

Taihan Cable & Solution

# 2023 ESG REPORT

# Taihan is paving the way for building a sustainable future

Taihan clearly recognizes that a company's pursuit of social value is essential for sustainable growth of not only the company itself, but also the society as a whole. Therefore, Taihan devises policies and strategies that reflect a direction and goal for the environment (E), society (S) and governance (G), respectively, and employs them across its management. In addition, we are committed to contributing to building a healthier society through meticulous management and transparent disclosure of information in a more rigorous manner than the level demanded by society.

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### ESG Management

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# Company Profile

(As of December 2023)

Taihan consistently offers the best values in the cable industry, leads the development of technology for the future of human race, and lights up an abundant future with cutting-edge technology.

Company Name	Majority Shareholder
Taihan Cable & Solution Co., Ltd.	Hoban E&C Co., Ltd. (40%)
Business Domain	Products and Services
Power Cables, Communication Cables, Base Metal, etc.	Design, Manufacturing and Installation in Electric and Communication Cable System
CEO	Address (Seoul Office)
Jong Min Song	18, Yangjae-daero 2-gil, Seocho-gu, Seoul, Korea
Establishment	Employees
February 21, 1955	999 persons



Seoul Office | Seocho-gu, Seoul, Korea

## Financial Highlights (Based on Consolidated Financial Statements)

Financial Performance				Financial Position			
	2021	2022	2023		2021	2022	2023
Sales	1,997,710	2,450,545	2,843,980	Total Assets	1,420,871	1,620,264	1,878,565
Gross Profit	124,777	138,379	192,001	Total current assets	939,159	1,144,663	1,265,741
Operating Income	39,462	48,173	79,823	Total non-current assets	481,712	475,601	612,823
Net Income	28,937	21,830	71,872	Total Liabilities	1,033,110	738,060	925,279
				Total current liabilities	757,750	488,178	682,344
				Total non-current liabilities	275,360	249,882	242,936
				Total Equity	387,761	882,204	953,286

Korean won in millions

Korean won in millions

# Business Philosophy

Ever after succeeding in transforming its dream completely unimaginable at the time of its foundation into reality, Taihan never stops its journey, but tries harder again to realize the best technology and quality for creating a better future.

## Vision

**We Connect the Future**  
To a Better Future



### People

#### A People-centric culture

A people-centric corporate culture, focusing on communications and mutual trust



### Solution

#### Customer value

Customer satisfaction through technology and quality



### Future

#### Future-oriented

A brighter future through creative thinking and taking on challenges



# History

## History Begins

- 1941** Chosun Electric Wire was founded
- 1955** Taihan was founded
- 1957** Development and production of plastic power cable
- 1958** Started to produce PVC sheathed cables

## Localization of Products & Establishment of Business Basis

- 1964** Obtained the 'KS' mark for cable products for the first time in South Korea  
Started to export wire & cable products for the first time in South Korea
- 1969** Developed 33kV XLPE cables for the first time in South Korea

## Modernization of Production Basis & Leading the Wire & Cable Technology

- 1976** Started to produce 154kV OF cables for the first time in South Korea
- 1977** Developed optical communication cables for the first time in South Korea
- 1979** Mass-Produced short-wave multimode fiber optic cable

## Full-scale Growth of Electric Wire & Cable Business

- 1984** Completed the construction of optical communication cable factory and started to produce 154kV XLPE cables
- 1987** Produced OPGWs and Developed 345kV OF cable & cable accessory
- 1988** Developed submarine optic cable and leakage coaxial cable

## Enhancement of Product line of Cable & Cable Accessory

- 1995** Developed 765kV ACSR
- 1996** Obtained the ISO 9001 certification in electric cable accessory field
- 1997** Expanded the entrance into overseas markets and won the 500 million dollar export tower award

## Establishment of the Global Production Bases

- 2000** Established <M-TEC> as a cable production company in the Republic of South Africa
- 2007** Completed the construction of 'Dangjin Cable Accessory Plant' and won the 100 Million Export Tower Award
- 2008** Entered into the turn-key markets for EHV cable in Australia, USA and Russia
- 2009** Developed a 400kV enamel coated conductor cable and an EHV polymer insulator

## Completion of the Construction of Dangjin Plant & Leaping as a Global Leading Company

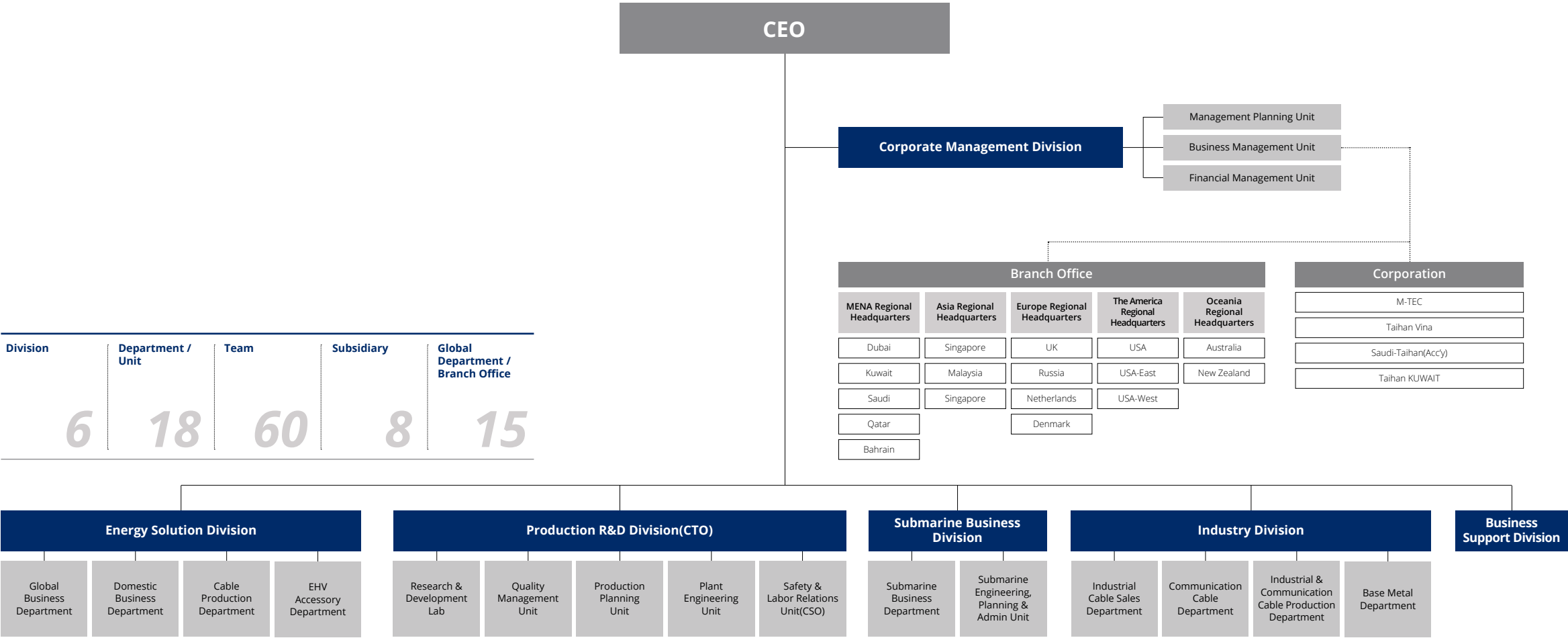
- 2010** Developed the domestic first EHV polymer insulator
- 2011** Completed the construction of 'Dangjin Plant'
- 2012** Developed the first express trolley running at 400km/h in domestic  
Developed the first 500kV EHV cable and passed the PQ Test in domestic
- 2013** Developed the first cable for train control signals transmission in domestic  
Developed the first slim-type UTP cable in domestic
- 2014** Started to produce the ACCC type dual capacity transmission line
- 2015** Started to supply 500kV EHV cables to North America for the first time  
Acquired by IMM PE  
Proclaimed the new vision to be the one of Global TOP 3 wire & cable companies
- 2016** Acquired the whole shares of the Legal Entity in Vietnam and launched <Taihan Vina>
- 2017** Established of cable accessory corporate <Saudi Taihan> in Saudi Arabia  
Declared new CI  
Selected as the company of 'Best Family-Friendly Management'
- 2018** Obtained the offshore wind power distribution submarine cable order in southwestern sea  
Declared the mid-to-long term management plan V2025
- 2019** Selected as 'the Top Quality Power Manufacturer' by KEPCO

## New Start as a Global Cable & Solution Provider

- 2020** BCP(Business Continuity Planning) establishment  
Active sales from European market including UK,Denmark,Netherlands, etc.
- 2021** Selected as 'the Top Quality Power Manufacturer' by KEPCO for two consecutive years  
Selected as 'Outstanding Quality Performance Award' by PG&E  
Acquired by Hoban Group  
Company name in English changed into Taihan Cable & Solution Co., Ltd.  
The only Korean cable industry to acquire an ESG A grade  
Awarded the Minister of Trade, Industry and Energy Award
- 2022** Acquired Korea's first KEMA international certification for 500kV LCC XLPE HVDC  
Acquired ESG Integrated Grade A for 2 consecutive years  
Acquired A- in Korea's credit rating by Korea Enterprise Rating
- 2023** Groundbreaking for optical cable plant in Kuwait  
Acquired Korea's first KEMA international certification for 525kV VSC XLPE HVDC cable(with conductor cross-sectional area of 3,000SQ and conductor allowable temperature above 90°C)  
Secured ESG integrated A grade for three consecutive years (KCGS).  
Relocated technical research center to Seoul headquarters  
Selected as outstanding company in 2023 Fair Trade Compliance Program assessment  
Recognized as leading company in supply chain-linked payment system  
Acquired dedicated CLV(Cable Laying Vessel) for submarine cables



# Organizational Chart



# Global Network

Taihan is strengthening its global competitiveness in the cable production area as its major business area based on 8 overseas subsidiaries and 15 overseas branches after having constructed the production bases in some emerging markets, such as, the Republic of South Africa and Vietnam, etc., starting with the main production facility, 'Dangjin Plant'.



## Dangjin Plant

Dangjin Plant is the birthplace and core production base for Taihan's cable technology. Its scale and efficiency are second to none the world over. Boasting five unit factories for EHV, industrial cable, communication cables, base metal, etc., it operates at every stage of cable production from product development and production to the finished product testing. Dangjin Plant is responsible for high-quality products destined for customers in 100 countries around the world, thanks to a state-of-the-art production line and environmentally friendly systems including a world-class VCV tower.



## Dangjin Cable Accessory Plant

Dangjin Cable Accessory Plant that was completed in 2007 is producing various kinds of cable accessories, such as EHV cables accessories and terminations, etc., including 500kV XLPE cable accessories. Taihan works daily toward the sophistication of our technology so we'll be ready with products optimized to customer needs, and our products are becoming more competitive all the time with the development of cable accessories that improve on the ease and reliability of construction.



## M-TEC (Malesela Taihan Electric Cable)

M-TEC that is located in the Republic of South Africa was founded as a joint venture company in 2000 as the advanced base for entering into the African continent. Taihan has leaped the best wire & cable company in the African continent as a comprehensive wire & cable company producing optical communication cables and power cables.

[www.m-tec.co.za](http://www.m-tec.co.za)



## Taihan VINA

Taihan VINA is a cable production firm with a comprehensive array of products. Located in the heart of Vietnamese economy and culture in Ho Chi Minh City, it is strategically placed to target the global market and growing rapidly on the rising wave of Vietnamese economic growth and expanding power infrastructure needs. Continuous facility upgrades and technology investment make Taihan VINA products stand out from the crowd, and the firm is expanding its influence beyond the domestic market to the global.

[www.taihancable.com.vn](http://www.taihancable.com.vn)



## Taihan Kuwait

Taihan Kuwait is a joint venture subsidiary between Taihan and Rank, a local construction & trading company. The factory is to be built in Mina Abdullah Industrial Area located in the southeast of Kuwait City. Given that Kuwait used to import all of its optic cables, Taihan is aiming to preoccupy the country's optic cable market through local production.



## Saudi Taihan

Saudi Taihan blazed a path as the first, and presently only, HV (High Voltage) cable accessory manufacturer in the GCC region. Founded as a joint venture with the Mohammed Al-Ojaimi Group, a Saudi Arabian EPC specialized in power transmission and distribution, Saudi Taihan is located in the industrial region near the capital city of Riyadh. A strategically-placed production base for global cable accessory, Saudi Taihan will be expanding its market beyond the Middle East into Africa and Europe.



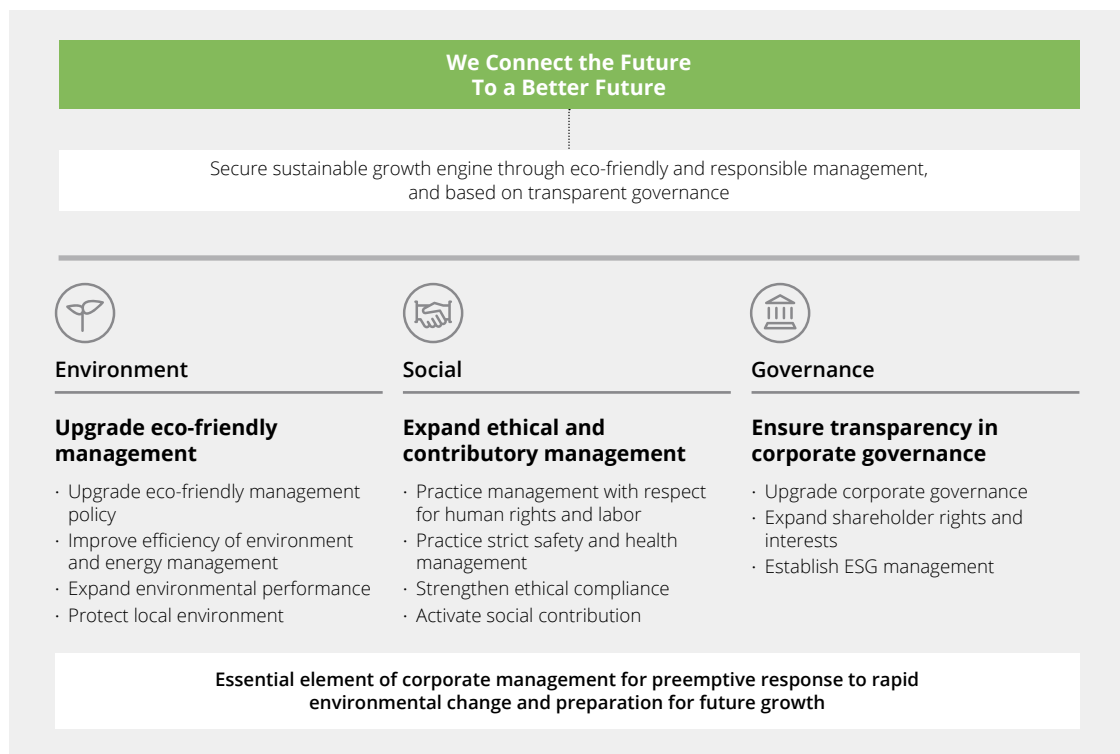
# ESG MANAGEMENT

Taihan will contribute to creating a healthy society and future by establishing and operating ESG policies and strategies, administering strict management that goes beyond the social requirement, and transparently disclosing the related information.



# ESG Management Strategy

Having set ESG management as a task of the highest priority for achieving the corporate vision, Taihan established the ESG management strategy specifying strategic directions and goals, etc. for each of the Environmental (E), Social (S), and Governance (G) areas. Taihan will secure a sustainable growth engine by improving eco-friendly management for the future generations, strengthening our social responsibilities to achieve shared growth with all stakeholders including employees, customers, suppliers, and local communities, and creating a fair and transparent management environment.



## ESG Governance

With a goal to strengthen ESG management, Taihan installed the ESG Committee under the Board of Directors (BOD) as the first in cable industry. Deliberating and making decisions on key ESG-related policies and strategies, the ESG Committee is organized with independent directors and executive directors to enhance transparency and expertise. In addition, centering on a consultative body comprising of a division in charge of ESG management and around ten related divisions, Taihan practices systematic and substantial ESG management through meticulous and detailed consultations of the working group.

## ESG Evaluation

In 2021, the company was the first in the domestic cable industry to achieve an integrated “A” rating in the ESG evaluation, and in 2023, its excellence in ESG management was acknowledged with the awarding of an integrated “A” rating for the third consecutive year.

Evaluation Agency | Korea Institute of Corporate Governance and Sustainability



Integrated ESG Rating



Environmental



Social



## Governance



# Environment

Taihan is at the forefront of integrating environmental values into corporate management. In order to protect the environment, humanity's most precious asset, Taihan is embarking on multiple proactive initiatives. Taihan remains committed to the practice of eco-friendly management for the harmonious coexistence of our planet and its people.

## Environment Management

### Green 2030



#### Upgrade environmental policy

- Strengthen environmental management and transparently disclose environmental information
- Perform ecosystem conservation activities for biodiversity conservation



#### Strengthen environmental investment

- Expand development of eco-friendly cables
- Keep air and water pollutant discharge to a minimum



#### Practice environmental and energy management

- Introduce state-of-the-art facilities and technologies for environmental pollution prevention
- Recycle wastes, increase water reuse, and reduce energy consumption



#### Use new & renewable energy

- Operate eco-friendly worksites by using new & renewable energy



In its efforts towards shaping the eco-friendly society of the future, Taihan established the long-term environmental strategy known as Green2030. This strategy involves △Enhancement of environmental policies, △Reinforcement of environmental investments, △Comprehensive environmental and energy management, and △Application of renewable energy. Detailed plans and specific action tasks have been laid out for each focus area.

Operating with a deep sense of responsibility, Taihan meticulously manages its environmental impact throughout all business activities, while aiming to minimize pollution. To uphold transparency in environmental protection

efforts, Taihan abides by regulations and provides data to relevant authorities. With a steadfast commitment to the Environmental Information Disclosure System, Taihan proactively unveils vital information pertaining to the emission levels of environmental pollutants and hazardous chemicals annually, including water quality, air, waste, and greenhouse gases. Taihan also transparently showcases its environmental management system, eco-friendly products, and certifications in accordance with the Environmental Technology and Environmental Industry Support Act, thus establishing trust and reliability.

## Environmental Policy

Taihan has established a Safety, Health and Environment Policy, and is continuously undertaking environmental initiatives by setting safety and health goals in each department, conducting environmental impact assessments, and improving facilities. In addition, during the production of products such as cables and connectors, Taihan proactively identifies environmental risk factors and has established a process to respond quickly to these risks.

Taihan implements a dedicated environmental management policy specifically tailored to its suppliers, conducting regular inspections and providing environmental education to enhance their management skills, while also investing in initiatives aimed at continuous improvement.

## Air Pollutants

Taihan strictly manages emission levels by setting its own standards below the permissible limits for pollutants. The company operates air pollution control facilities to minimize the release of air pollutants such as dust, sulfur oxides, and nitrogen oxides produced during manufacturing processes, ensuring that emissions remain well within the permissible standards. Through comprehensive quarterly inspections, Taihan meticulously upgrades or replaces components, such as dust collectors and filters; fortifying the company's relentless pursuit of a cleaner, more sustainable production environment.

### Air pollution prevention facilities improved in 2023



Replacement of aging dust collectors



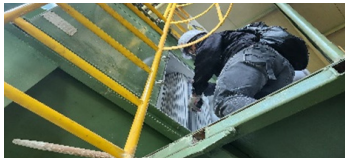
Installation of new dust collection facilities(Denitrification)



Installation of heat exchangers



Replacing activated carbon in Adsorption tower



Replacing the dust collector bag filter

## Water Pollutants

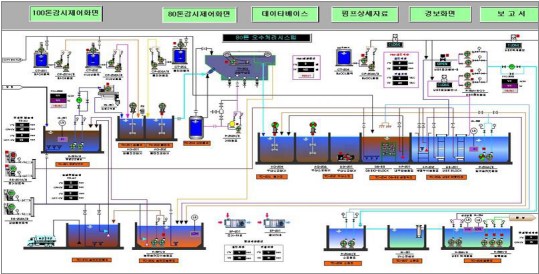
Dedicated to managing water pollution substances, Taihan carries out regular monitoring and continues to improve equipment operation methods for emission reduction. In a remarkable display of water stewardship, over 90% of water used at Taihan's production sites is efficiently recycled as cooling water, with waste water receiving comprehensive treatment for complete reuse. Particularly notable is Taihan's commitment to minimizing its impact on the nearby Seokmun Lake; all domestic waste water produced within the premises is discharged within legal concentration limits, facilitated by an automated sewage treatment system. This system is meticulously maintained with regular cleaning, membrane replacement, and equipment upgrades to ensure optimal functionality. Additionally, Taihan employs five initial rainwater treatment facilities and two retention ponds for effective water management. Remarkably, these retention ponds are not just functional, but also environmentally conscious; a section is used as a green space and a portion has been transformed into an ecological wetland, showcasing Taihan's commitment to harmony with nature.

Wastewater Emission Volume (Unit : m <sup>3</sup> )				
Sort	'20	'21	'22	'23
Lab wastewater (H-4)	-	1.48	-	5.32
Other (EX)	288.05	173.64	94.92	246.21
<b>Total</b>	<b>288.05</b>	<b>175.12</b>	<b>94.92</b>	<b>251.53</b>

Water Use Results (Unit : ton)				
Sort	'20	'21	'22	'23
Total water intake (Dangjin plant only)	115,519	136,962	131,530	154,306
Water usage	94,503	104,529	104,685	134,386
Reuse performance (%)	21,016 (18.2%)	32,433 (23.7%)	26,845 (20.4%)	26,006 (12.9%)

Water Pollution Substance Emission Concentration (Wastewater) (Unit : ppm)					
Sort	'20	'21	'22	'23	Remarks
Biochemical Oxygen Demand (BOD)	2.2	0.95	1.15	0.6	10 or less by law
Suspended Solids (SS)	2.7	0.5	0.35	0.6	10 or less by law





Automated Sewage Processing System



Wastewater Zero Discharge Treatment Facility



Eco Marsh Management



Rainwater Treatment Flow Chart

## Greenhouse Gas / Energy

With a steadfast commitment to managing greenhouse gas emissions, Taihan has been building its greenhouse gas inventory since 2007. Taihan meticulously prepares annual monitoring plans and emission reports, and improves transparency and expertise through third-party verification conducted by specialized organizations; establishing trust and credibility in greenhouse gas management.

Embracing a proactive approach to mitigate the risk of exceeding permissible levels of greenhouse gas emissions, Taihan has actively participated in the greenhouse gas emission trading system since 2015, ensuring compliance year after year. Throughout the First (2015-2017) and the Second Plan Period (2018-2020), Taihan successfully operated within the allocated emission limits and, as of December 2020, secured a five-year allocation of emission allowances for the Third Plan Period (2021-2025), fostering increased trust and credibility.

Taihan also initiates a range of activities to promote energy efficiency and reduce greenhouse gas emissions. Heating, cooling, and electricity consumption is reduced through a central power control system leveraging the Intelligent Factory System (IFS), which automates equipment and remotely monitors power consumption. The company has also reduced greenhouse gas and air pollutant emissions by replacing previous B/C boilers with more efficient condensing LNG boilers. Furthermore, the company is leading energy conservation efforts by installing solar power systems, replacing lighting with high-efficiency LEDs, and introducing energy-efficient equipment.

Greenhouse Gas Emission			
(Unit : tCO <sub>2eq</sub> )			
Sort	'21	'22	'23
SCOPE1	12,974	14,017	16,250
SCOPE2	23,850	23,223	26,496
<b>Total</b>	<b>36,824</b>	<b>37,240</b>	<b>42,746</b>
CO <sub>2</sub>	36,542	36,973	42,440
CH <sub>4</sub>	122	109	128
N <sub>2</sub> O	160	158	178
<b>Total</b>	<b>36,824</b>	<b>37,240</b>	<b>42,746</b>



IFS



Replacement to clean energy



Introduction of High Efficiency Facilities

## Waste Product / Hazardous Chemicals

By establishing in-house waste management standards and complying with lawful disposal procedures, Taihan strives to prevent environmental pollution. As production soars and higher volumes of waste are generated, Taihan actively collaborates with the government's waste reduction initiatives by implementing the “Resource Circulation Performance Management System,” to create a greener future.

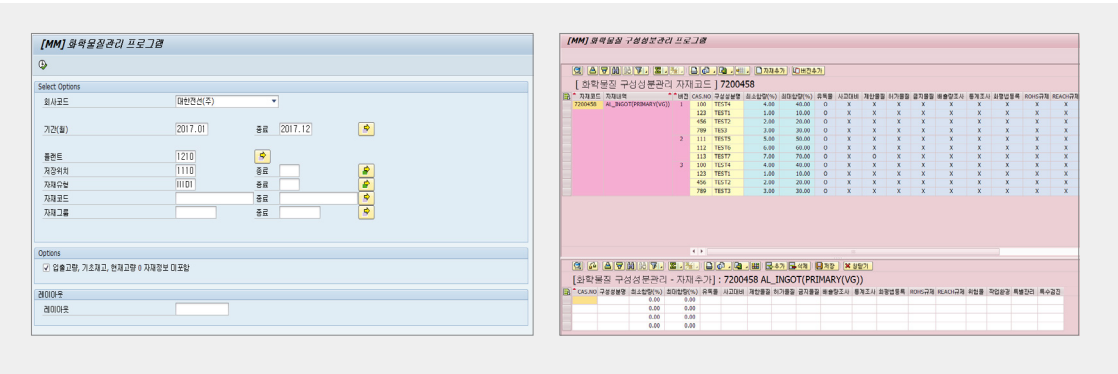
In particular, under the Extended Producer Responsibility (EPR) system, the company engages in activities to reduce waste from products and packaging and provides support to recycling companies for the costs associated with recycling, thereby fulfilling its responsibilities as a producer. To increase recycling rates, Taihan collaborates with the Korea Cable Recycling Cooperative and other cable companies to provide financial and technical support to recycling companies and to identify new recycling partners.

Waste Discharge <span>(Unit : ton)</span>				
Sort	'20	'21	'22	'23
Total waste discharge	3,747	3,268	2,846	4,136
Total waste recycling	74%	69%	70%	74%

The company also continuously manages chemicals to keep its facilities and local community safe. The company has developed a systematic chemical management program to monitor emissions and the handling of hazardous chemicals. New chemicals undergo safety review before use to ensure that the workplace remains safe, and these chemicals are handled in compliance with the “Act on Registration and Evaluation of Chemical Substances,” “Chemical Substance Control Act,” and “Occupational Safety And Health Act.”

Moreover, based on national policies related to chemical substances, Taihan faithfully fulfills its duty to report to the Ministry of Environment. This includes periodic Chemical Emission Surveys, Chemical Statistics Surveys, Registration of Imported Chemicals, and Hazardous Chemical Handling Records.

## Development of Chemical Management Programs



## Future Plans for Implementation

### Development of Eco-friendly Products

To facilitate the production of eco-friendly products, Taihan conducts a rigorous analysis of potential environmental impact from the manufacturing to disposal stage. By doing so, Taihan demonstrates its dedication to developing and implementing technologies that aim to minimize these impacts. Taihan has successfully developed eco-friendly PP cables for power distribution and has obtained environmental label certifications for two items that are characterized by minimal harmful emissions during their production and usage. In addition, Taihan is in the process of developing a 154kV transmission PP cable utilizing eco-friendly non-crosslinking insulation technology, demonstrating a steadfast commitment to the continual development of environmentally responsible products.

### Enhancing the Procurement of Eco-Friendly Materials and Expanding Green Facilities

In collaboration with its partners, Taihan is expanding the use of eco-friendly materials and reducing the consumption of various raw and auxiliary materials in order to protect the environment. The company will also continue to adopt eco-friendly and high-efficiency equipment while upgrading existing facilities in order to reduce greenhouse gas emissions.

## Net Zero 2050 Roadmap

With a commitment to sustainable carbon neutrality, Taihan has formulated a roadmap to achieve Net Zero emissions by 2050.

The company plans to reduce direct and indirect carbon emissions by 46% in all of its domestic and international operations by 2031, as outlined in the roadmap.

Furthermore, Taihan aims for reductions in carbon emissions by more than 30% by 2031 across its entire value chain, which includes overseas subsidiaries, partners, and transportation, and the company aspires to achieve net zero carbon emissions for all of its production and business activities by 2050. In accordance with the Science Based Targets initiative (SBTi), Taihan has established its greenhouse gas reduction goals and is committed to making the utmost efforts to combat global climate change.

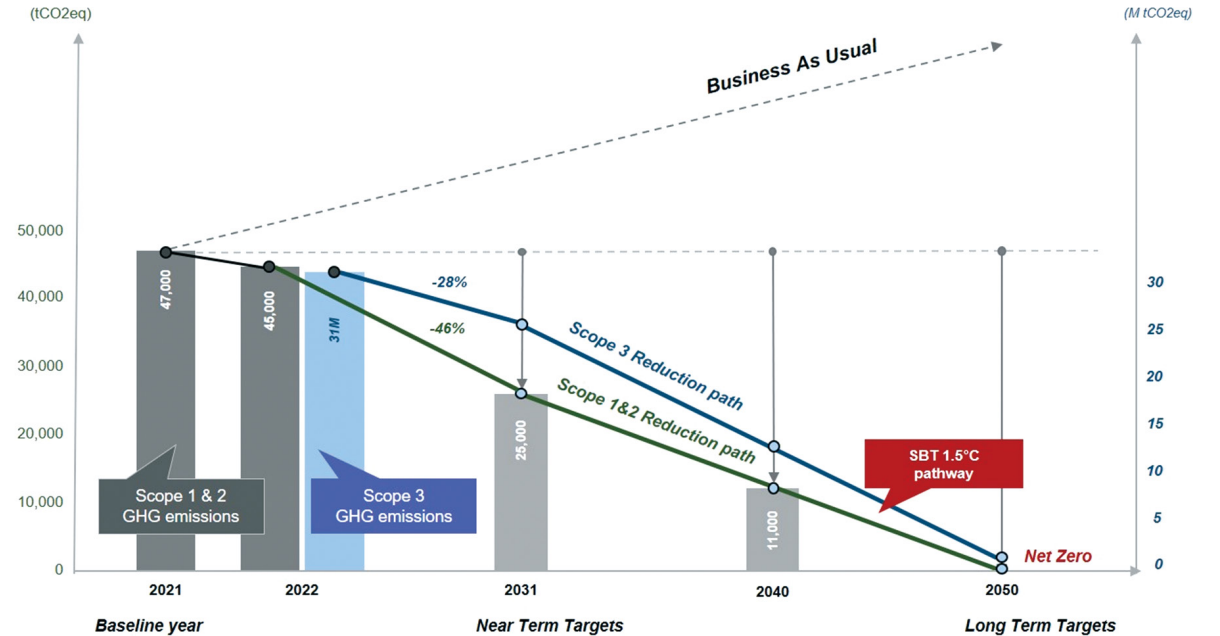
### Participation in the Emissions Trading System

Under Article 17 of the Kyoto Protocol, the “Emissions Trading System” allows governments to allocate greenhouse gas emissions allowances to businesses annually and permits the trading of these allowances.

With the expected yearly decrease in government-issued emissions allowances, Taihan establishes reduction targets and implements reduction activities as part of its strategy to comply with the allocated limits.

### Third-Party Verification of Greenhouse Gas Emissions

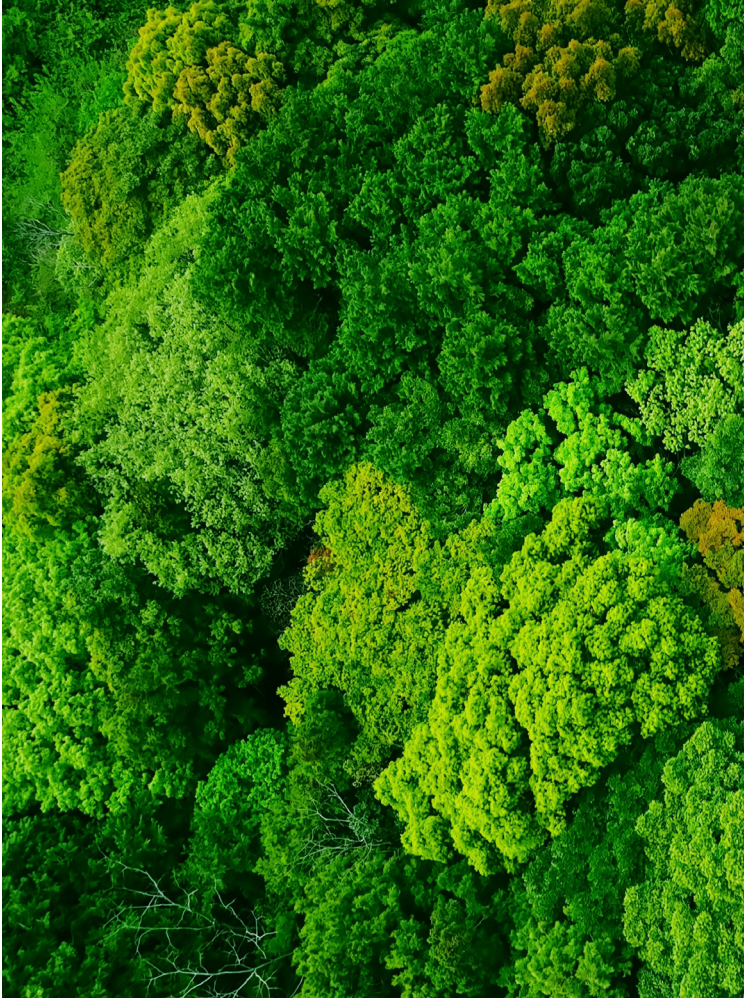
Taihan's greenhouse gas inventory and energy consumption have been independently verified by a third-party. This verification process covers both domestic and international operations, ensuring compliance with the GHG Protocol. It evaluates the accuracy and reliability of direct greenhouse gas emissions (Scope 1), energy-related indirect greenhouse gas emissions (Scope 2), and other indirect greenhouse gas emissions (Scope 3).





## Key Measures for Carbon Emissions Reduction

Scope 1-2	<div data-bbox="224 339 805 365" data-label="Section-Header"> <h3>Energy Efficiency Improvements and Fuel Conversion</h3> </div> <div data-bbox="224 376 1251 515" data-label="List-Group"> <ul style="list-style-type: none"> <li>· Outdated equipment is replaced, and waste heat recovery systems are installed, minimizing energy consumption and boosting operational efficiency</li> <li>· Fossil-fuel-powered equipment is being converted to electricity-driven systems.</li> <li>· Fossil fuel vehicles are being replaced with electric vehicles.</li> <li>· Carbon dioxide produced during the production process is being captured.</li> </ul> </div> <div data-bbox="224 605 825 631" data-label="Section-Header"> <h3>A Transition to Carbon-Free Renewable Energy Sources</h3> </div> <div data-bbox="224 642 1373 751" data-label="List-Group"> <ul style="list-style-type: none"> <li>· Domestic and international operations: Renewable energy use is being expanded by the development of portfolios that assess the feasibility and economic viability of various fulfillment method.</li> <li>· Dangjin Plant: In 2023, we constructed a 1.2MW solar power facility, with additional installations planned for the future.</li> <li>· Submarine cable plant: We are in the process of implementing production solutions that rely entirely on renewable energy sources.</li> </ul> </div>
Scope 3	<div data-bbox="224 843 792 869" data-label="Section-Header"> <h3>Reducing Carbon Emissions Across the Supply Chain</h3> </div> <div data-bbox="224 881 1541 1042" data-label="List-Group"> <ul style="list-style-type: none"> <li>· Establishment of Green Procurement plans (2021): Incentives, such as environmental product declaration, are offered to promote the purchase of eco-friendly materials during the evaluation process.</li> <li>· Engagement with Customers and Partners : We are expanding the procurement of low-carbon raw materials through collaboration with our customers and partners.</li> <li>· Transition to Electric Vehicles at Construction Sites: We are replacing conventional vehicles with electric ones at construction sites, thereby reducing carbon emissions during logistics and transportation stages</li> </ul> </div> <div data-bbox="224 1122 654 1148" data-label="Section-Header"> <h3>Reduction in Product Carbon Emissions</h3> </div> <div data-bbox="224 1159 1577 1268" data-label="List-Group"> <ul style="list-style-type: none"> <li>· Reduction in carbon emissions according to power loss generated in the cable usage stage: We are actively reducing carbon emissions generated during cable usage by focusing on research and development, and increasing the proportion of high-efficiency product sales.</li> <li>· Reuse and recycling of cable materials: We prioritize the reuse and recycling of cable materials, repurposing most metals during production, and striving to enhance the recyclability of non-metal materials that are challenging to recycle</li> </ul> </div>



# Social

## Human Rights

Taihan is steadfastly respectful of the rights of all stakeholders, inclusive of its workforce. With a commitment to fostering an enriching work environment, Taihan has established human rights policies that are managed and implemented with care. Through initiatives such as instituting systematic frameworks and conducting comprehensive training, Taihan has been able to accomplish a human rights-oriented approach to management.

### Human Rights Principles

Taihan exercises the utmost due diligence to ensure that human rights of all stakeholders including employees are respected, and to prevent human rights violation throughout the business process. Accordingly, Taihan strictly abide by the standards and rules of the labor and human rights-related international organizations, such as the Universal Declaration of Human Rights (UDHR) of the UN, the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, the Convention of the Rights of the Child of the UN, and the ILO (International Labor Organization) Fundamental Conventions.

- 01 Taihan respects the dignity and value of all its members, and dedicates the utmost effort to providing a good working environment.
- 02 Taihan respects human rights protection and labor standards of international organizations, and prohibits discrimination by reason of gender, race, nationality, and religion, etc.
- 03 Taihan complies with labor-related laws and regulations of each country, and applies this policy to all suppliers and investors.

### Operating Guidelines

Taihan respects everyone's freedom and human rights and does not tolerate any discrimination. In order to deploy more responsible management activities, Taihan has established human rights protection operating guidelines and administers them strictly.

#### Combat



Forced labor



Child labor




Discrimination

#### Uphold



Compliance with working hours



Guarantee of minimum wage



Freedom of association



Creation of safe business environment

### Key Activities

<b>Family-friendly company certification</b>	Family-friendly company certified by the Ministry of Gender Equality and Family
<b>Human rights protection training</b>	Workplace harassment prevention training - Prohibition of superiors' habitual unfair instructions
<b>Training on internal report system</b>	Training on report types - Prevention of human rights violation, whistleblower protection, protection of whistleblower identification, etc
<b>Employees' ethics pledge</b>	Pledge to comply with Ethical Regulations containing details on human rights protection
<b>Regular inspection of labor environment</b>	Environmental, safety, and fire inspection in Dangjin Plant
<b>Talent fostering</b>	Talent fostering masterplan development, and online educational support - Competency building training, on-the-job training, foreign language training, etc.
<b>Retiree support system</b>	Operating program for reemployment of retirees in temporary positions

# People

Taihan is unyielding in its endeavors to build a work environment that is conducive to the happiness of its employees. Taihan continues to nurture talent through systematic training, and creates a stable working environment that caters to the well-being of its workforce through assessments, rewards, and communication.

## HR System

### Talent

The talents of Taihan communicate with an open mind, pursue customer satisfaction with the best professionalism, and realize the future development with passion for their work.

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#### Open Mind

Talents who constantly challenge themselves with an open mind and professionalism



#### Professional

Talents who create better value with the highest level of professionalism and a sense of ownership and pursue customer satisfaction with a responsible attitude



#### Passion

Talents who overcome trials and hardships with passion for work and ceaseless effort to realize the future developed through change and innovation

## Securing and Nurturing Global Expertise

To fulfill Taihan's vision and operational objectives, continuous efforts are made to secure the Right People; those gifted with the talent necessary to help the company perform at its best. Based on respect for professionals who welcome openness and relentlessly embrace challenges, an intensive multistage recruitment process is carried out to select the best candidates for the company. Furthermore, in a bid to cultivate talent with global competitiveness, Taihan establishes comprehensive Master Plans and Road-Maps, and collaborates with external organizations to support online education.



### Status of educational training Actual expenses for educational training

(Unit: KRW Million)

Sort	'21	'22	'23
Total educational expenses	111	238	240

### Number of employees participating in online education

(Unit : persons)

	'21	'22	'23
	128	147	207

\* Figures include 50 participants aligned to programs supporting partner companies

## Fair Assessment and Rewards

Taihan designs and operates a fair assessment and compensation system for its employees. Individual goals are set in line with organizational objectives, and annual performance is evaluated through comprehensive, multi-faceted analysis. Additionally, Taihan develops the necessary skills for each employee through assessments that strengthen individual capabilities. Wage adjustments, business performance bonuses, and promotions are implemented based on employee evaluation results to enhance motivation and job satisfaction.



### Creating an Effective Organizational Culture

With the foundation of a healthy organizational culture, Taihan has launched a range of communication programs focused on employee participation. To facilitate smooth communication between management and staff, quarterly town hall meetings are held under the direction of the CEO whenever major issues arise. Furthermore, networking within the company is actively promoted through various club and leisure activities.

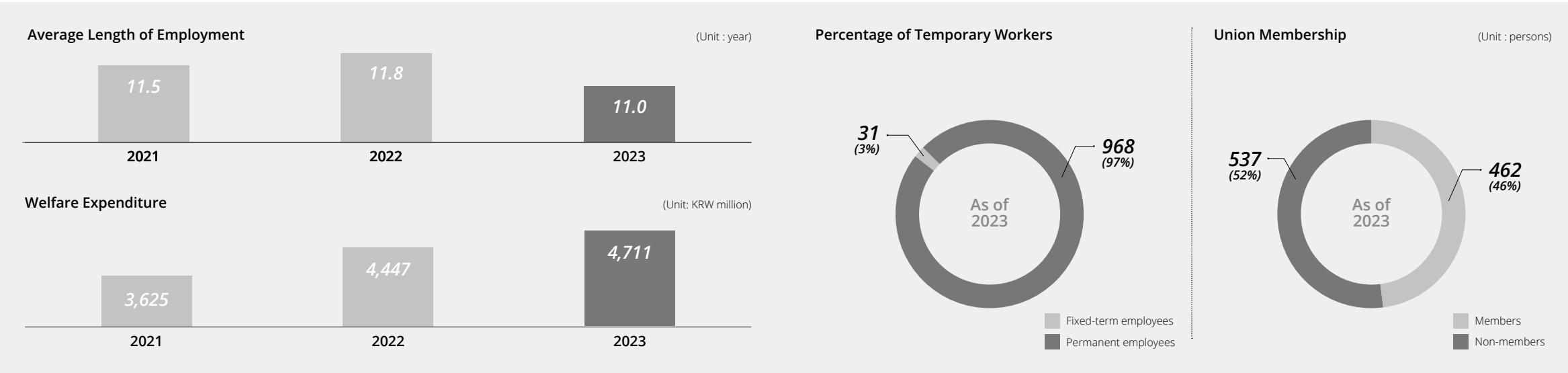
### Pursuing the Realization of Work-life Balance

Dedicated to creating a happy workplace for its employees, Taihan obtained a Family-Friendly Business Certification in 2017 and has operated a staggered working-hour system to match its employees' unique lifestyles. Additionally, a stable employment environment has been created with 48% of employees participating as union members. These efforts have allowed Taihan to maintain a strike-free status for 33 years, fostering a cooperative labor-management culture.



The Family-Friendly Certificate

### 2023 Employment Stabilization Activities







### Honoring workforce diversity

Taihan warmly embraces diversity within the workforce, encouraging the transparent disclosure of gender, job role, age, and academic information. In addition, Taihan ensures equitable remuneration across all positions, irrespective of gender. Despite the manufacturing industry's lower employment rate of female workers overall, Taihan plans to rectify this imbalance through preferential hiring processes for women. Additionally, Taihan has its sights set on fostering a friendly work environment for individuals with disabilities, and is poised to gradually enhance their employment ratio.

#### 2023 Information on Workforce Diversity

(Unit : persons)

Sort		'23
Number of executives and employees		999
Gender	Male	929
	Female	70
By job role	Managerial	520
	Functional	479

#### 2023 Workforce by Type of Employment

(Unit : persons)

Sort	'23
Permanent employees	968
Fixed-term employees	31
<b>Total</b>	<b>999</b>

#### 2023 Wage Levels and Employment Ratio of Women and People with Disabilities

(Unit : %)

##### Wage Levels of Female Workers Compared to Male Workers

Sort	'23
Industry average	70.0
Taihan	70.2

##### Employment Ratio of Full-time Female Workers

Sort	'23
Industry average	10.6
Taihan	7
Taihan (Managerial)	13

##### Employment Ratio of Workers with Disabilities

Sort	'23
Legal standards	3.1
Taihan	1.3



## Health and Safety Management

Guided by its respect for humanity and its commitment to health and safety, Taihan designs and operates a comprehensive health and safety management system. Each employee at Taihan enthusiastically participates in health and safety activities, ensuring their workplace remains free from accidents, and keeping their homes happy.

### Health and Safety Awareness and Education



#### Vision

Prioritizing the protection of the environment and encouraging safe production practices as core business values to promote harmony between humanity and nature.



#### Strategy

1. Conduct business in harmony with the natural environment
2. Develop and deliver products and services with the health and safety of humanity in mind
3. Comply thoroughly with relevant laws and regulations
4. Set and manage quantified goals
5. Ensure business transparency



### Operating the Safety and Health Management System

Taihan takes health and safety practices into account in all business processes, including risk assessment, education and training, safety inspection, and emergency responses. To facilitate the continuous improvement and management of these procedures, Taihan utilizes the Process Safety Management (PSM) system along with the ISO45001 Health and Safety Management System.



ISO45001 Certificates



# Key Activities

## Holding a Meeting of the Industrial Safety & Health Committee

In order to improve the safety and health awareness of executives and employees and create an optimal working environment, labor and management work together to find and improve risk factors, and the Industrial Health and Safety Committee is held regularly.

### Industrial Safety & Health Committee



## Safety and Health Inspection

Accidents are prevented by conducting daily safety checks to discover risk factors and improve the working environment. Risk factors found as a result of the safety inspection are removed by implementing corrective measures. Hazardous mechanical devices such as cranes, hoists, and pressure vessels are secured through their own safety checks and the external specialized safety inspection agencies. By carrying out inspections and improvements, we do our best to ensure that our employees work in a safe environment.

Industrial accident status				
Sort	'21	'22	'23	
Number of accidents (cases)	1	2	3	
Industrial accident rate (%)	0.06	0.15	0.28	
Average industrial accident rate in manufacturing (%)	0.74	0.55	0.84	

Industrial accident rate (%) = Number of industrial accidents / Total number of people\*100

## Education on Safety and Health

Taihan raises employees' awareness of safety and health and regularly provides training on work.

In order to prevent safety accidents, special safety education is regularly provided to forklift and crane operation workers, who are high-risk machine operators. Every month, an environmental safety and health newsletter is issued on the subject of safety and health issues about safety accidents to inspire the awareness of safety and health among employees.



Special Safety Training for Supervisors



Forklift Safety Training



Crane (Hoist) Safety Training



## Joint Project for Mutual Prosperity between Large Enterprises and SMEs

The company takes part in the Ministry of Employment and Labor's "Joint Project for Mutual Prosperity between Large Enterprises and SMEs" in order to improve the working environment through risk assessments, technical support, and both human and material support for partner companies, thereby enhancing the health and safety awareness of employees at partner companies.

## Improvement of Health of Employees

We conduct comprehensive health screenings and regular survey of the harmful factors for the continued health care of our employees. Employees whose findings are abnormal receive regular examinations and treatment in order to prevent the disease. In addition, the health of our employees is protected by the regular inspections of their working environment, as well as through health care, health promotion, and industrial hygiene management.

## Enhancement of Emergency Response Ability

All employees receive regular training in order to prevent emergencies, such as accidents due to natural disasters, fire, and explosion, and to minimize damages in the case of their occurrence as well as to eliminate the cause as soon as possible. Taking proactive action safeguards the safety of the employees and their workplace.



Risk assessment and joint health and safety inspection for partner companies



Employee Health Checkup



Emergency Evacuation Training and a Fire Drill



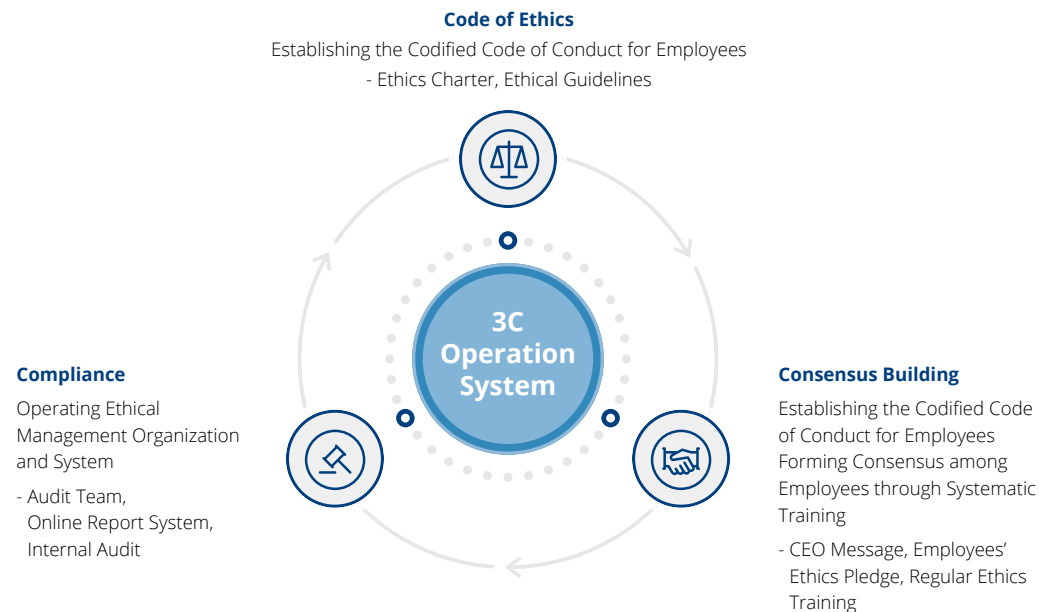
Work Environment Audit

## Ethical Management

As the influential power of businesses on countries and communities rises, so does the level of required corporate ethics. It is crucial that Taihan's executives and employees fully understand our Compliance with Anti-Corruption Laws and the Importance of Ethical Management, and exercise just management practices while adhering to these foundational principles.

### 3C Operation System

Taihan established the Code of Conduct for employees that is codified in detail to expand employees' interest in ethical management and promote the practice of ethical management. The Code of Conduct specifies clear standards of conduct, stipulates management to prevent violation of the principles and rules, and therefore contributes to creating a healthy corporate culture.



## Key Activities

### Anti-Corruption Program

In its code of ethics, Taihan stipulates the obligation to comply with Anti-Corruption Laws such as the OECD's *International Commerce Bribery Convention* and Korea's *Act on the Prohibition of Unfair solicitation and payment of money, and etc.*

Taihan clarifies detailed standards and guidelines for the Anti-Solicitation Laws, collects third-party violations and conducts regular training. Taihan has made the executives and employees submit ethical management pledges promising to comply with Anti-Corruption Laws.



### RISK Prevention

According to the annual audit plan, Taihan selects high-risk tasks or departments and conducts internal audits on them, and continues to check the implementation of previous audit recommendations. Taihan effectively channels a range of employee communication methods to mitigate inefficiencies and rectify unjust practices. These measures proactively reduce risks.

### Promotion and Education of Ethical Management

Taihan sent a letter from the CEO on the subject of ethical management to its employees in order to emphasize the practice of ethical management. Further bolstering its ethical foundation, Taihan has created a company-wide consensus on ethical management, regularly running Online Ethics Training courses and publishing Ethics Management newsletters. This is supported by the collection of signatures on the Ethics Management Commitment pledge, Taihan's unyielding commitment to ethics is at the heart of all its operations.

Taihan sent disposition forms on the subject of ethical management to its cooperating companies as well and distributed the consent forms ensuring fair and transparent transactions. With all of these initiatives across different communication and promotional channels, Taihan is improving the ethics of not only its own staff, but also the staff members at cooperating companies.



## Compliance Program

In 2021, Taihan adopted Compliance Program, with both management and staff partaking in fair trade practices that reflect the firm's unwavering commitment to upholding the law. Taihan undertakes a range of activities to build a culture of independent compliance and fair, transparent dealings.

### Taihan's CP

The Compliance Program (CP) is an internal compliance system operated voluntarily by a company to establish culture of transparent and fair market competition. In order to preemptively and actively comply Fair Trade laws and regulations and monitor any potential violation of laws and regulations that may occur during business activities, Taihan has introduced CP to fulfill its corporate responsibilities and roles.

Dedicated to promoting the development and adoption of an internally compliant fair trade culture, Taihan strives to prevent potential violations of laws and regulations. In particular, the firm works tirelessly to reinforce the autonomous compliance program, through targeted educational efforts for executives and employees, monitoring systems, and the launch of an online suggestion box.



### Eight Key Elements of CP

Taihan implements the following eight key elements to run CP effectively.

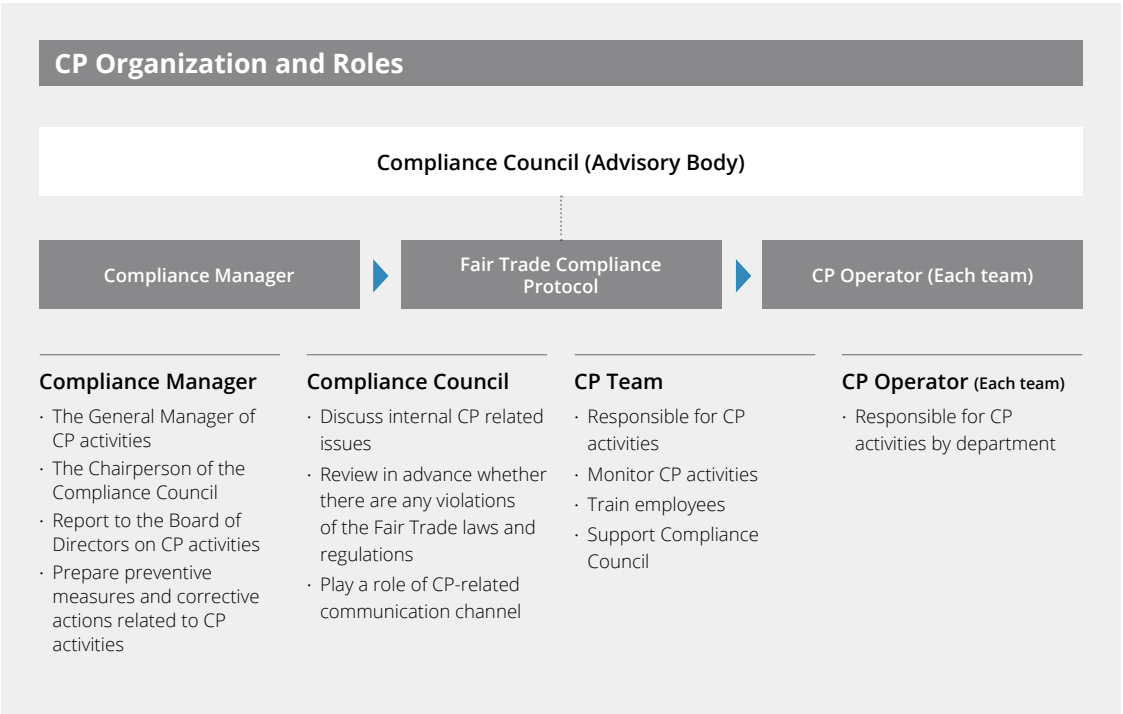
01	<b>Implementation of CP Protocols</b>	Adequate standards and protocols shall be established and implemented so that members of the Company can clearly understand and practice obligations under fair trade-related laws and regulations.
02	<b>Expression of CEO's own volition and willingness to support CP</b>	The CEO publicly declares his intention to implement CP and its policy and show willingness to support CP actively.
03	<b>Appointment of Compliance Manager</b>	Appoint compliance manager and delegate appropriate authority to take control of effective CP operation.
04	<b>Publication of Compliance Manual</b>	A compliance manual shall be issued under the responsibility of the compliance manager, which shall include relevant fair trade laws and regulations, CP standards and protocols. It shall be published in the form of an electronic document to enable members of the Company to access and utilize easily.
05	<b>Education/training of Compliance Program</b>	Regular education and training shall be provided for the CEO, executives and employees in the purchasing and sales departments who may be prone to violation of Fair Trade laws and regulations.
06	<b>Setting up internal Monitoring System</b>	Monitoring system, by way of auditing, shall be in place to prevent and detect any potential violation of Fair Trade laws and regulations. Monitoring report shall be submitted to the Board for review (at least twice a year).
07	<b>Employ penalties</b>	Company's bylaw shall govern penalties for members of the company including executives for violation of relevant Fair Trade laws and regulations. Any degree of penalties shall fairly correspond to the severity of violation. Members of the company shall actively report any violation, and respond appropriately as part of pre-emptive action.
08	<b>Performance evaluation and implementation of Corrective Actions</b>	For effective CP performance, periodical review and evaluation about the CP performance, standards, protocols, etc. shall be carried out, and appropriate corrective actions shall be followed accordingly.





### Establishment of an organization dedicated to compliance program

To reinforce the independence and expertise of its compliance operations, the company has established a dedicated legal support team and is developing a compliance system to conform with global guidelines. The company also runs a training system designed to prevent legal risks and boost compliance awareness among its employees.



# Social Responsibility



Since its inception, Taihan has been actively engaged in outreach activities for marginalized communities, underscoring the company's commitment to fulfilling its social responsibilities and obligations. With a sincere respect for the individual and the concept of sharing at its core, Taihan thrives in harmony with the local community. Unwavering in its mission, Taihan is committed to carving out a brighter future, its every step echoing its unstoppable drive towards excellence.

## Social Contribution Value System

The new vision of <Connected World, Connected Happiness> embodies Taihan's will to create a win-win value by connecting people, space and time, thereby creating a World Free from Alienation and a Sustainable Future. Various social contribution activities are carried out under the following themes: The focus areas of Community, Education and Environment; and specific strategies for the development of local communities, growth of future generations, and expansion of eco-friendly activities.

### Vision

Connected World, Connected Happiness

### Goals



**People**  
We create a win-win value that people, company, and society share together



**Space**  
We share across regions and boundaries to create an alienation-free world



**Time**  
We create a future sustainable from present to future and from generation to generation

### Areas of Focus



**Education**



**Community**



**Environment**

### Promotion Strategy

- Contribute to the development of the local community and the improvement of the quality of life of the residents
- Support the growth of future generations and provide educational opportunities
- Raise awareness of environmental protection and expand eco-friendly activities

### Employee Volunteer Promotion System

Plan volunteer activities during working hours to encourage employee participation

## Provision of educational opportunities

Over the past year, Taihan has engaged in a series of meaningful activities to help future generations. Taihan conducted an “environmental storybook making” project designed to benefit future generations. The volunteer activity involved 47 new employees and 10 staff members and their families who created storybooks related to the environment. The completed storybooks were delivered to three local children's centers in Dangjin, where they were used as educational materials for children.

Since 2012, the Junior Electricity Class has been hosted by Taihan in aid of Dangjin's elementary school students. This has been a platform for teaching the principles of electricity in an engaging and digestible format. This talent donation activity enables students in rural areas to gain scientific experience that may otherwise be inaccessible.

## Support for the community

Since 2014, Taihan has partnered with the Bisan Social Welfare Center in Anyang to engage in a variety of activities that embrace all classes of the local community. This wide range of themed volunteer activities includes the “Love Lunchbox Making,” “Living Environment Improvement Activity,” and “Chuseok Community Festival.”

A “Blood Donation Campaign for Love” was also conducted by the employees of Hoban Group. The campaign, held at the headquarters, Dangjin plant, and Dangjin Cable Accessory plant, was a success, with over 200 employees giving blood. Furthermore, 300 blood donation certificates earned by the voluntary participation of employees were donated to a pediatric cancer patient group.

## Environmental Protection Activities

Taihan has been conducting steady environmental volunteer work in Anyang, where its headquarters are located, and Dangjin, where its plant is located. Examples of the volunteer works to create a clean and pleasant environment are: Environmental cleanup campaigns near its



headquarters; environmental cleanup activities along the Dangjin coast; and environmental cleanup activities. It has also engaged in activities to install frog ladders for conservation of the endangered Korean golden frog.

In addition, the company participated in a “Tree Planting Campaign,” donating 57 grapefruit trees in Vietnam. This activity not only contributes to reducing carbon emissions, but also supports the livelihoods of impoverished farmers in Vietnam. To practice carbon neutrality in daily life, Taihan held a “Used Battery Exchange Campaign” for its employees. This event goes beyond simple recycling, contributing to environmental protection, spreading awareness of resource circulation in local communities, and carbon neutrality.

## Participation in ‘Hoban Sarangnanumi’

As part of the Hoban Group, Taihan serves an active role in social contribution activities. The “Hoban Sarangnanumi” initiative brings together Hoban Group employees who voluntarily contribute to the fund each month. As of 2023, 158 Taihan employees have contributed to this fund.

Throughout the year, group employees participated in hands-on volunteer activities and donations for the local community, future generations, and the environment, including “Learning Kit Making,” “Volunteering at Seoul Grand Park,” and “Flower Box Making.” The company also took part in a “beach plogging” project, which involved over 1,000 employees and general participants, and continued to support the local community through kimchi sharing and charcoal briquette donation for the cold winter.





# Governance

## Transparent Management

Taihan is realizing the transparent management for protecting the rights of shareholders and enhancing the values based on its advanced corporate governance, such as, establishment of a professional management system and securing the independence of the operation of the board of directors, etc.



### Strengthening the Independence of Construction and Operation of the Board of Directors

Taihan is enhancing the transparent management through the independence of the construction and operation of the board of directors. The board of directors is composed of 5 members. Among the members, the outside directors are 3 members taking 60% of the total. The company directors, equipped with a wealth of experience and specialized knowledge in all areas of business, serve an active role in supporting creative management activities, which in turn elevate corporate value. A board meeting is held once a month to implement responsible management by professional managers under a transparent management system.

### Operating the Audit Committee

Taihan is making the efforts for securing the fairness and transparency of the operation of the company after having established the Audit Committee in accordance with the paragraph 1, Article 25 of the Articles of Association for implementing the accounting and auditing works and the assessment of the internal control systems. This year, the audit committee's authority over the subsidiary audit units was specified and reinforced through amended regulations.

According to the amended regulations, including Article 14, the audit committee has the authority to establish and operate subsidiary audit units or implement internal audit department personnel. It also holds the right to consent to the appointment and evaluation of relevant managers. In addition, audit personnel has the authority to request special measures from the company in order to avoid personal disadvantages resulting from audit activities, thereby ensuring their independence. Through these measures, the

influence of the audit committee has been reinforced to enhance the fairness of company operations.

### ESG Committee

A new compliance officer was appointed, and a compliance support team was established to create a robust internal control and evaluation system that conforms to global standards. The company is leading efforts to establish sound corporate governance practices by providing specialized compliance training sessions on the Fair Trade Act.







taihan  
CABLE & SOLUTION