investment Execution

In order to ensure safe workplaces and protect the health and safety of employees, DIG Airgas separately sets a Health and Safety investment execution budget every year and executes the investment.

[Health and Safety Investment Execution Details] (Unit: million won)

Year	2020	2021	2022
Amount	3,572	4,886	5,270
Major investment details	Facility improvement, safety culture improvement, system establishment and management, education and training, etc.		

Emergency Response System

The emergency response system was established to protect the lives and health of employees as the first-priority goal in the event of emergencies that may occur. Accordingly, the division of works and duties for the emergency control organization were clarified, and internal and external emergency action plans were established for major hazardous facilities.

The emergency contact network includes the branch offices of the Ministry of Employment and Labor, the fire station contact addresses by type of damage, and specialized medical institutions, and all emergency action plans are clearly and plainly written so that employees can easily understand them, and are periodically reviewed, revised, and supplemented. (regularly conduct training every year)

CEO visit to workplace and HSE meeting

CEO holds a regular visits to every workplace for safety and an HSE meeting are at each visit. The CEO visits the plant to firsthand check the safety of the Health and Safety facilities in the workplace, conducted discussions with employees on HSE-related matters and overall working environments through HSE meetings, He also requested to ensure immaculate execution in activities related to Health and Safety. In the future, DIG Airgas plans to regularly hold CEO HSE meetings and tour activities to strengthen its safety management system and improve its Health and Safety culture.



Cheongju 9Plant CEO Tour(February, 2023)



Cheongju Plant HSE Meeting

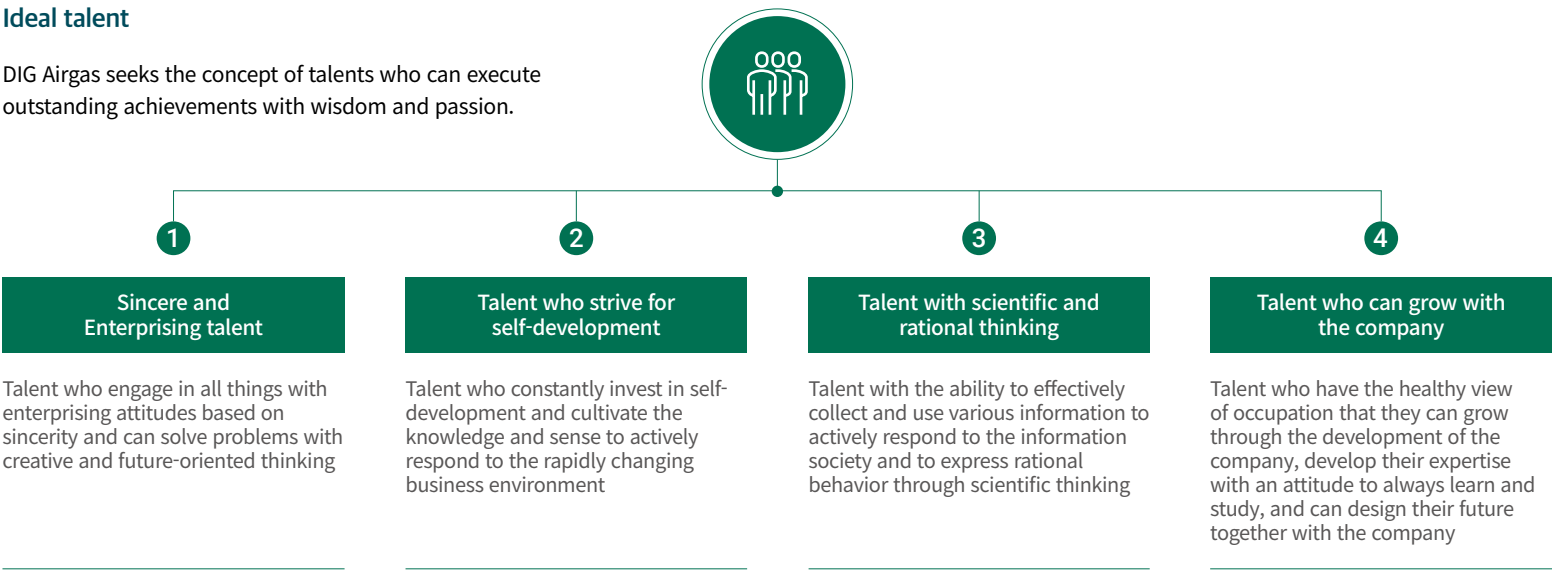
Social

Talent Management

Talent management leads to the company’s competitiveness, and the practice of talent-centered management enables companies to significantly contribute to a sustainable future. DIG Airgas will strive to become a company that can create social value by supporting an environment in which employees can concentrate on their work based on a healthy corporate culture and by implementing fair recruitment and evaluation.

Ideal talent

DIG Airgas seeks the concept of talents who can execute outstanding achievements with wisdom and passion.



HR strategy

DIG Airgas implements a reasonable and fair personnel management system and pursues ability and performance-based systems to successfully achieve the company’s management philosophy and vision. In order to provide compensation and opportunities for growth to outstanding employees regardless of seniority, DIG Airgas evaluates work performance records, work process, and performance levels together, and implements a reasonable treatment and compensation system to develop employees’ ability and motivate employees. In addition, DIG Airgas reflects ESG elements in KPIs by division linked to employee performance evaluation to operate HR strategies to internalize the company’s ESG strategies and employees’ work performance.

[Personnel management system (performance management)]

Pursues ability and performance-based systems to successfully achieve the company’s management philosophy and vision	
Established a reasonable treatment and compensation system to develop employees’ ability and motivate employees	
Competency Evaluation	9 point scale evaluation of competency items based on company core values, employee’s demonstrated performance & future potential
KPI Evaluation	Evaluation of achievement levels for evaluation of individuals established in connection with organizational evaluation





Talent Recruitment and Development

In order to select creative and excellent talents with global competitiveness, DIG Airgas does not discriminate employees based on their age, gender, race, or country of origin in all processes, including recruitment, job performance, promotion, and education. In addition, DIG Airgas seeks diversity, equity, and inclusiveness in the composition of employees by hiring various underprivileged people such as disabled people and veterans of the country every year.

Employee Welfare

To stabilize the living standards of employees and boost their morale, DIG Airgas provides industry-top level annual salaries and operates various welfare systems such as support for children’s school expenses, comprehensive health checkup, and an in-house labor welfare fund.

Employee welfare system		
• Support for housing fund / livelihood stabilization loans • Support for school expenses for children • Support for fuel cost • Give birthday gift • Give wedding anniversary gift	• Provide holiday homecoming expenses • Operate the in-house labor welfare fund • Free vacation system • Pay childbirth subsidy • Support for congratulatory money and family events • Pay retirement travel expenses	• Give gold medal for 10 years of continuous service • Comprehensive health checkup • Support for reading • Support for recreation facility condominium • Support for paid leave in case of non-work injury or illness

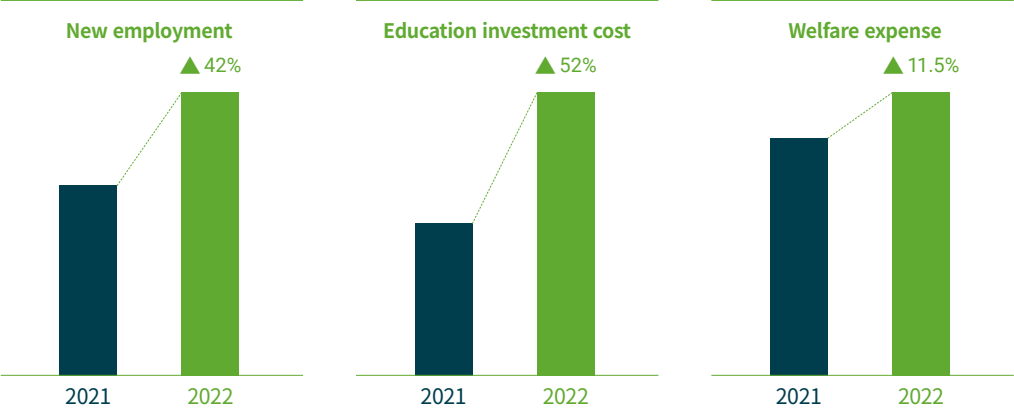
Competency Development

DIG Airgas is building and developing a talent development system to foster more innovative and professional talents who can join the company’s development. DIG Airgas operates various programs such as cyber (online) language education to foster global experts, as well as outside commissioned education programs by job position to strengthen employee competencies and training programs for promoted employees by position. DIG Airgas will continue to enhance corporate competitiveness by encouraging and supporting employees to develop work-related professional knowledge thereby building competency.

[Job competency improvement education]

Name of education	Main content
Job training	Provide the education necessary for performing job specific duties, such as production and technology
New employee training	Provide company introduction and training on job competency to those who joined the company within the last one year
Outside commissioned education by job position	Provide compulsory job training such as ISO internal examiner training and Gas Safety Corporation training
KMA member company education service	Support employees to take various programs and use various other member company services utilizing coupons for education , seminars, etc.
Employees (key personnel) job/leadership/foreign language education	Support key personnel competency development through external specialized training
Leader training	Provide training to improve competency such as problem solving and planning ability to team leaders
Cyber (online) language training	Provide online and telephone foreign language training
OTS training (production)	Provide plant simulation training to operators

Recruitment and Competency development cost



Communication culture made together

DIG Airgas operates various communication channels to create a horizontal communication culture for employee communication.

Town hall meeting	Company-wide communication meetings to share performance and order receipt news and provide rewards through quarterly online meetings
Reverse mentoring	A ‘reverse mentoring’ system in which young employees become mentors of seniors or senior management to coach and support young ideas and trends, MZ’s senses and skills, etc.
Buddy activity	Mentoring program for early settlement of new hires
Labor-Management Council	Through the quarterly labor-management council, both workers and employers promote common interests through understanding and cooperation so that conflicts within the organization can be resolved in advance with the means of smooth communication between labor and management.
Collective agreement	Collective agreement is held once every 2 years, and the agreed outcome is shared to all employees

Pursuit of a family-friendly corporate culture

DIG Airgas actively develops and supports various family-friendly programs that can improve the quality of life of employees by respecting the personality and values of individual employees.

[Family-Friendly Program Support Performance]

Division	Unit	2020	2021	2022
Maternity leave	Case	-	12	17
Parental leave	Case	-	2	2
Shortened work system for childcare	Case	3	0	4
Family day system	Day	-	15	17
Maternity subsidy system	Case	17	3	13
Use of selective working hours	Person	-	68	76

Post-retirement life support

DIG Airgas operates a retirement pension system to contribute to relieving the financial burden of employees. Also, at least once a year, DIG Airgas distributes the content of retirement pension education to all employees to improve their understanding of retirement pension. In addition, DIG Airgas provides re-employment services for retirees to help their transition for new stages of lives post retirement.

Social

Customer Satisfaction Management

DIG Airgas produces and supplies industrial gases that are essential for national key industries, such as semiconductors, displays, petrochemicals, oil refining secondary batteries, steel, and shipbuilding.

DIG Airgas is continuously advancing its quality management system to secure the reliability of product quality through continuous quality management activities and to supply the highest level of products to customers.



Quality Management System

DIG Airgas pursues quality management as the top priority value for customer satisfaction management, and strives to produce and supply high-quality, safe products. To that end, DIG Airgas pursued perfection in product analysis through various state-of-the-art analysis equipment and systems, and has improved quality stability by acquiring ISO 9001 quality management system and GMP certifications. In addition, based on accumulated experience and knowledge, DIG Airgas applies quality and safety procedures to the operation and management of all works ranging from production of all equipment and products to customer service, carries out gas use safety training and regular facility inspections, and ensures customer safety by providing various safety data including MSDS, etc.

[Quality Management System]

Operation of an organization dedicated to quality assurance		
Customer response	Workplace and product management	Supplier audit
• Perform analysis works requested by customers • Respond to customer quality issues and customer quality audits	• Perform analysis works requested by internal workplaces • Manufacture precision standard gases and manage workplace standard gases • Regular management of whether analysis equipment at workplaces is abnormal or not	• Conduct quality audits for major suppliers
Quality control at the site of production division		
Check MSDS(Material Safety Data Sheet) data for purchase, handling, and storage by item, and place the data at each workplace so that work can be proceeded with after checking the data.		
Provide manufacturer’s name, product name, ingredients and properties, handling precautions, applicable laws, first aid measures in case of an accident, etc.		
Quality control through quality analysis systems		
Cryogenic Air Separation Unit(ASU) Analysis System	Electronic grade Specialty Gas(ESG) Analysis System	
Perform real-time monitoring of the gas production process and strict quality control of products supplied to customers	Perform strict quality control in the semiconductor manufacturing process	

Customer satisfaction survey

A survey of customer satisfaction with product quality is also conducted every year and based on the results of the customer satisfaction survey, detailed tasks to be promoted for quality improvement are established and improvement activities are monitored. In addition, internal and external examination reports and management reviews on the internal procedures and suitability for ISO 9001 are prepared every year for 12 domestic workplaces and reported regularly to the management to maximize customer satisfaction through quality improvement.

[Customer Satisfaction Survey Results (based on the full marks of 10-points / AG & SG Total)]

Division	2021	2022	Change rate compared to 2021
Customer satisfaction	8.9	9.1	▲ +0.2%

Customer support (facility & quality)

AG customer facility management support (Production Division)

Customer support team

- Customer facility management (CE, VA, GSU)
- Carry out customer facility check: regular, occasional, special checks (summer, winter season, straight holidays)
- Distribute legal guidance: MSDS, facility safety training and hazard prevention
- Provide customer technical support and technical consulting

SG customer quality control support (SG Business Division)

Customer support part

- Respond to overall requests and issues related to customer materials based on expertise and experience
 - Respond to customer audit and carry out quality improvement
 - Check the quality of customers' new materials and carry out Process Change Notification
 - Respond to VOC such as customer complaints and issues

Selected as an excellent FAB material supplier by Samsung Display

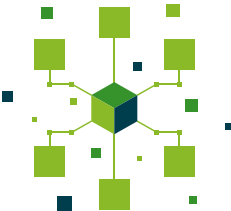
"In November 2022, Samsung Display's Small and Medium Manufacturing Technology Center conducted a comprehensive evaluation of FAB material suppliers (about 60 companies) on quality control, quality improvement, and cost reduction, and as a result, DIG Airgas was chosen as one of the top three outstanding suppliers of FAB material among the 60 companies."



Social

Supply Chain ESG Management

DIG Airgas recognizes suppliers as important business partners and strives to build a sustainable supply chain to create value. Through the ESG Steering Group DIG Airgas will actively promote ESG activities of suppliers and realize shared growth with suppliers such as participating in customers’ supply chain management policies.



Suppliers ESG Management

DIG Airgas established the ESG Steering Group in 2022 and actively promotes activities to enhance the ESG value of suppliers. In order to spread ESG management in the supply chain, DIG Airgas established a conflict minerals management policy, code of conduct for suppliers, etc., to encourage suppliers to participate in ESG management, and collects a code of ethics pledge from all suppliers that contract with DIG Airgas. In the future, DIG Airgas plans to monitor the ESG performance of suppliers and expand management areas in the future.

[Supply Chain ESG Management Guidelines]
(*Supply chain: companies from which equipment and raw materials are purchased)

Conflict Minerals Management (Tier-1 suppliers)

Recognizing human rights violations such as labor exploitation, ecosystem damage, and environmental pollution that occur in the process of mining minerals in conflict areas as serious problems, DIG Airgas requests suppliers to ensure that conflict minerals are not included in the supply chain for the production of its products in order to fulfill its corporate social responsibility and monitors the foregoing.

Pledge to comply with and practice the supply chain code of ethics (all suppliers)

DIG Airgas requests a pledge to comply with and practice Supply Chain Ethical Management as an essential item at the outset of contract stage. DIG Airgas manages it so that suppliers continue to abide by the code of ethics.

Code of conduct for Supplier (Tier-1 suppliers)

Code of conduct for Supplier has been enacted in the second half of 2022 to encourage suppliers and other major business partners related to product production to build a safe working environment, respect workers, and operate the business an environmentally friendly and ethically. From 2023, it will be expanded to entire suppliers.

Integrated purchasing procedure regulations (all suppliers)

A transparent and fair criteria process for selecting suppliers is documented, and relevant departments carefully review whether the suppliers are suitable for our logistics, production, project, safety, health, environment, quality, and purchasing requirements, and then proceed to bid for the final approved suppliers.

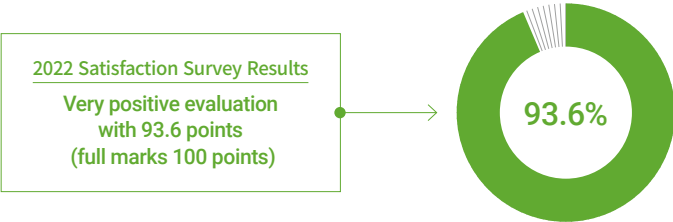
[Code of Ethics Signature Performance for Suppliers]

Division	Unit	2020	2021	2022
Total number of suppliers*	Ea	333	262	266
Number of suppliers that signed on the code of ethics	Ea	322	251	255
Ratio of suppliers that signed on the code of ethics	%	96.7	95.8	95.9

*Entire suppliers in DIG Airgas supply chain

Conducting suppliers satisfaction surveys

In 2022, a satisfaction survey was conducted with the primary major suppliers (82 companies) through an external professional research institute. The survey questioned company’s performance on a total of 12 categories such as overall satisfaction with transactions, promptness/clearness of decision-making, friendliness of staff response, consistency/fairness of work handling, clarity of standards for data requests, rationality of order placement/contract procedures, and promptness/accuracy of payment. Based on the results of the survey every year, DIG Airgas plans to strengthen cooperation with suppliers and identify areas for business improvement, and continue management improvement activities reflecting the requirements of stakeholders.





Participation in customers’ supply chain management policies

Since 2022, DIG Airgas has been strengthening win-win partnerships with our key customers and actively participating in their supply chain ESG assessment and activity support programs. In addition, DIG Airgas complies with customer’s code of conduct for supplier and takes the lead in protecting human rights through the management policy not to use supply chain conflict minerals.

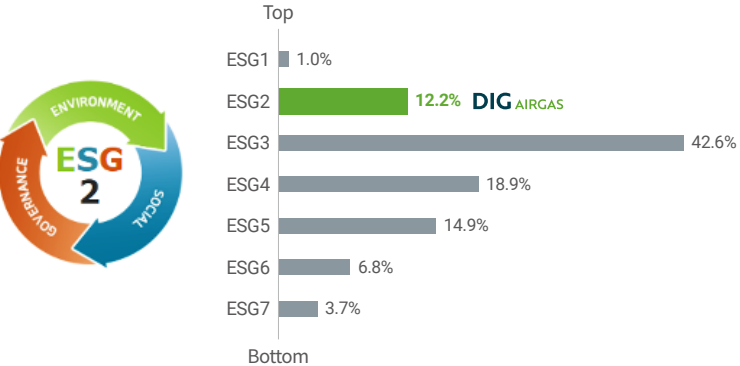
[Major activity details]

Classification	Activity goals	Major suppliers
Participation in win-win partnerships	- Participation in ESG-related education and consulting - Establishment and support for achievement of supply chain ESG activity goals (joining SK Hynix ‘Eco Alliance’)	Samsung Electronics, SK Hynix
Code of conduct for supplier	Compliance with the customer’s code of conduct for supplier	All suppliers in the supply chain
Support for joining and response to CDP	Evaluation and management of greenhouse gas reduction details	SK Hynix, Samsung Electronics
Implementation of ESG Comprehensive Evaluation	- Supply chain ESG comprehensive evaluation and due diligence (external evaluation company) - Evaluation of supply chain ESG activity using survey method	Samsung Electronics GS Caltex, LG Display, SK Siltron
Conflict Minerals Management	Protection of human rights through supply chain conflict minerals management	LG Display, Samsung Display
Greenhouse Gas Emissions Information	Provision of greenhouse gas emission information by supply chain SG product	Samsung Electronics, Samsung Display

Samsung Electronics Comprehensive Evaluation Results (2022)

Samsung Electronics comprehensively evaluated DIG Airgas’ ESG activities in 2022. As a result, DIG Airgas obtained a 2nd grade (7 grades in total), which corresponds to the top 13.2% of all suppliers, indicating that DIG Airgas’ ESG system and performance are at top level and well above average. This evaluation was conducted from July to October 2022 based on objective data collected by ECREDIBLE, a third party, and fact-finding surveys and supporting documents submitted by companies, and will be conducted every year. In the future, DIG Airgas will continue to participate in customer supply chain management policies and actively promote ESG management.

[Distribution of ESG Overall Ratings]



Social

Social Contribution

In order to become a sustainable company, it is important to grow together with various stakeholders such as employees, suppliers, customers, and local communities, and create positive social values through this. DIG Airgas will actively take the lead in community development and environmental protection, fulfill its corporate social responsibilities, and strive to become a company that is loved and respected by customers and society.

Social contribution activity promotion system and strategy

DIG Airgas aims to become a company that is loved and respected by customers and society by fulfilling its corporate social responsibilities through solving environmental and social issues, nurturing talents for the future generation, and donating employee talents, and through sharing activities. To that end, DIG Airgas created a corporate culture to coexist with the local community by implementing a matching grant system, corporate sponsorship system, and activities to protect the local environment. In addition, DIG Airgas has systematically promoted social contributions at the company level and created conditions for employees to actively participate in social contributions.

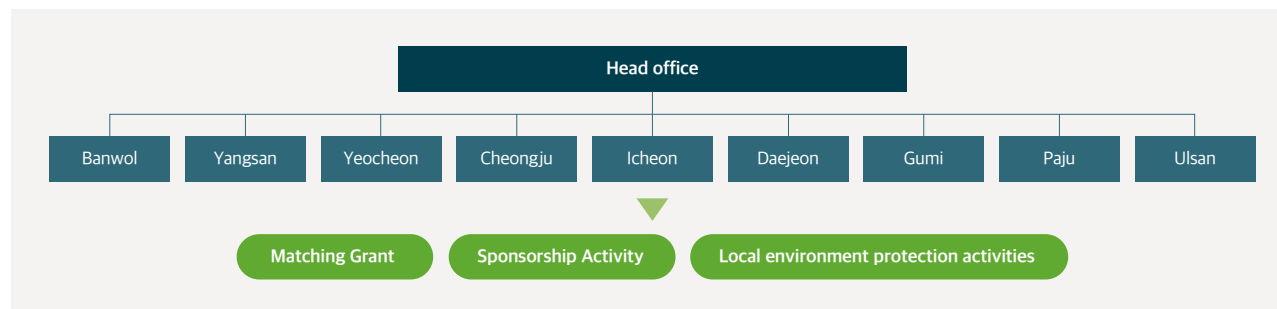
[Policies related to social contribution]

Code of Ethics



- Employees comply with all laws, serve the country and local community, conduct all businesses in an environmentally friendly manner, and do their best to protect the environment and preserve resources.
- DIG Airgas guarantees and actively supports employees' participation in sound social activities and volunteer activities.

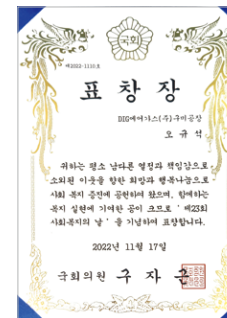
[Chart of social contribution activity system]



Received a commendation for social contribution activities

DIG Airgas has been steadily promoting social contribution activities for over 10 years. DIG Airgas practiced coexistence with the local community by purchasing necessary items such as rice, blankets, ramen, bags and clothing for low-income people and delivering them to each household. In addition, DIG Airgas supported monthly purchases of side dishes at the welfare center cafeteria and its employees participated in lunch box delivery service once or twice a month. DIG Airgas received a commendation from the National Assembly member and a plaque of appreciation from the Gumi Social Welfare Center in recognition of its efforts in social contribution activities. DIG Airgas will continue to grow into a company that practices win-win by giving back to society and creating social values.

[Received an external commendation for social contribution activities in 2022]



Member of the
National Assembly
Commendation
(2022.11.17)

Gumi Social Welfare
Center Appreciation
Plaque
(2022.12.15)



Social contribution activities publication interview (Kumo Social Welfare Center publication)

“I believe that social contribution is the beginning of ESG. I think the value of social contribution that DIG Airgas has, is to protect the environment, value corporate social responsibility, and be recognized by society through transparent management.” DIG Airgas Gumi Plant Manager Park Doo-ho

Major social contribution activities

With the active participation of employees, DIG Airgas carries out social contribution activities such as matching grant sponsorship and local community volunteer activities. Accordingly, in 10 workplaces nationwide, including the head office, DIG Airgas strives to be neighbors who deliver warmth by the side of those who are experiencing difficulties in close contact with the local community. Taking into account the geographical characteristics of sites located across the country, DIG Airgas provided necessary items and practical help to nursery schools, nursing homes, homes of the elderly living alone, low-income families, children's study rooms, nursing facilities for the elderly, and welfare centers. DIG Airgas will continue to expand and promote various social contribution activities to fulfill its corporate social responsibility.



From 2010, each workplace has been operating the matching grant system, a social contribution program through voluntary donations from employees and support from the company. With the donations raised through this, DIG Airgas is delivering hope to every corner of the local community. Major activities include providing necessary help to neighbors in need, such as low-income families, children's foundations, welfare centers for the disabled, family centers, orphanages, and nursing homes for the elderly, and participating in UNICEF international children's support activities.



DIG Airgas provides support for the future of underprivileged children and youth in the local community. Major activities include helping boy and girl breadwinners, which are company-sponsored activities, and conducting after-school classes to protect the present of children who will become the leaders of the future society and support them to draw a positive future.



To help clean up the environment, in addition to preserving the environment at the corporate level, DIG Airgas has continued employee volunteer activities such as collecting garbage and waste from the promenade around the workplace every year to increase the influence of each employee and actively protect the environment.





Governance

Composition and Operation of the Board of Directors

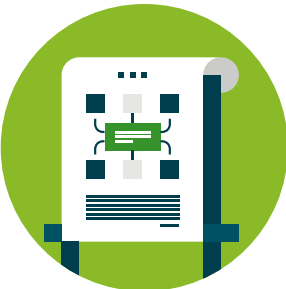
Ethical, Compliance Management

Management Information Protection

Governance

Composition and Operation of the Board of Directors

DIG Airgas organized and regularly operates a board of directors to deliberate on major issues related to the company’s management policies and business. DIG Airgas has established a transparent and rational decision-making system centered on the board of directors with independence, expertise, and diversity, and through this, DIG Airgas strives to create sustainable values and promote the rights and interests of all stakeholders.



Composition of the BOD

DIG Airgas organized the board of directors in consideration of expertise and major careers in overall management, including industrial environments, finance and laws, and the CEO also serves as the chairman of the board of directors in consideration of the urgency and efficiency of decision-making. The board of directors consists of one inside director, three other non-executive directors, and one outside director, and plays the role of helping rational decision-making on major pending management issues by performing the function of resolving major matters regarding the execution of works specified in the laws and the articles of incorporation and supervising the execution of duties by the management.

[Composition of the board of directors]

Division	Name	Sex	Position	Term of Office	Area of expertise	Major career
Inside director	Gyu-Seok Oh	Male	CEO / Chairman of the Board	2021.4.20 ~ 2024.4.19	Corporate Management	(Former) President of Daelim Industrial (Former) Vice President of POSCO
	Yong-hwan Kim	Male	Board member	2023.3.22 ~ 2026.3.21	PEF investment and asset management	(Current) CEO of Macquarie Asset Management (Former) Corporate Finance Department, Macquarie Securities Co., Ltd.
Other non-executive directors	Soo-jin Lee	Female	Board member	2023.3.22 ~ 2026.3.21	PEF investment and asset management	(Current) Executive Director, Macquarie Asset Management PEF Management Division (Former) GE Real Estate Co., Ltd. (Seoul) Finance Team
	Dae-woo Choi	Male	Board member	2023.3.22 ~ 2026.3.21	PEF investment and asset management	(Current) Macquarie Infrastructure and Real Assets (Singapore) Pte. Ltd., Division Director (executive director) (Former) Executive Director of Macquarie Asset Management’s PEF Management Division
Outside director	Hyun-jae Kim	Male	Board member	2023.3.23 ~ 2024.6.9	Electrical and electronic engineering	(Current) Professor at Yonsei University of College of Engineering

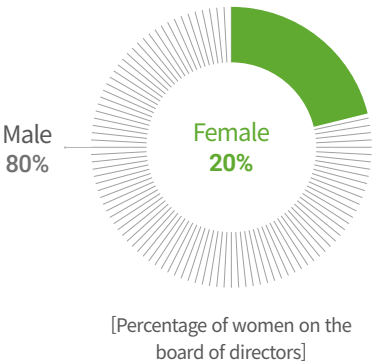
*Board of Directors composition: 60% in their 40s, 20% in their 50s, 20% in their 60s

Diversity and Expertise of the BOD

DIG Airgas organized the board of directors considering diversity and expertise for corporate value enhancement and sustainable growth, and does not impose restrictions on gender, race, nationality, political or cultural background in the process of appointing directors. DIG Airgas secures expertise in overall corporate management by appointing directors with expertise in diverse areas such as business management, financing, finance/accounting, and industrial technology. Accordingly, the appointed directors contribute to stable corporate management and sustainable growth by performing management and monitoring roles in various fields.

Independence and Transparency of the BOD

Directors are appointed at the general meeting of shareholders in accordance with relevant laws, articles of incorporation, and board regulations to ensure independence and fairness. The chairman of the board of directors is concurrently chaired by the CEO and plays the role of widely listening to and mediates the opinions of internal and external stakeholders. In addition, DIG Airgas has secured transparency in the decision-making process by preventing directors who may have conflicts of interest from exercising their voting rights.



Activities of the BOD

The board of directors resolves matters prescribed by laws or the articles of incorporation, matters entrusted from the general meeting of shareholders, and important matters related to the company’s basic policy and business execution, and performs management decision-making and supervision functions, such as deciding major matters within the company. The Board of Directors regulations have been enacted to strengthen the transparency of the Board of Directors, and accordingly, the company’s executives, including the CEO, report to the Board of Directors on major management issues such as business performance, prospects, and tasks promoted at least once a quarter, and board meetings can be held any time when any matters requiring a resolution by the Board of Directors has occurred. The board of directors resolves agendas with the attendance of a majority of the registered directors and the consent of a majority of the directors present, unless otherwise stipulated in the laws and the articles of incorporation.

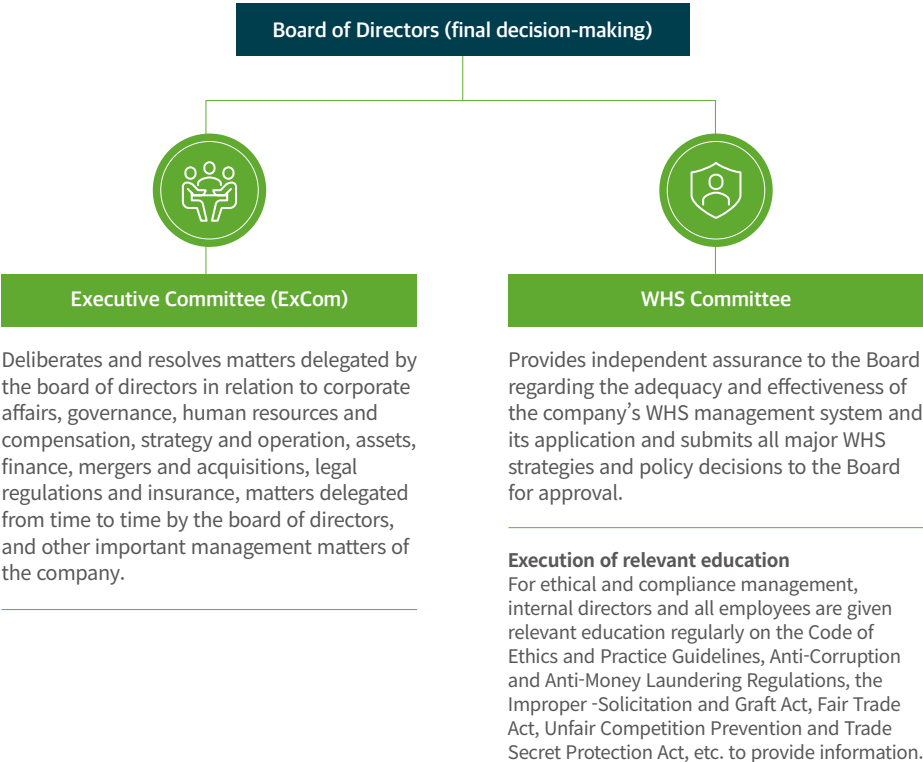
[2022 Operation Status of the BOD]

Division	Unit	2022
Regular board meeting	Times	7
Board meeting attendance rate	%	100
Inside director	%	100

Distribution and balance of authority through committees under the board of directors

DIG Airgas enhances management efficiency by organizing committees under the board of directors. By operating specialized committees, authority is distributed, and balance is maintained in the decision-making structure, and the organizational structure, roles, responsibilities, and authority of each committee are specified by the committee regulations, which each committee needs to comply with.

[Composition and roles of committees under the board of directors]

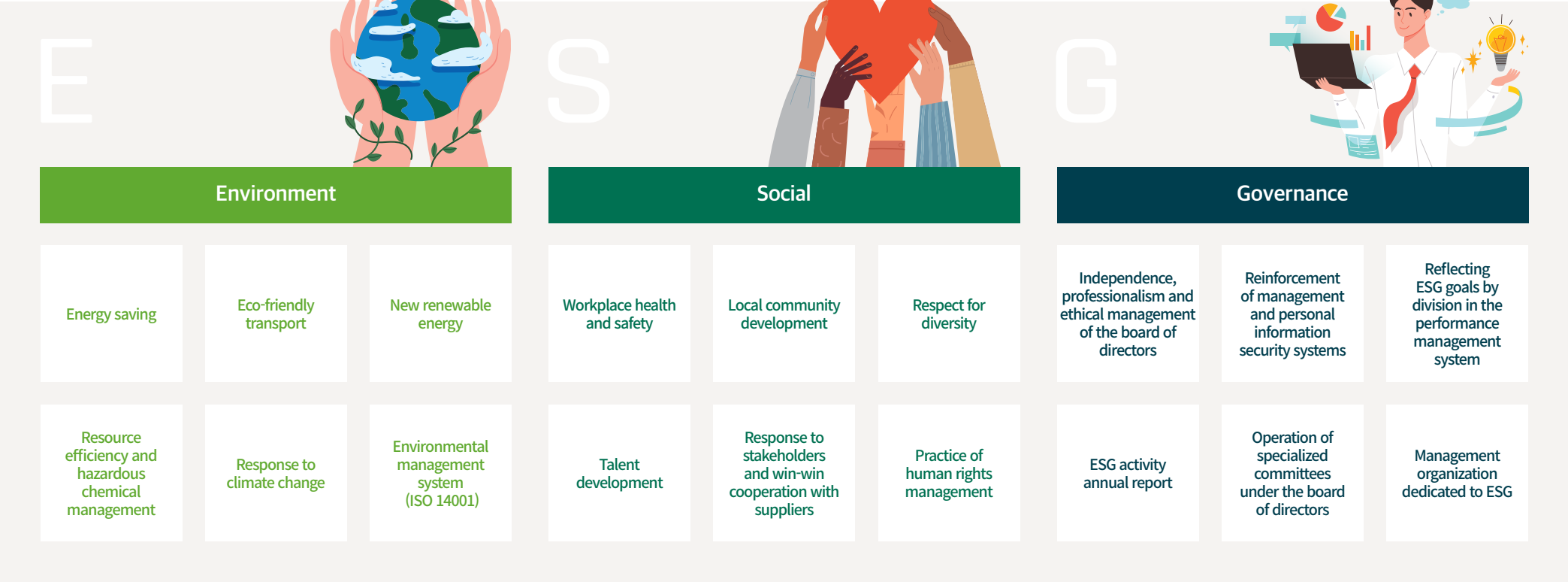


ESG Management Governance

Connection between performance evaluation and compensation system and ESG management

From 2022, DIG Airgas has internalized sustainability in corporate activities by linking ESG management-related items to key performance indicators (KPIs) for executives and division. KPIs were composed of appropriate items reflecting the characteristics of the works performed by individual divisions, and the CEO periodically reviews the performance. In the future, DIG Airgas plans to continuously develop and internalize a performance evaluation and compensation system linked to ESG management strategies.

[DIG ESG performance target indicators]



Governance

Ethical Management • Compliance Management

In order to actively respond to the rapidly changing business environment, securing and maintaining customer trust is the asset more important than anything else. DIG Airgas enacted the Code of Ethics, the Code of Conduct, Anti-corruption Regulations, etc. to enhance the professional ethics of employees. In addition, we implemented sexual harassment prevention and workplace bullying prevention education to establish an ethical corporate culture for all employees.



Ethical • Compliance Management System

The Code of Ethics and its guidelines are posted on the official website of DIG Airgas so that not only employees but also various stakeholders can see and check them firsthand, thereby enhancing the trust of other stakeholders, including customers, shareholders, and suppliers, and practicing transparent ethical management that fulfills the company’s role as a member of the local community.

[Ethical and Compliance Management Guidelines]

Code of Ethics

In addition to code of ethics for customers, shareholders, investors, company, local community and state, DIG Airgas stipulated the prohibition of receiving unfair profits, prohibition of sexual harassment, prohibition of mutually giving and receiving money and valuables and granting of equal opportunities to provide standards for proper decision making and ethical judgement in management activities and employees’ performance of work.

Code of Ethics Behavior Rules

Provides standards for right behavior and value judgment that must be observed by employees when performing their duties and applies not only to all employees working in the company, but also to daily workers.

Code of Conduct for Supplier

Supporting the 10 principles of the UN Global Compact (UNGC) for the fields of human rights, labor, environment, and anti-corruption, DIG Airgas established a code of conduct for supplier to stipulate standards for behavior and value judgments to be observed by suppliers in the field of ethical management so that the culture of ethical management can spread to suppliers.

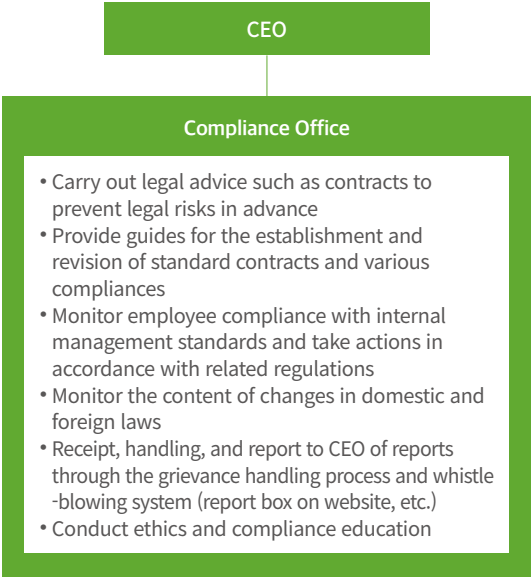
Anti-Corruption Regulations

By raising the awareness that not only the individuals but also the company can be punished under the laws of Korea as well as foreign countries in cases where company employees or third parties commit corruption in leading business, we prevent corrupt acts in advance.

Anti-money Laundering Regulations

Stipulated to comply with domestic and international standards for preventing money laundering and public intimidation financing in relation to the company’s business. Established implementation principles to prevent goods or services and transactions provided or received by the company from being used for illegal activities such as money laundering.

Ethical • Compliance Organization



Ethical and Compliance Management Reporting Channel and Informant Protection

DIG Airgas operates an ethics reporting channel on its website so that all stakeholders, including employees, customers, and suppliers, can freely report grievances and ethical violations. After receiving grievances or ethics reports through the reporting channel, the legal officer, who is the person in charge, carefully investigates the facts and explanatory data, and if the reports turn out to be true, they are reported to the CEO, who is the highest responsible person, and decisions regarding disciplinary measures are made through the Personnel Committee. In addition, by stipulating the contents of the reporting channel and the protection of informants in the Code of Ethics and the Code of Conduct, the informant's anonymity is thoroughly guaranteed, and the informant is protected so that he or she can report with confidence without suffering any disadvantages.



Reporting channel

Home page : www.dig-airgas.com/kr/company/business/ethics.php

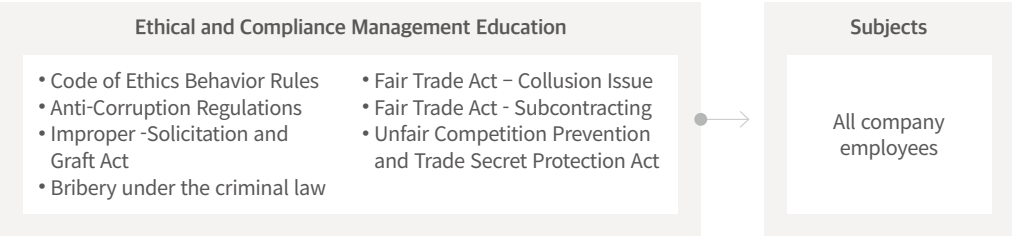


Contents of 2022 reports and processing measures

Report Content: Bullying by superiors against subordinates (bullying in the workplace)
Processing measures: Personnel measures taken by holding a disciplinary committee

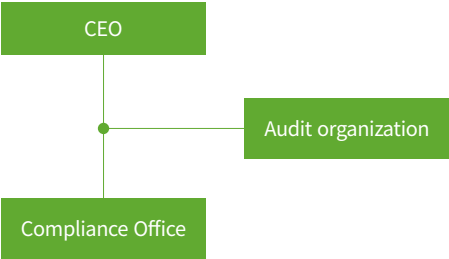
Conducting ethics and compliance education

For ethical and compliance management, education on company rules and laws that must be observed by all employees is provided regularly to all employees in accordance with the Code of Ethics, the Code of Ethics Behavior Rules, and the anti-corruption regulations. Through this, DIG Airgas strives to raise employee awareness and keep customer trust.



Ethics and Compliance Audit System

As full-time auditor the registered auditor of DIG Airgas conduct audits of the company's business and accounting and report the results to the board of directors. Audits include the approval of the appointment of external auditors and other matters stipulated in related laws and the articles of incorporation, and regular audits according to daily plans and special audits for specific issues are conducted through the internal audit organization.



Under the independent audit organization, the internal audit is carried out together with the compliance office.	
Audit period	Special audit and regular audit (audit according to daily schedule)
Audit targets and scope	Internal Audit and Ethics and Compliance-related Sectors
Audit activities	Internal audit regulations and internal reporting regulations, revision of the Code of Ethics, reporting of audit activities to the board of directors, internal control diagnosis through an external accounting firm

Independence and fairness of audit (Article 9 of Audit Regulations)

Our company guarantees the independence and fairness of our audits in accordance with the audit regulations.

- Auditors should always maintain independence and a fair attitude and must avoid work that conflicts with their own interests.
- Auditors should not disclose or divulge any facts acquired in the course of duties to others without justifiable reasons or use them for purposes other than audit purposes.
- Auditors should not violate the human rights and other rights of auditees and should not damage the reputation of the persons concerned.

Governance

Information Protection

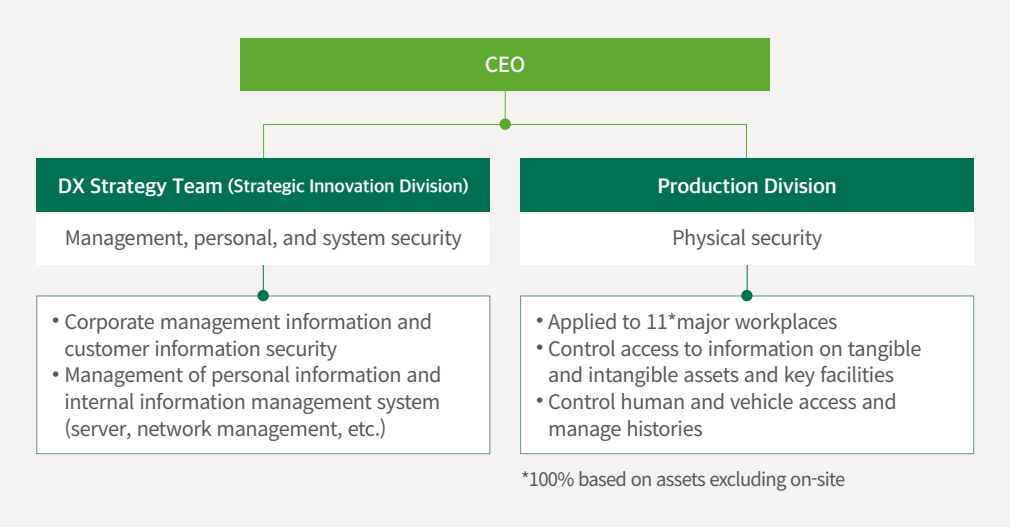
As cyber threats are rapidly increasing in all organizations due to the acceleration of digital transformation, the need to improve security levels is emerging throughout the industry. In response to these changes, DIG Airgas is strengthening information security by establishing a systematic information protection process and conducting education.

Information Protection System

By establishing the ‘Information Protection Management Regulations’, DIG Airgas manages not only internal information security, but also employees’ personal information protection, various stakeholders’ information, and information management system security in accordance with systematic regulations and guidelines for information security for the entire the company. In 2022, DIG Airgas established a new physical security system for the security of tangible and intangible asset information against unauthorized intrusion from the outside as well as management information related matters and workplace facility information and thoroughly complies with relevant regulations to further strengthen security.

[Information Protection and Personal Information Protection Guidelines]

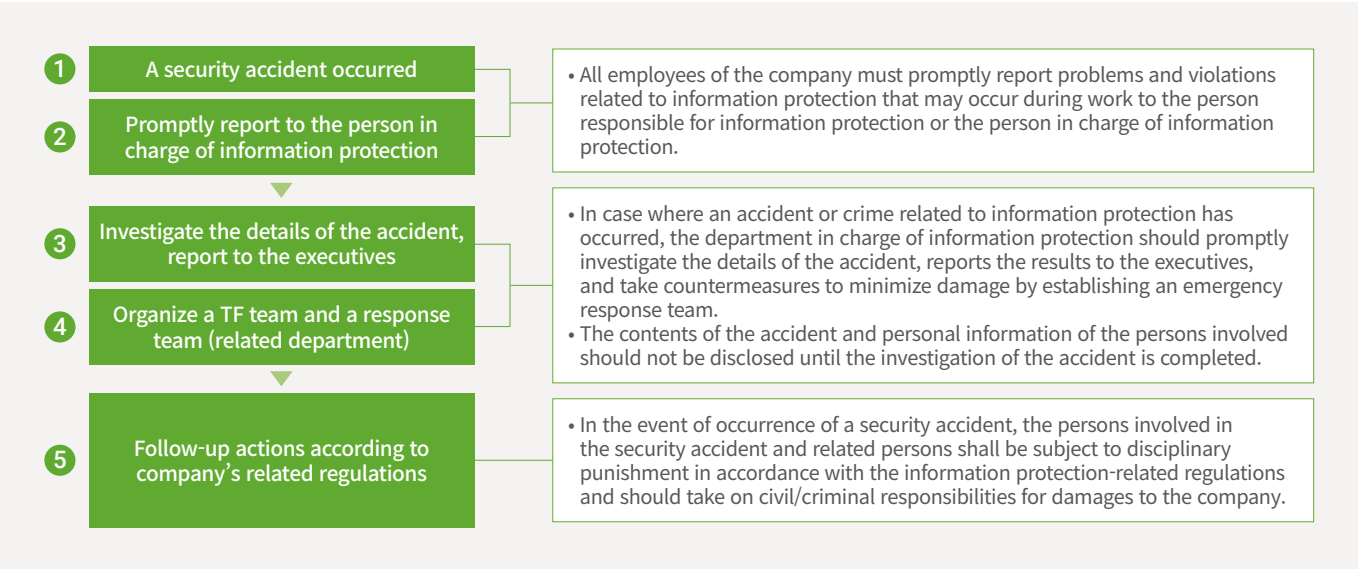
Security area	Regulation	Major guidelines
Trade secret	Information Protection Management Regulations	• To protect the company’s trade secrets, management information, customer information, and other company information from threats such as misuse, damage, alteration, leakage, and loss by unauthorized persons, the details necessary to carry out information protection are stipulated.
Personal information	Personal Information Protection Internal Management Guidelines	• Establish measures to prevent personal information from being lost, stolen, leaked, falsified or damaged in managing personal information of employees, job applicants, and customers • Apply to all personal information that the company receives directly from the information subject or from a third party and manages
Communications channel	Information Protection Management Regulations	• Guidelines, history management and measures for preventing the company’s secret content from being sent outside without the company’s approval process via e-mail, wired phone, wireless phone, etc.
Information management system (server)	Information Protection Management Regulations	• All employees should thoroughly manage passwords to protect the system from password leakage and hackers when using the company’s information management system (SAP, G-Suite, server, etc.) • Follow-up measures in accordance with relevant regulations for those who disclosed/leaked restricted information to the outside without prior approval from the person in charge of information protection • Establish and operate a separate information management system operation guideline (manual) that includes network security and server security
Intrusion from the outside and facility information	Physical security regulations	• Regulations on physical security management and inspection for the security of information on tangible and intangible facilities • Apply access control to all workplaces, employees, all persons and vehicles visiting the workplaces • Detailed guidelines for prohibiting and restricting access of unnecessary persons by setting a certain range in necessary places for the protection of important facilities and information security



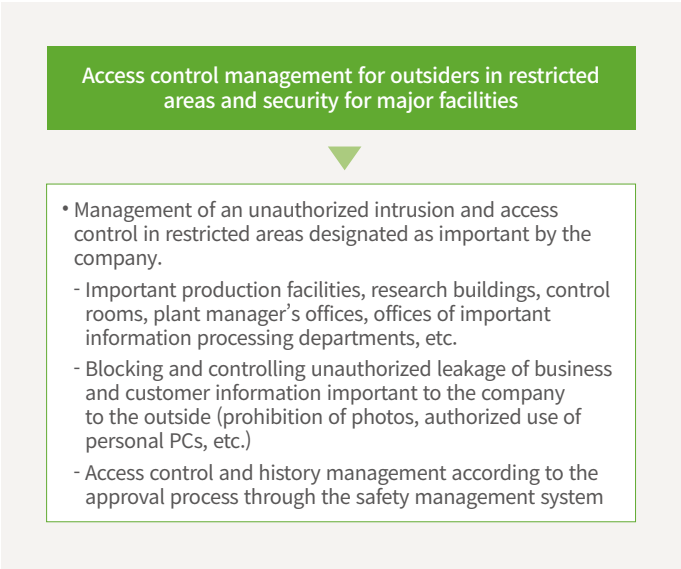
Information Security Risk Management Process

DIG Airgas has prepared an information security risk management system in the company’s information protection management regulations and systematized it so that the response process can be well-acquainted and fast responses are possible when information protection-related problems and violations, which may occur during work, have occurred. In addition, an emergency response team was formed for security incidents to respond to security incidents so that the damage can be minimized, and thorough security is maintained for the handling process, personal information, and content.

[Management, personal, and system sectors (DX Strategy Team)]



[Physical Security Sector (Production Division)]



Conducted information protection education

For one month of December 2022, company-wide personal information protection education was conducted to enhance employees’ awareness of personal information, and through this, examples of personal information protection measures were provided so that employees could understand the Personal Information Protection Act. DIG Airgas support the education every year so that employees can be well-acquainted with the importance of personal information protection.



Appendix

ESG Data
Economic Performance
Environmental Performance
Social Performance
GRI Standards Index
SASB Index
TCFD Index
Six Major Capitals
UN SDGs Index
ISO Certification
Verification Statement on Greenhouse Gas Emissions
Third-party Verification Statement

ESG Data

Economic Performance

Summary consolidated statement of financial position

Indicator name	Detailed indicator	Unit	2020	2021	2022
Assets	Current assets	Million won	286,871	262,749	340,930
	Non-current assets	Million won	791,320	787,068	809,528
	Total assets	Million won	1,078,191	1,049,817	1,150,457
Liabilities	Current liabilities	Million won	167,446	244,587	316,063
	Non-current liabilities	Million won	451,482	366,774	319,951
	Total liabilities	Million won	618,928	611,362	636,013
Capital	Capital	Million won	28,206	28,206	28,206
	Paid-in capital in excess of par value	Million won	111,654	28,854	28,854
	Earned surplus	Million won	153,960	206,505	281,940
	Total capital	Million won	459,262	438,455	514,444

Summary consolidated statement of comprehensive Income

Indicator name	Detailed indicator	Unit	2020	2021	2022
Sales		Million won	593,305	653,211	745,668
Cost of sales		Million won	375,880	402,950	453,311
Operating profit		Million won	90,313	139,200	159,142
Current net income		Million won	64,862	97,682	117,635
Ordinary research expense (R&D)		Million won	3,627	2,205	2,355
Patent	Application	Case	2	0	0
Patent*	Registration	Case	1	1	1

*Written on a cumulative basis

Costs spent to regional suppliers

Indicator name	Detailed indicator	Unit	2020	2021	2022
Amount of purchases from suppliers in regions where important workplaces are located		Million won	100,177	118,007	232,496
Amount of purchases from suppliers	Domestic	Million won	50,356	67,453	96,250
Amount of purchases from suppliers	Overseas	Million won	49,821	50,554	136,246

*Supplier: Purchase of major facilities (China, USA, etc.) / purchase of raw materials (US, China, Japan, etc.)

Distribution of economic performance

Indicator name	Detailed indicator	Unit	2020	2021	2022
Government	Corporate tax expense	Million won	8,032	19,854	28,963
Shareholder	Total dividends	Million won	142,852	131,049	48,000

Political contribution

Indicator name	Detailed indicator	Unit	2020	2021	2022
Political contribution		Million won	0	0	0

Government financial support

Indicator name	Detailed indicator	Unit	2020	2021	2022
Government financial support	Total	Million won	244	1,781	1,904
	Tax credit	Million won	244	1,781	1,904
	Subsidy	Million won	0	0	0
	Investment, R&D subsidy	Million won	0	0	0
	Other monetary incentives	Million won	0	0	0



Environmental Performance

Energy consumption (based on domestic workplaces)

Indicator name	Detailed indicator	Unit	2020	2021	2022
Energy consumption	Total	TJ	16,612	17,265	17,034
	Electricity	Kwh	1,711,851,979	1,780,428,958	1,756,358,229
	LNG	1,000m³	1,974	1,953	2,274
	Diesel	kℓ	1,914	1,864	1,803
	Propane	Ton	2	0	0
	Steam	TJ	18	19	7
Energy intensity*	Basic unit	TJ / 100 Million won (sales)	3	3	2

*Based on domestic energy and domestic sales, solar power units are planned to be installed in 2023 (Paju Plant office building)

GHG emissions (based on domestic workplaces)

Indicator name	Detailed indicator	Unit	2020	2021	2022
GHG emission	Total	tCO ₂ eq	809,729	828,720	817,554
	GHG emissions (Scope 1)	tCO ₂ eq	9,985	9,580	10,117
	GHG emissions (Scope 2)	tCO ₂ eq	799,744	819,140	807,437
GHG emission intensity	Basic unit	tCO ₂ eq / 100 Million won (sales)	147	137	118

*Scope 1: Mobile combustion (road-vehicle), general boiler facilities, other gaseous/liquid fuel combustion

*Scope 2: Based on GHG emission management, electricity and steam amounts

Air pollutants (based on domestic workplaces)

Indicator name	Detailed indicator	Unit	2020	2021	2022
Air pollutant emission	Total	Ton	6.07	4.12	4.47
	NOx	Ton	5.96	3.92	4.26
	SOx	Ton	0.03	0.05	0.11
	Dust (PM)	Ton	0.09	0.16	0.10

Water pollutants (based on domestic workplaces)

Indicator name	Detailed indicator	Unit	2020	2021	2022*
Water pollutant emission	Total	Ton	0.41	0.40	
	COD	Ton	0.19	0.17	
	BOD	Ton	0.04	0.04	
	SS	Ton	0.09	0.08	
	Total nitrogen (T-N)	Ton	0.09	0.10	
	Total phosphorus (T-P)	Ton	0.01	0.01	

*Entered based on the data of the Ministry of Environment’s disclosure system (end of June 2023), can be disclosed after the time this publication, and thus will be disclosed in the next year’s publication



Water resource management (based on domestic workplaces)

Indicator name	Detailed indicator	Unit	2020	2021	2022
Water use	Total	Ton	3,580,296	3,493,080	3,180,758
	Service water usage	Ton	160,509	181,709	85,884
	Industrial water usage	Ton	3,419,787	3,311,371	3,094,874
Water recycling		Ton	109,094	93,400	95,000
Water recycling rate		%	3	3	3
Water use intensity	Basic unit	Ton / Million won (sales)	7	6	5
Wastewater generation amount	Wastewater generation amount	Ton	3,235	4,761	5,640

*All wastewater is legally disposed of through a third-party company

Waste

Indicator name	Detailed indicator	Unit	2020	2021	2022
Waste generation	Total	Ton	322	212	334
	Amount of general waste generated	Ton	199	126	120
	Amount of designated waste generated	Ton	123	86	214
Waste disposal	Total	Ton	188	132	200
Waste recycling	Total	Ton	134	80	134
	Ratio	%	42	38	40

Major spill

Indicator name	Detailed indicator	Unit	2020	2021	2022
Runoff (soil, stream or sea or other)	Total	Ton	0	0	0
	Oil	Ton	0	0	0
	Fuel	Ton	0	0	0
	Waste	Ton	0	0	0
	Chemical	Ton	0	0	0
	Other	Ton	0	0	0

Biodiversity

Indicator name	Detailed indicator	Unit	2020	2021	2022
Workplaces owned/leased/operated in or near protected areas and areas of high biodiversity value		Ea	0	0	0



Social Performance

Employee status

Indicator name	Detailed indicator	Unit	2020	2021	2022
All domestic and overseas employees	Total	Person	575	551	551
	Male	Person	529	512	502
	Female	Person	46	39	49
	Female employee ratio	%	9	8	10
All domestic and overseas executives	Total	Person	15	15	14
	Male (domestic)	Person	14	14	13
	Male (overseas)	Person	1	1	1
	Female (domestic)	Person	0	0	0
All domestic and overseas employees by age group	Female executive ratio	%	0	0	0
	Under 30s	Person	58	66	70
	30-50 years old	Person	382	357	339
	50s or older	Person	135	128	142
All domestic employees	Total	Person	569	542	545
All domestic employees (full-time, male)	Total	Person	511	489	480
	Under 30s	Person	50	58	61
	30-50 years old	Person	341	322	301
	50s or older	Person	120	109	118
All domestic employees (full-time, female)	Total	Person	44	37	44
	Under 30s	Person	6	5	9
	30-50 years old	Person	37	31	33
	50s or older	Person	1	1	2
All domestic employees (contract worker, male)	Total	Person	12	14	16
	Under 30s	Person	2	2	0
	30-50 years old	Person	1	1	1
	50s or older	Person	9	11	15

Indicator name	Detailed indicator	Unit	2020	2021	2022
All domestic employees (contract worker, female)	Total	Person	2	2	5
	Under 30s	Person	0	0	0
	30-50 years old	Person	0	0	2
	50s or older	Person	2	2	3
All overseas employees- China	Total	Person	6	9	6
All employees in China (full-time, male)	Total	Person	6	9	6
	Under 30s	Person	0	1	0
	30-50 years old	Person	3	3	2
	50s or older	Person	3	5	4

*Workplace in China (Guangzhou) executive: general manager (managing director) 1 person
**There is no dispatched employee or contract worker, and the number of services employees was 49 in 2020, 41 in 2021, and 45 in 2022

New employment

Indicator name	Detailed indicator	Unit	2020	2021	2022
Newly hired employees	Total	Person	35	45	64
	Male	Person	34	42	51
	Under 30s	Person	13	26	28
	30-50 years old	Person	9	11	17
	50s or older	Person	12	5	6
	Female	Person	1	3	13
	Under 30s	Person	0	3	5
	30-50 years old	Person	1	0	7
	50s or older	Person	0	0	1



Voluntary retirement

Indicator name	Detailed indicator	Unit	2020	2021	2022
Retired employees	Total number of retired employees	Person	99	39	81
	Male	Person	94	36	74
	Under 30s	Person	11	6	25
	30-50 years old	Person	26	18	37
	50s or older	Person	57	12	12
	Female	Person	5	3	7
	Under 30s	Person	2	0	3
	30-50 years old	Person	3	3	3
	50s or older	Person	0	0	1
Voluntarily retired employees	Number of employees who voluntarily retired	Person	38	36	74
	Male	Person	38	33	67
	Under 30s	Person	10	6	25
	30-50 years old	Person	8	17	35
	50s or older	Person	20	10	7
	Female	Person	0	3	7
	Under 30s	Person	0	0	3
	30-50 years old	Person	0	3	3
	50s or older	Person	0	0	1
	Ratio	%	38	92	91

Employee diversity

Indicator name	Detailed indicator	Unit	2020	2021	2022
Employment diversity	Number of female employees	Person	46	39	49
	Number of employees with disabilities	Person	5	4	4
	Minority group recruitment ratio	%	9	8	10
	Number of employees who are war veterans	Person	13	12	10

Employee retirement benefits

Indicator name	Detailed indicator	Unit	2020	2021	2022
Defined Benefit (DB)	Start date	-	2011.12.31		
	Present value of defined benefit obligation	Million won	43,262	39,887	32,392
Defined Contribution (DC)	Start date	-	2011.12.31		
	Retirement benefit cost	Million won	251	115	158

Use of employee flexible working hours

Indicator name	Detailed indicator	Unit	2020	2021	2022
Number of employees on optional working hour system	Total	Person	-	68	76
	Male	Person	-	64	69
	Female	Person	-	4	7



Employee personnel evaluation

Indicator name	Detailed indicator	Unit	2020	2021	2022
Employees who were subjected to regular Personnel evaluation	Number of employees who were subjected to regular Personnel evaluation	Person	471	460	435
	Male	Person	427	427	397
	Female	Person	44	33	38
	Ratio	%	82	83	79

*Excluding technical workers, contract workers, and those who have worked for less than 7 months during the year among the employees employed in the year

Employee Health Checkup

Indicator name	Detailed indicator	Unit	2020	2021	2022
Ratio of employees who had health checkup	Number of employees subject to health checkup	Person	512	481	454
	Number of employees who had health checkup	Person	500	477	450
	Ratio	%	98	99	99

*Health checkups are conducted in accordance with the standards of the National Health Insurance Corporation, and office workers (office managers and executives) get health checkups every other year and non-office workers (plant workers, salesPersons) get health checkups every year.

Employee Maternity leave, parental leave

Indicator name	Detailed indicator	Unit	2020	2021	2022
Number of maternity leave users	Total	Person	2	12	17
	Male	Person	0	12	15
	Female	Person	2	0	2
Nnumber of parental leave users	Total	Person	1	2	2
	Male	Person	0	1	1
	Female	Person	1	1	1
12-month return rate after parental leave*	Total	%	100	0	0
	Male	%	0	0	0
	Female	%	100	0	0

*Total number of employees registered when 12 months passed after returning from parental leave

*Female restroom is provided

Employee education¹⁾

Indicator name	Detailed indicator	Unit	2020	2021	2022
Ethics education ²⁾	Educated employee	Person	47	-	500
	Number of education sessions	Times	1	-	2
	Education time	Hour	24	-	1,000
Health and Safety education	Educated employee	Person	567	526	524
	Head office	Person	74	73	76
	Workplace	Person	493	453	448
	Number of education sessions	Times	16	16	16
	Education time	Hour	12,717	11,751	11,671
	Educated employee	Person	580	580	561
Human rights education	Security Personnel educated on human rights policies and procedures ³⁾	%	100	100	100
	Number of education sessions	Times	3	3	3
	Education time	Hour	2,320	2,320	2,244
Job training	Educated employee	Person	590	350	250
	Number of education sessions	Times	13	12	90
	Education time	Hour	-	-	-
Information security education	Educated employee	Person	580	580	561
	Number of education sessions	Times	1	1	1
	Education time	Hour	580	580	561
Employee education	Total education investment expenses	Million won	111	121	129
	Educational expenses per employee	Won / Person	195,079	223,247	236,697
	Total education time	Hour	15,641	14,651	15,476
	Education time per employee	Hour / Person	27	27	28

1) All employees attend according to the characteristics of by education (job, position) (except for legal education)
2) Ethics education has been executed every other year, but is scheduled to be executed every year from 2022
3) Estimated by executing compulsory education for all security Personnel upon entrance at all workplaces (security guards, etc.)



Employee Code of Ethics pledge

Indicator name	Detailed indicator	Unit	2020	2021	2022
Employee Code of Ethics pledge		Person	-	-	545
Ratio of employees who pledged the Code of Ethics	Ratio	%	-	-	100

*From 2022, it has become mandatory for employees to pledge the Code of Ethics.

Whistleblowing

Indicator name	Detailed indicator	Unit	2020	2021	2022
Whistleblowing receipt	Number of cases of whistleblowing received	Case	0	0	1
Whistleblowing checking	Number of cases of whistleblowing confirmed to be true among the cases of whistleblowing received	Case	0	0	1
Whistleblowing Handling	Number of whistleblowing cases handled	Case	0	0	1
Disciplinary punishment based on whistleblowing	Number of cases of disciplinary actions based on whistleblowing	Case	0	0	1
	Whistleblowing handling ratio	%	-	-	100

Labor management relations

Indicator name	Detailed indicator	Unit	2020	2021	2022
Record of operation of Labor management council	Number of times held	Times	24	24	24
	Number of unionized employees	Person	108	112	117
Collective agreement	Unionization ratio*	%	20	20	22
	Ratio of employees subject to collective agreement	%	100	100	100

*Those who are excluded from unionization (Collective agreement Article 6): Those engaged in determining company’s policies and courses of action, and workers engaged in Personnel management, labor management, accounting, secretarial work, etc.

Health and safety in the workplace

Indicator name	Detailed indicator	Unit	2020	2021	2022
Frequency rate of injury		%	0	0	0
Severity rate of injury		%	0	0	0
Occupational illness frequency rate*		%	0	0	0
Number of accidents occurred	Number of case of employee near-miss accidents discovered	Case	-	68	78
	Number of cases of employee industrial accidents occurred	Case	0	0	0
	Number of employee deaths	Person	0	0	0
	Total working hours of employees	Hour	1,200,943	1,076,088	1,085,183
	Number of cases of near-miss accidents of suppliers discovered	Case	0	0	0
	Number of cases of industrial accidents of suppliers occurred	Case	0	0	0
	Number of deaths of supplier employees	Person	0	0	0
	Total working hours of suppliers	Hour	350,424	320,087	330,763

*No occupational disease was identified according to the internal criteria.

Environmental & health and safety investments

Indicator name	Detailed indicator	Unit	2020	2021	2022
Health and safety investment budget		Million won	-	4,412	8,056
Executed amount of Health and Safety investments		Million won	3,572	4,886	5,270
Health and safety Investment Execution Ratio*		%	1	1	1

*Executed amount compared to the sales.



Social contribution activities

Indicator name	Detailed indicator	Unit	2020	2021	2022
Contribution	Total	Million won	77	72	77
	Cash contribution	Million won	11	7	8
	Contribution in kind	Million won	66	65	69
Social infrastructure investment and service support		Million won	0	0	0
Workplaces that participated in the local community, carried out impact assessment, and operate development programs		Ea	0	0	2
Employee social contribution activities		Person	81	72	165
		Times	7	8	23
		Hour	9	8	35

Violation of bylaws or laws

Indicator name	Detailed indicator	Unit	2020	2021	2022
Occurrence of discrimination cases	Number of cases received	Case	0	0	0
	Number of cases handled	Case	0	0	0
	Handling ratio	%	0	0	0
Occurrence of child labor	Number of child labor employees	Person	0	0	0
Violation of environmental laws or regulations	Number of cases occurred	Case	0	0	0
	Fine amount	Won	0	0	0
Violation of laws or regulations in social and economic aspects	Number of cases occurred	Case	0	0	0
	Fine amount	Won	0	0	0
Violation of customer privacy and loss of customer information	Number of cases of complaints	Case	0	0	0
Violation of laws or regulations regarding marketing communication and self-regulations	Number of cases occurred	Case	0	0	0

Supply chain ESG management

Indicator name	Detailed indicator	Unit	2020	2021	2022
Major suppliers	Number of major suppliers	Ea	333	262	266
Major suppliers signed on the Code of Ethics	Number of major suppliers signed on the Code of Ethics	Ea	322	251	255
	Ratio	%	97	96	96

Governance Performance

Operation of the BOD

Indicator name	Detailed indicator	Unit	2020	2021	2022
Number of times of board meetings held	Total number of times board meetings held	Case	17	9	7
	Regular board meetings	Case	17	9	7
Board agenda deliberation	Number of agendas submitted to the board	Case	46	28	25
	Number of agendas approved by the board	Case	46	28	25
	Number of cases of ESG agendas deliberated	Case	2	5	1
	Number of cases submitted	Case	2	5	1
	Number of cases approved	Case	2	5	1
	Attendance rate	%	100	100	100
Board meeting attendance rate	Inside director attendance rate	%	100	100	100
	Outside director attendance rate	%	0	0	0
Board education	Number of cases of board education	Case	0	0	0

Management System Certification

Indicator name	Detailed indicator	Unit	2020	2021	2022
Number of workplaces	Total number of workplaces	Ea	20	20	20
	Domestic	Ea	18	18	19
	Overseas	Ea	2	2	1
ISO 14001 (Environmental Management Systems) Certification	Number of certified workplaces	Ea	1	1	1
	Certification Acquisition Ratio	%	6	6	5
ISO 45001 (Health and Safety Management System) Certification	Number of certified workplaces	Ea	1	1	1
	Certification Acquisition Ratio	%	6	6	5
ISO 9001 (Quality Management System) Certification	Number of certified workplaces	Ea	12	12	12
	Certification Acquisition Ratio	%	67	67	63

*ISO 45001 certified workplaces: Head office, Banwol, Daejeon, Cheongju, Yecheon, Yangsan, Gumi, Paju, Ulsan, Gongju, Icheon, Seosan

GRI Standards Index

The Global Reporting Initiative (GRI) is an international organization that provides guidelines for ESG (Environmental, Social, and Governance) reporting and encourages companies to prepare such reports. DIG Airgas follows the GRI Standards 2021, which are the standard criteria for ESG reporting, to prepare their reports and transparently disclose them.

GRI	Disclosure	Reporting Page	Additional Contents	Omission
General Disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	6		
	2-2 Entities included in the organization’s sustainability reporting	2, 6		
	2-3 Reporting period, frequency and contact point	2, 80		
	2-4 Restatements of information	-	As the initial publication of the report, there have been no modifications or changes made to the information provided.	Not applicable
	2-5 External assurance	79		
	2-6 Activities, value chain and other business relationships	6~13, 73		
	2-7 Employees	62		
	2-8 Workers who are not employees	62		
	2-9 Governance structure and composition	51		
	2-10 Nomination and selection of the highest governance body	51~52		
	2-11 Chair of the highest governance body	51		
	2-12 Role of the highest governance body in overseeing the management of impacts	15, 51~53		
	2-13 Delegation of responsibility for managing impacts	15, 52		
	2-14 Role of the highest governance body in sustainability reporting	15		
	2-15 Conflicts of interest	51~52		
	2-16 Communication of critical concerns	20~21		
	2-17 Collective knowledge of the highest governance body	51		
	2-18 Evaluation of the performance of the highest governance body	-		
	2-19 Remuneration policies	-	According to the Capital Market Act, our company is not subject to the submission of business reports. Furthermore, as it is considered internal confidential information, we do not disclose it publicly.	Confidentiality constraints
	2-20 Process to determine remuneration	-		
	2-21 Annual total compensation ratio	-		
	2-22 Statement on sustainable development strategy	5		
	2-23 Policy commitments	16~17, 28~29		
	2-24 Embedding policy commitments	16~17, 28~29		
	2-25 Processes to remediate negative impacts	54~55		
	2-26 Mechanisms for seeking advice and raising concerns	54~55		
	2-27 Compliance with laws and regulations	66		
GRI 3: Material Topics 2021	2-28 Membership associations	2		
	2-29 Approach to stakeholder engagement	22		
	2-30 Collective bargaining agreements	65		



GRI	Disclosure	Reporting Page	Additional Contents	Omission
Material Topic & Topic Standards				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	20~21		
	3-2 List of material topics	21		
Material Topic 1	Climate change mitigation and greenhouse gas emissions reduction			
GRI 3: Material Topics 2021	3-3 Management of material topics	16~17, 28~32		
GRI 201: Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	28~32		
GRI 302: Energy	302-2 Energy consumption within the organization	60		
	302-2 Energy consumption outside of the organization	-	Currently, we do not separately aggregate external energy consumption data for our organization	Information unavailable
	302-3 Energy intensity	60		
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	31~32, 60		
	305-2 Energy indirect (Scope 2) GHG emissions	31~32, 60		
	305-3 Other indirect (Scope 3) GHG emissions	-	Currently, we do not separately aggregate external energy consumption data for our organization.	Information unavailable
	305-4 GHG emissions intensity	31~32, 60		
	305-5 Reduction of GHG emissions	-	Due to the nature of our business operations, we do not disclose detailed data on reduction amounts.	Confidentiality constraints
Material Topic 2	Establishment of a safe workplace and monitoring of employee health risks			
GRI 3: Material Topics 2021	3-3 Management of material topics	16~17, 36~43		
GRI 3: Material Topics 2021	403-1 Occupational health and safety management system	36~40		
	403-2 Hazard identification, risk assessment, and incident investigation	36~40		
	403-3 Occupational health services	36~40		
	403-4 Worker participation, consultation, and communication on occupational health and safety	36~40		
	403-5 Worker training on occupational health and safety	37, 64		
	403-6 Promotion of worker health	37, 43		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	36~40		
	403-8 Workers covered by an occupational health and safety management system	36~40	The percentage of employees subject to the application of the industrial Health and Safety management system is 100%.	
	403-9 Work-related injuries	65		
	403-10 Work-related ill health	65		
GRI 404: Training and Education	404-1 Average hours of training per year per employee	64		
	404-2 Programs for upgrading employee skills and transition assistance programs	42, 64		
	404-3 Percentage of employees receiving regular performance and career development reviews	64		



GRI	Disclosure	Reporting Page	Additional Contents	Omission
Material Topic 3	Establishment of an environmental management system, including the formation of a dedicated environmental team and expansion of environmentally friendly investments			
GRI 3: Material Topics 2021	3-3 Management of material topics	16~17, 24~25		
GRI 302: Energy	302-1 Energy consumption within the organization	60	Currently, we do not separately aggregate external energy consumption data for our organization.	Information unavailable
	302-2 Energy consumption outside of the organization	-		
	302-3 Energy intensity	60		
Material Topic 4	Reporting and discussing ESG management policies, performance, and goals with the board of directors to enhance and develop the direction of ESG management			
GRI 3: Material Topics 2021	3-3 Management of material topics	15~17, 51~53		
GRI 201: Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	28~32		
Material Topic 5	Preventing pollution through strengthened management of chemical substances			
GRI 3: Material Topics 2021	3-3 Management of material topics	16~17, 26~27		
GRI 305: Emissions	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	60	Due to the nature of our business, the emission of air pollutants is extremely minimal.	
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	26~27, 61		
	306-2 Management of significant waste-related impacts	26~27		
	306-3 Waste generated	61		
	306-4 Waste diverted from disposal	61		
	306-5 Waste directed to disposal	61		
Material Topic 6	Improving resource efficiency through resource conservation, consumption reduction, and process optimization			
GRI 3: Material Topics 2021	3-3 Management of material topics	16~17, 26~27		
GRI 302: Energy	302-1 Energy consumption within the organization	55	Currently, we do not separately aggregate external energy consumption data for our organization.	Information unavailable
	302-2 Energy consumption outside of the organization	-		
	302-3 Energy intensity	60		
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	27	Due to the nature of our business, the discharge of wastewater and the release of water pollutants are extremely minimal	
	303-2 Management of water discharge-related impacts	27, 61		
	303-3 Water withdrawal	61		
	303-4 Water discharge	61		
	303-5 Water consumption	61		
Material Topic 7	Ensuring industrial stability through the stable supply of products and reliable production activities			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 16~17, 44~47, 73		
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed (EVG&D)	59		
	201-2 Financial implications and other risks and opportunities due to climate change	28~32		
	201-4 Financial assistance received from government	59		



GRI	Disclosure	Reporting Page	Additional Contents	Omission
GRI 202: Market Presence	202-2 Proportion of senior management hired from the local community	62		
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	48~49, 66		
	203-2 Significant indirect economic impacts	48~49, 66		
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	59		
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	There have been no fines, legal sanctions, or penalties imposed by regulatory authorities such as the Fair Trade Commission for unfair trade practices.	
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	36~40		Not applicable
Material Topic 8	Assessment of the health and safety impacts of product and service categories			
GRI 3: Material Topics 2021	3-3 Management of material topics	16~17, 34~35, 41~43		
GRI 202: Market Presence	202-2 Proportion of senior management hired from the local community	62		
	401-1 New employee hires and employee turnover	62~63		
GRI 401: Employment	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	43, 63~64		
	401-3 Parental leave	64		
GRI 404: Training and Education	404-1 Average hours of training per year per employee	64		
	404-2 Programs for upgrading employee skills and transition assistance programs	42~43, 63~64		
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	51, 62~63		
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	66	It is strictly prohibited by domestic regulations.	Not applicable
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	66	Based on relevant laws such as the Labor Standards Act, our company complies with the requirements regarding forced labor stipulated in the applicable laws.	Not applicable
Material Topic 9	Establishing an ethical management system and strengthening commitment to anti-corruption and ethical business practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	16~17, 54~55		
	205-1 Operations assessed for risks related to corruption	55		
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	54~55, 64		
	205-3 Confirmed incidents of corruption and actions taken	55, 65	There have been no legal actions taken regarding unfair trade practices.	
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	55, 66		
Material Topic 10	Respecting the right to join labor unions and actively pursue open communication channels to promote active dialogue between labor and management			
GRI 3: Material Topics 2021	3-3 Management of material topics	16~17, 36~43		
GRI 402: Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	43	It is stated in the labor agreement that in the case of a collective bargaining request, the other party must notify their acceptance or rejection of the negotiation request by 2 days before the requested date, provided that the request is made at least 10 days in advance.	
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	-	We are not conducting separate audits or inspections related to the supply chain, making it impossible to gather data in that regard.	Information unavailable

SASB

The Sustainability Accounting Standard Board (SASB) is a nonprofit organization that develops non-financial reporting standards. It establishes and operates the SASB Index, which is a sustainability accounting standard. The SASB Index provides relevant sustainability risk topics for each industry and recommends that companies report on these topics consistently to communicate with investors and stakeholders.

TOPIC	Accounting Metric	CODE	Reporting Page
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CH-110a.1	60
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	28~32, 60
Air Quality	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	RT-CH-120a.1	61
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	RT-CH-130a.1	60
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CH-140a.1	61
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CH-140a.2	60
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	27
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	61
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	48~49
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.	62

TOPIC	Accounting Metric	CODE	Reporting Page
Workforce Health & Safety	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	63
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	RT-CH-410a.1	Not applicable
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	61
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	24~27
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	Not applicable
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	54~55
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	65
	Number of transport incidents	RT-CH-540a.2	There is no transport incident

TCFD

The Task Force on Climate-related Financial Disclosures (TCFD) is an initiative established in 2015 by the Financial Stability Board, delegated by G20 finance ministers and central bank governors, to promote the disclosure of climate-related information. DIG Air Gas discloses its efforts in addressing climate change in accordance with the TCFD recommendations, aiming to systematically respond to climate change as a potential risk and facilitate stakeholders’ understanding of its corporate strategy.

Category	TCFD Recommendations	Reporting Page
Governance	a) Describe the board’s oversight of climate-related risks and opportunities. b) Describe management’s role in assessing and managing climate-related risks and opportunities	28~32
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. b) Describe the impact of climate related risks and opportunities on the organization’s businesses, strategy, and financial planning. c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk Management	a) Describe the organization’s processes for identifying and assessing climate-related risks. b) Describe the organization’s processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	



6 Categories of Capital

INPUT

Financial capital

- Assets: 1,150.5 billion won
- Liabilities: 636.0 billion won
- Capital: 514.4 billion won

Manufacturing capital

- 19 Domestic workplaces
- 1 Overseas workplaces

Intellectual capital

- Market share expansion
- Customer satisfying quality management and strengthening of environment, safety, and health management systems
- 6.78% increase in current research expenses

Human capital

- Number of employees: 551 Persons
- Number of suppliers: 266 companies
- 52% increase in educational expenses

Natural capital

- Direct energy consumption: 10,126 tCO₂ (SCOPE1)
- Indirect energy consumption: 807,437 tCO₂ (SCOPE2)
- Water consumption: 3,181 ml

Social/ relation capital

- Participation in social contribution activities: 165 Persons
- Matching grant and company-sponsored activities: 10 workplaces

OUTPUT

Financial capital

- Sales: 745.6 billion won
- Operating profit: 159.1 billion won

Manufacturing capital

- Total production of domestic products: 9,649 million Ton
- Expansion of industrial fields supplied by DIG Airgas such as chemicals, steel, shipbuilding, oil refining, semiconductors, and secondary batteries

Intellectual capital

- Business rights and software: 9.5 billion won
- Acquisition and operation of ISO 9001, 14001, 45001 certifications
- Reinforced carbon-related R&D activities _ Participating in the development of alternative greenhouse gases for semiconductors

Human capital

- Employee education: 15,476 hours / year
- Established safety management system
- Cyber Training Institute: 551Persons

Natural capital

- Greenhouse gas intensity (tCO₂-eq / sales) decreased by 13% compared to the previous year
- Water consumption decreased by 9% compared to the previous year

Social/ relation capital

- Social contribution activity hours quadrupled compared to the previous year
- Contributions increased by 7% compared to the previous year

Sustainable Achievement in 2022

Acquisition of 4 STAR in 2022: GRESB is an international evaluation agency that evaluates the sustainability of infrastructure investments every year and provides ESG information on assets totaling \$5.7 trillion worldwide. The results are used as an important factor in activities and decision-making processes of more than 100 global institutional investors. About 2,100 asset management companies and developers around the world participated in the GRESB evaluation. Out of the GRESB evaluation, the evaluation of infrastructure investment was conducted for 550 member companies in 69 countries around the world, including major countries such as the US, France, Spain, UK and Australia. DIG Airgas participates in the evaluation every year and acquired 4 Star (★★★★☆), which is located in the top 20% of the 2022 evaluation results.



UN SDGs

We drive sustainable management activities by aligning them with the specific targets of the United Nations Sustainable Development Goals (SDGs). Through this, we aim to actively participate in and contribute to the global goals of the UN’s SDGs, working towards their achievement in conjunction with our business operations.

UN SDGs		Targets	DIG Approach
1. NO POVERTY		1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day. 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions. 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.	• Each workplace supports the low-income bracket through the matching grant system • Promote long-term poverty eradication through local community education programs for low-income bracket children and youths
2. ZERO HUNGER		2.1 By 2030 end hunger and ensure access by all people, in particular the poor and people in vulnerable situations including infants, to safe, nutritious and sufficient food all year round.	• Support low-income bracket subjects with essential food such as rice and ramen • Support for the purchase cost of side dishes for the welfare center meal place and participation in employee lunchbox delivery service
3. GOOD HEALTH AND WELL-BEING		3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all. 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.. 3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.	• Support for comprehensive health checkups for employees and their family members • Establishment and operation of a process for systematic chemical substance management • Management of air pollutants and water pollutants below the permissible emission standards • Reinforcement of Health and Safety management capabilities through the establishment of a Health and Safety management system and a serious accident prevention system
4. QUALITY EDUCATION		4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes. 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. 4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.	• Provision of education necessary for job and career development to employees, such as foreign language education and outside commissioned education • Implementation of educational programs for children and youths from low-income brackets in the local community
5. GENDER EQUALITY		5.1 End all forms of discrimination against all women and girls everywhere. 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation. 5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate. 5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life. 5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.	• Stipulation of the prohibition of sexual harassment and discrimination in the workplace through the Code of Ethics, Employment Rules and Collective Agreement • Management of the number of female employees
6. CLEAN WATER AND SANITATION		6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	• Establishment of waste management procedures and regular checking of whether wastes are disposed of legally • Hazardous substance handling in accordance with the hazardous substance management procedure regulations • Management of air pollutants and water pollutants in accordance with the Clean Air Conservation Act and the Water Environment Conservation Act



UN SDGs		Targets		DIG Approach
7. AFFORDABLE AND CLEAN ENERGY		7.2	By 2030, increase substantially the share of renewable energy in the global energy mix.	• Establishment of a plan for solar power generation in the workplace • Promotion of energy efficiency enhancement through facility efficiency improvement and transport vehicle efficiency improvement • Continued investments in clean energy research and technology development, such as the completion of a hydrogen gas plant and development of a CO₂ liquefier
		7.3	By 2030, double the global rate of improvement in energy efficiency.	
		7.a	By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.	
8. DECENT WORK AND ECONOMIC GROWTH		8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and Persons with disabilities, and equal pay for work of equal value.	• Management of the numbers of female employees and disabled employees • Encourage suppliers to ensure that issues of labor exploitation and human rights violations are not included in the supply chain through the management of conflict minerals • Stipulation of the prohibition of child labor and forced labor through employment rules and collective agreements
		8.7	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.	
9. INDUSTRY, INNOVATION AND INFRASTRUCTURE		9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	• Improvement of resource utilization efficiency in industrial processes by stopping the operation of aging facilities and improving facility efficiency enhancement • Active participation in government-led eco-friendly R&D research, including participation in the Ministry of Trade, Industry and Energy's CCS project (research for CO₂ onshore underground storage)
		9.5	Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.	
10. REDUCE INEQUALITIES		10.2	By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	• Continuous monitoring and management of recruitment of women, Persons with disabilities, and minority groups • Stipulation of respect for diversity and prohibition of discrimination through the Code of Ethics, employment rules, collective agreements, etc.
		10.3	Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.	
		10.4	Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.	
12. RESPONSIBLE CONSUMPTION AND PRODUCTION		12.2	By 2030, achieve the sustainable management and efficient use of natural resources.	• Promotion of sustainable management of the supply chain by not using conflict minerals when procuring raw materials • Establishment of management procedures for chemical substances, wastes, air pollutants and water pollutants, and management of discharges below permitted discharge limits • Disclosure of sustainability information through the publication of sustainability reports • Contributing to the establishment of the country's sustainable procurement and supply chains by enacting the Code of Conduct for supplier • Managing and improving regional job creation through monitoring the number of regional talents and employees
		12.4	By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.	
		12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	
		12.6	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	
		12.7	Promote public procurement practices that are sustainable, in accordance with national policies and priorities.	
		12.b	Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.	
13. CLIMATE ACTION		13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	• Identification of opportunities and risks and establishment of strategies following climate change according to TCFD recommendations • Implementation of environmental and ESG education for employees to raise awareness of climate change
		13.2	Integrate climate change measures into national policies, strategies and planning.	
		13.3	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	
16. PEACE, JUSTICE AND STRONG INSTITUTIONS		16.2	End abuse, exploitation, trafficking and all forms of violence against and torture of children.	• Stipulation of prohibition of child labor and forced labor through employment rules and collective agreements • Establishment of the Code of Ethics and Code of Conduct and communication of them to stakeholders to prescribe anti-corruption and anti-money laundering at the corporate level • Operation of reporting channels in relation to ethics and compliance management and transparent reporting and action • To ensure transparency and independence of board decision-making, directors and management are excluded from exercising voting rights when making board resolutions
		16.5	Substantially reduce corruption and bribery in all their forms.	
		16.6	Develop effective, accountable and transparent institutions at all levels..	
		16.7	Ensure responsive, inclusive, participatory and representative decision-making at all levels.	

ISO Certificate

ISO 9001 Quality Management System



Certificate of Approval

Accredited by Member of the International Accreditation Forum Multilateral Recognition Arrangement for Quality Management systems

KQA approves that the Quality Management System of the following company is conformed with the certification audit criteria.

Certificate No. : KQA-Q95022
Company : DIG AIRGAS CO., LTD.

Address : Head office) 562, Gyeongin-ro, Guri-gu, Seoul, ROK
Bimed factory) 128, Sandan-ro, Danwon-gu, Ansan-si, Gyeonggi-do, ROK
Daeyeon factory) 45, Sindong-ro, Daedeok-gu, Daejeon, ROK
Cheongu factory) 215, Daein-ro, Hongbuk-gu, Cheongju-si, Chungcheongbuk-do, ROK
Yeocheon factory) 317, Yeosu-sandae-ro, Yeosu-si, Jeollanam-do, ROK
Yangsan factory) 10, Yusangdong 8-gil, Yangsan-si, Gyeongsangnam-do, ROK
Gumi factory) 196-54, Jongdan 3-ro, Gumi-si, Gyeongangbuk-do, ROK
Paju factory) 284, LCD-ro, Wollog-myeon, Paju-si, Gyeonggi-do, ROK
Ulsan factory) 19-64, Cheoyong-ro 487beon-gil, Nam-gu, Ulsan, ROK
Gongju Specialty gas factory) 57, Gongdan-gil, Gongju-si, Chungcheongnam-do, ROK
Icheon factory) 2091, Gyeonchungdae-ro, Bubul-eup, Icheon-si, Gyeonggi-do, ROK
Seosan factory) 555, Jukyeop-ro, Daesan-eup, Seosan-si, Chungcheongnam-do, ROK

The standards for this certificate of conformity are as follows.

Management Systems Standards :
ISO 9001:2015, KS Q ISO 9001:2015

Scope of Registration : Refer to appendix

Original Approval : 28 July 1995
Validity : 6 May 2022 ~ 5 May 2025
Date of issue : 4 May 2022 (Renewal of certificate and Scope of certificate changed)

Chang Cheol Hong
Lead Auditor

Song Jong Cheol
CEO

Korea Quality Assurance

Korea Quality Assurance(KQA) is accredited by Korea Accreditation Board(KAB) as ISO 9001 Certification Body/Registrar (Accreditation No. : KAB-02-00)

KQA Address : 271, Hwang Bldg., 48, Manan-ro, Manan-gu, Anyang-si, Gyeonggi-do, 14034, Republic of Korea

ISO 45001 Occupational Health and Safety Management System



Certificate of Approval

Accredited by Member of the International Accreditation Forum Multilateral Recognition Arrangement for Occupational Health and Safety Management Systems

KQA approves that the Occupational Health and Safety Management System of the following company is conformed with the certification audit criteria.

Certificate No. : KQA-OH13062
Company : DIG AIRGAS CO., LTD.

Address : Head office) 602, Gyeongin-ro, Guri-gu, Seoul, ROK
Bimed factory) 128, Sandan-ro, Danwon-gu, Ansan-si, Gyeonggi-do, ROK
Daeyeon factory) 45, Sindong-ro, Daedeok-gu, Daejeon, ROK
Cheongu factory) 215, Daein-ro, Hongbuk-gu, Cheongju-si, Chungcheongbuk-do, ROK
Yeocheon factory) 317, Yeosu-sandae-ro, Yeosu-si, Jeollanam-do, ROK
Yangsan factory) 10, Yusangdong 8-gil, Yangsan-si, Gyeongsangnam-do, ROK
Gumi factory) 196-54, Jongdan 3-ro, Gumi-si, Gyeongangbuk-do, ROK
Paju factory) 284, LCD-ro, Wollog-myeon, Paju-si, Gyeonggi-do, ROK
Ulsan factory) 19-64, Cheoyong-ro 487beon-gil, Nam-gu, Ulsan, ROK
Gongju Specialty gas factory) 57, Gongdan-gil, Gongju-si, Chungcheongnam-do, ROK
Icheon factory) 2091, Gyeonchungdae-ro, Bubul-eup, Icheon-si, Gyeonggi-do, ROK
Seosan factory) 555, Jukyeop-ro, Daesan-eup, Seosan-si, Chungcheongnam-do, ROK

The standards for this certificate of conformity are as follows.

Management Systems Standards :
ISO 45001:2018 / KS Q ISO 45001:2018

Scope of Registration : Refer to appendix

Original Approval : 29 June 2020
Validity : 6 May 2022 ~ 5 May 2025
Date of issue : 21 October 2022 (Factory added)

Chang Cheol Hong
Lead Auditor

Song Jong Cheol
CEO

Korea Quality Assurance

Korea Quality Assurance(KQA) is accredited by Korea Accreditation Board(KAB) as ISO 45001 Certification Body/Registrar (Accreditation No. : KAB-02-00)

KQA Address : 271, Hwang Bldg., 48, Manan-ro, Manan-gu, Anyang-si, Gyeonggi-do, 14034, Republic of Korea

ISO 14001 Environment Management System



Certificate of Approval

Accredited by Member of the International Accreditation Forum Multilateral Recognition Arrangement for Environment Management systems

KQA approves that the Environment Management System of the following company is conformed with the certification audit criteria.

Certificate No. : KQA-E99001
Company : DIG AIRGAS CO., LTD.

Address : 128, Sandan-ro, Danwon-gu, Ansan-si, Gyeonggi-do, ROK

The standards for this certificate of conformity are as follows.

Management Systems Standards :
ISO 14001:2015 / KS I ISO 14001:2015

Scope of Registration :
Manufacture of Oxygen, Nitrogen, Argon, Specialty gas

Original Approval : 13 September 1999
Validity : 29 June 2020 ~ 7 May 2023
Date of issue : 17 June 2021 (Name of organization changed)

Chang Cheol Hong
Lead Auditor

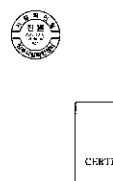
Song Jong Cheol
CEO

Korea Quality Assurance

Korea Quality Assurance(KQA) is accredited by Korea Accreditation Board(KAB) as ISO 14001 Certification Body/Registrar (Accreditation No. : KAB-02-00)

KQA Address : 271, Hwang Bldg., 48, Manan-ro, Manan-gu, Anyang-si, Gyeonggi-do, 14034, Republic of Korea

Certificate of GMP



Certificate of Approval

Accredited by Member of the International Accreditation Forum Multilateral Recognition Arrangement for Good Manufacturing Practice (GMP) systems

KQA approves that the Good Manufacturing Practice (GMP) System of the following company is conformed with the certification audit criteria.

Certificate No. : KQA-GMP001
Company : DIG AIRGAS CO., LTD.

Address : 128, Sandan-ro, Danwon-gu, Ansan-si, Gyeonggi-do, ROK

The standards for this certificate of conformity are as follows.

Management Systems Standards :
ISO 14001:2015 / KS I ISO 14001:2015

Scope of Registration :
Manufacture of Oxygen, Nitrogen, Argon, Specialty gas

Original Approval : 13 September 1999
Validity : 29 June 2020 ~ 7 May 2023
Date of issue : 17 June 2021 (Name of organization changed)

Chang Cheol Hong
Lead Auditor

Song Jong Cheol
CEO

Korea Quality Assurance

Korea Quality Assurance(KQA) is accredited by Korea Accreditation Board(KAB) as ISO 14001 Certification Body/Registrar (Accreditation No. : KAB-02-00)

KQA Address : 271, Hwang Bldg., 48, Manan-ro, Manan-gu, Anyang-si, Gyeonggi-do, 14034, Republic of Korea

CERTIFICATE OF GMP COMPLIANCE OF A MANUFACTURER

• Name of Manufacturer(License No.) : DIG AIRGAS Co., Ltd.(009)

• Address of Manufacturer : 284, LCD-ro, Wollog-myeon, Paju-si, Gyeonggi-do, Republic of Korea

• Manufacturing Operation(s) : see attachment(s)

We hereby certify that the above manufacturer complies with Good Manufacturing Practices of Pharmaceutical Products according to the Korea Pharmaceutical Affairs Act and PIC/S GMP guides.

Last date of Last Inspection : 2023.02.22
Date of Expiration : 2025.02.21

Issue Date : AUG. 01, 2023 (Signature No.) : 1416544
Signature : Kim Seung-jun

COORDINATOR OF DIG AIRGAS Office of Food and Drug Safety
Minister of Food and Drug Safety
Special Regional Office of Food and Drug Safety
271, Hwang Bldg., 48, Manan-ro, Manan-gu, Anyang-si, Gyeonggi-do, 14034, Republic of Korea
Tel : 031-2600-1000
Ministry of Food and Drug Safety

*Evaluating O2, N2, and related products according to GMP certification.

GHG Verification Statement

*This external verifier’s verification statement is valid as of the date of issuance (April 4, 2023) of the statement. Certain subsequent events or circumstances (e.g., conformity assessment by the Ministry of Environment) may have occurred between the date of this statement and the date of reading this statement that could significantly affect the calculation of GHG emissions, resulting in modifications to this verification statement.



Verification Statement

Verification No : KQA-T2301
Company : DIG AIRGAS Co., Ltd.
Representative : Gyu-Seok Oh
Business Registration No : 101-81-10436
Address : 10, Tongil-ro, Jung-gu, Seoul, Republic of Korea

KQA confirms that the verification result of GHG emissions and energy consumption reports of above company is proper.

Verification Standard : Guidelines on the verification for the operation of emission trading scheme
Verification Scope : 2022 GHG emissions and energy consumption reports
Assurance level : Reasonable assurance

※ GHG emissions and energy consumption

Year	GHG Emission (tCO2_eq)			Energy Consumption (TJ)			
	Scope1	Scope2	Total	Fuel	Electric	Steam	Total
2022	10,126,484	807,437,018	817,554	172,793	16,861,039	7,489	17,034

※ Remark : The sum of each cell may differ from the total because each cell is cut off.

Verification Term : 10 Jan 2023 ~ 24 Mar 2023
Date of issue : 04 Apr 2023

Korea Quality Assurance

(GHG・Energy verification body '2011-3rd, accredited by the ministry of environment.)

※ The details regarding the range of this Verification Statement and requirement of the GHG and Energy target scheme guidelines can be obtained by requesting to the relevant organization.

KQA Address : 2FL, Hojeong Bldg., 49, Manan-ro, Manan-gu, Anyang-si, Gyeonggi-do, 14034, Republic of Korea

Independent Assurance Statement



Independent Assurance Statement

To: The Stakeholders of DIG Airgas Co., Ltd.

Introduction and Objectives of Work

BSI Group Korea (hereinafter “the Assurer”) was requested to verify DIG Airgas 2023 Sustainability Report (hereinafter “the Report”). This assurance statement applies only to the relevant information included in the scope of the assurance. DIG AIRGAS is solely responsible for all information and assertion contained in the Report. The responsibility of the Assurer is to provide DIG Airgas Management with independent assurance statement based on its expert opinions by applying the verification methodology for the specified assurance scope. It is also to provide the information to all stakeholders of DIG Airgas.

Standards and Levels

This assurance was based on the AA1000AS (Assurance Standard) v3 (2020) Assurance Standard and confirmed that the Report was prepared in accordance with the GRI Standards, the international standards guidelines of sustainability reports. In accordance with the AA1000 AS, the assurance level was Moderate Level, and conducted against Type 1 to confirm compliance with the four principles of the AA1000 AP (AccountAbility Principles) 2018.

Scope

The scope of assurance applied to the Report is as follows;

- Report contents during the period from January 1st to December 31st 2022 included in the report, some data included 2023.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review

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

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

Methodology

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

- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible department
- Verification of data generation, collection and reporting for each performance index

Limitation

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Assurance Opinion

On the basis of our methodology and the activities described above, it is our opinion that

- The information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement.
- The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards)
- The assurance opinions on the four principles presented in the AA1000 AP (2018) are as follows.

AA1000 AP

Inclusivity: Stakeholder Engagement and Opinion

DIG Airgas defined customer, shareholder, employee, supplier, association/press and local community as key stakeholder groups, and operated communication channels for each stakeholder group for engagement. DIG Airgas reflected key issues derived from stakeholder channels to sustainability management decisions and disclosed the process in the Report.

Materiality: Identification and reporting of material sustainability topics

DIG Airgas established the strategy related to sustainability management and established the process to derive reporting issues. DIG Airgas identified financial and social/environmental impacts and derived 10 material issues based on the analysis of media research, benchmarking global advanced companies in its field, and analysis of major global initiatives related to sustainability.

Responsiveness: Responding to material sustainability topics and related impacts

DIG Airgas established the management process for material issues determined by the materiality assessment, and implemented a response plan for each issue to appropriately respond to the derived core issues that reflects the expectations of stakeholders. DIG Airgas disclosed the relevant process including establishing policy and indicators, activity and response performance on key reporting issues in the Report.

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

DIG Airgas established the process to identify and evaluate the impact on organizations and stakeholders related to material issues. DIG Airgas used impacts, risk and opportunity factor analysis results for material issues to make decisions to develop response strategies for each issue, and disclosed the process in the Report.

Key areas for ongoing development

DIG Airgas embodied its commitment to sustainability management to internal and external stakeholders by publishing the first sustainability report. It may be helpful to advance sustainability management system by disclose sustainability performance goals and achievements, such as upgrading ESG mid- to long-term strategies, climate change response, and to do ESG internalization training for employees.

Statement of independence and competence

The Assurer is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services. No member of the assurance team has a business relationship with DIG Airgas. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Evaluation against GRI ‘In Accordance’ Criteria

The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the following Universal Standards and Topic Standards Indicators based on the data provided by DIG Airgas, the sector standard was not applied.

[Universal Standards]

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

[Topic Standards]

201-1, 201-2, 201-4, 202-2, 205-1~3, 302-1~3, 303-1~5, 305-1~5, 306-1~5, 401-1~3, 402-1, 403-1~10, 404-1~3, 405-1, 406-1, 407-1, 408-1, 409-1, 416-1

23 May 2023

S. H. Lim / BSI Group Korea, Managing Director



Report Enquiries

If you need additional information or have any questions about the report, please contact the ESG Steering Group contact number below.

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