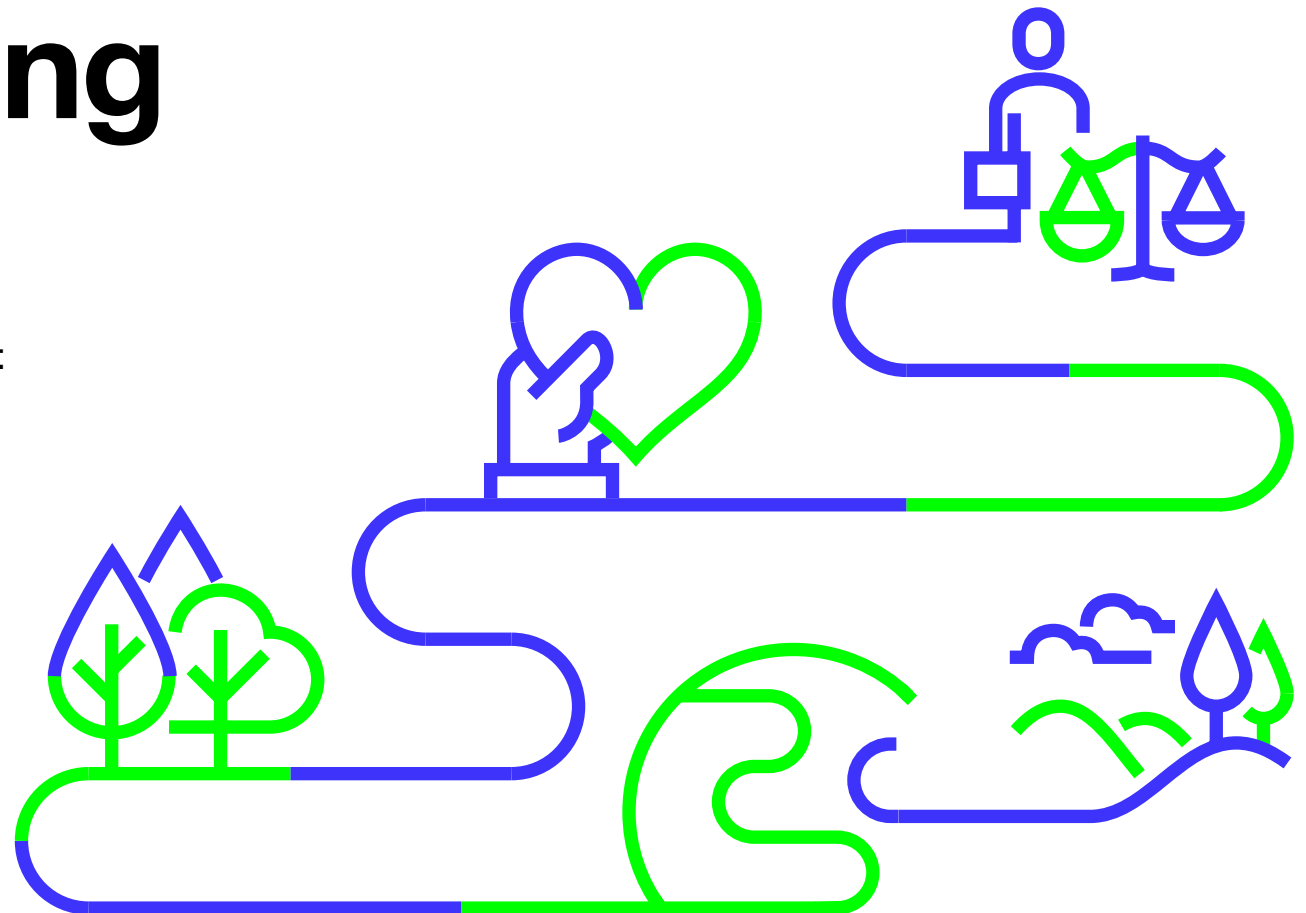


LocknLock

Our Commitments to Benefiting the World

LocknLock 2022 Sustainability Report



About this report

Our Commitments to Benefiting the World

LocknLock 2022 Sustainability Report

We are delighted to publish our first sustainability report. This report aims to provide an honest account of our progress on sustainable management in a transparent manner.

Reporting Period

This Sustainability Report details our sustainability performance from January 1, 2021 through December 31, 2021. And it also covers some of the key progress for early 2022. For some of the key quantitative information, it contains data from the past three years to allow you to make comparisons.

Reporting Boundaries

This report provides an account of sustainable management activities and performance of our headquarters and domestic manufacturing sites (Asan, Anseong). It also contains some of the data of our overseas business sites (GHG emissions and energy consumption, water consumption and effluent discharge, raw material use and reuse, and water pollutant discharge). The data in this report covers 100% domestic business sites.

Reporting Principles

This report aligns with the Core Option of GRI (Global Reporting Initiative) Standards. And we comply with UN SDGs (UN Sustainable Development Goals), a global initiative for sustainable management, and SASB (Sustainability Accounting Standards Board) Standards. We prepared financial data on a consolidated basis, following K-IFRS (the Korean Version of International Financial Reporting Standards).

Data Assurance

To ensure the reliability of the data and reporting process, this report has been subject to the third-party verification by the Korean Standards Association. And AA1000AS v3 Type 2 has been applied as the set of standards for the verification. The results are available on page 98-99.

Contact Information

If you have any questions, feel free to contact us.

LocknLock ESG TF

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Our ESG Story



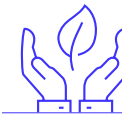
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CEO Message



“

Dear stakeholders,

LocknLock is aiming to make 2022 the inaugural year for laying the foundation for ESG management. Keeping people and the environment as our core values, we have made multi-faceted efforts to manufacture products that benefit both people and nature and earn more trust from our customers. In order to provide an account of our efforts and progress on our journey towards ESG management, we are publishing our first sustainability report.

”

The unprecedented COVID-19 pandemic has persisted over the past 2 years, confronting us with daunting challenges. Amid the unfavorable market conditions, we have done our best to usher in a sustainable future.

On the strength of our outstanding brand recognition and technological expertise, we have raised our reputation not only in the domestic market but also in the markets of China and Southeast Asia. We are also seeing robust growth in the U.S. and European markets. On top of that, many efforts have been made to improve upon our success, such as securing channels tailored to each country and redesigning our product portfolio. Keeping pace with the changes in the digital marketplace, we have stepped up our D2C (Direct to Consumer) strategies including our in-house online shopping mall.

LocknLock will make strides towards ‘Carbon Neutrality.’

We are striving to raise the awareness of the value of resource circulation through the upcycling of old plastic airtight containers. Along with this, we have conducted a tumbler use promotion campaign targeting our employees and customers. One of our focuses is on the mitigation of plastic waste. To this end, we endeavor to reduce GHGs emitted in the course of disposal, thereby taking one step closer toward our goal, carbon neutrality.

LocknLock will pay more respect to the value of ‘stakeholders’ including our employees.

Internally, we have refined our employee performance management system to ensure fair compensation according to their performance. In detail, we have set up the Win-Win Growth Committee in order to facilitate the communication between labor and management while establishing the Safety and Health Team that takes charge of creating a safe work environment where our employees can put their mind at ease. With a focus on our suppliers, we also inspect their sustainability, regarding them as our partners for shared growth. Through these efforts, LocknLock aims to achieve people-centered growth.

LocknLock will create a ‘transparent’ governance structure that deserves more trust from stakeholders.

In an effort to earn more trust from stakeholders, efforts are being made to embed an ethical culture in every aspect of our businesses. In detail, we have created the Ethical Management Team and operate a ‘Hot Line’ channel for reporting and consultations regarding the ethics issues. The channel guarantees the source’s anonymity. For the sake of expertise and diversity of the BOD (Board of Directors), we appointed the first female director and plan to phase in a set of standards regarding gender, nationality, and cultural backgrounds.

Based on these efforts, LocknLock aims to elevate the value of people and the environment, and make our governance more transparent and professional, thereby solidifying the foundation for sustainable growth. Staying true to our vision, ‘We benefit customers all around the globe’, LocknLock will make sure that our efforts contribute to creating a better world.

I look forward to your support and attention to our commitments to benefiting the world on this journey.

Thank you very much.

July 2022

CEO Sunghoon Ghim 김성훈 Sungtae Kim 김성태

Company Overview



Company Profile

Company Name	LocknLock Co.
CEO	CEO Sunghoon Ghim and Sungtae Kim
Date of Establishment	Nov. 11, 1978
Address	Seoul Office: Sejong-daero 14, Jung-gu, Seoul, Republic of Korea Anseong Office: 1260 Mansae-ro, Wongok-myun, Anseong, Gyeonggi province
Homepage	www.locknlock.com

(As of Dec. 31, 2021)

Market Capitalization

USD **502.3** million
(KRW 598 billion)



No. of Employees

3,409 employees at home and abroad



Key Product Categories

Food Container, Beverageware, Cookware, Small Appliance, Others (storage container, travel product, kitchen appliances, etc.)



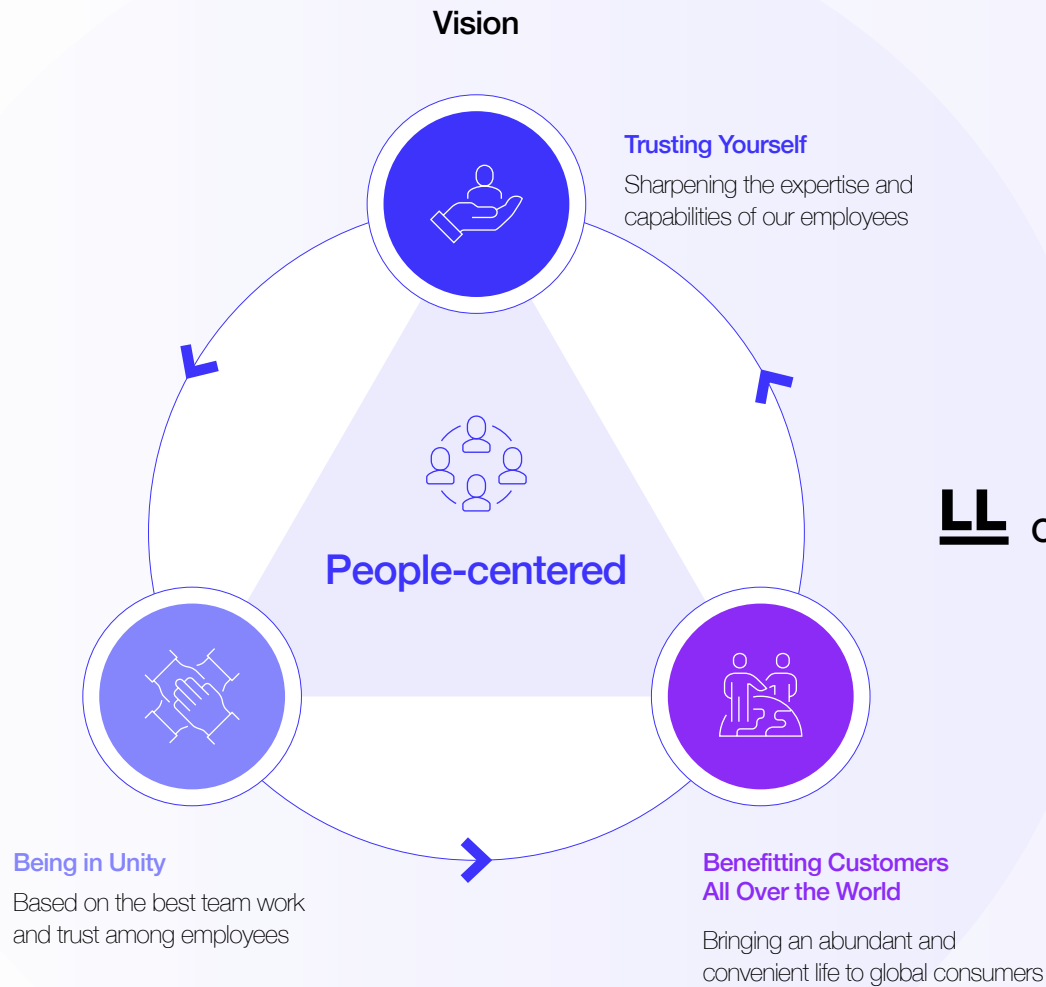
Intellectual Property

Domestic 52 applied, 522 registered

Overseas 183 applied, 1,240 registered



Our Vision and Value



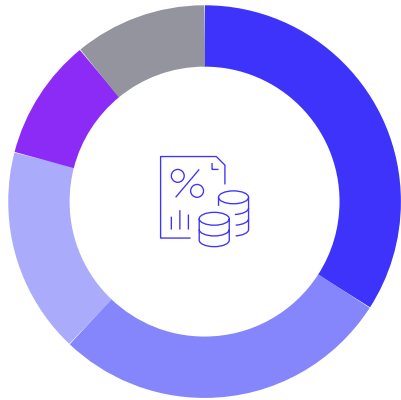
- 1 Uncompromising verification of quality and safety
- 2 Responsibility for the environment and sustainability
- 3 Focus on process over results
- 4 Immediate, proactive execution
- 5 Fearless challenge with passionate spirit
- 6 Constant, creative pursuit of the new
- 7 Honesty to always do the right thing
- 8 Less talking, more listening
- 9 Modesty, empathy, and wit
- 10 Constant effort to understand peoples' lives

LocknLock puts our vision into action on the basis of our ten core values.

Key Businesses

Sales Share by Category

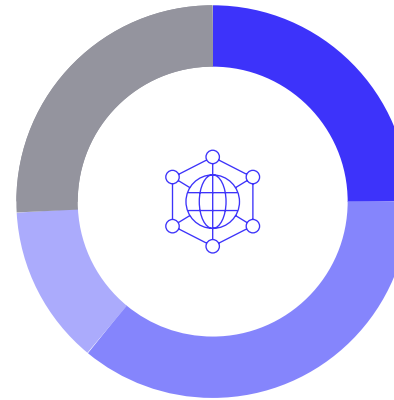
(As of Dec. 31, 2021)



- **34%** Food Container (airtight container)
- **28%** Beverageware
- **17%** Small Appliance
- **10%** Cookware
- **11%** Others

Sales Share by Country

(As of Dec. 31, 2021)



- **25%** Korea
- **36%** China
- **13%** Vietnam
- **26%** Others

History

Establishment 1978~1997

1978

- Established Kukjin Retail Co.

1994

- Established Hana Mart Co.
- Distributed kitchenware, bathware and child goods

Brand Integration & Growth 1998~2005

1998

- Launched four-sided airtight locking system Food container
- Integrated into LocknLock brand based on our choice and concentration strategy
- Grew into a leading player in the global food container market

Global Operations 2006 ~ 2017

2010

- Listed on KOSPI
- Expanded our presence into overseas markets
- Enlarged into Total Living-Kitchenware brand

Asia's No.1 Household Goods Company 2018~

2018

- Acquired by private equity fund, Affinity Equity Partners (AEP)
- Renewed LocknLock Brand Identity
- Established an innovation lab, LL Labs
- Built global design centers
- Formulated growth strategies for four categories (food container-beverageware-cookware-small appliances)

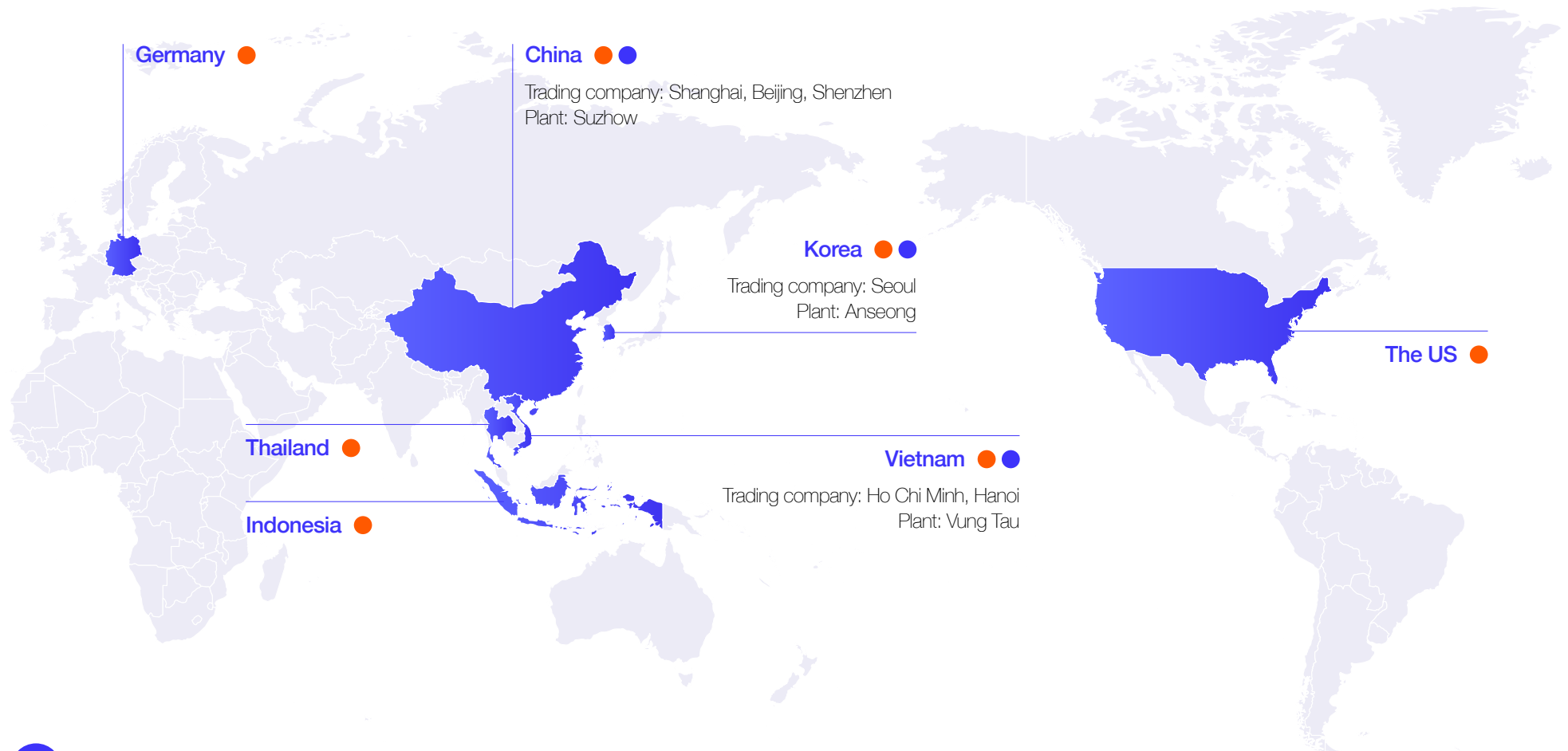
2020

- Acquired 'Jenniferoom', small kitchen appliance brand, to expand our business into small kitchen appliance
- Launched a variety of small kitchen appliances such as 'steam air fryer'
- Held the 1st LocknLock Design Contest: 'Design Your Life'

Overseas Operations

LocknLock, global leading player in the household product market

● Trading company ● Plant



 **119** export destinations

Business Overview

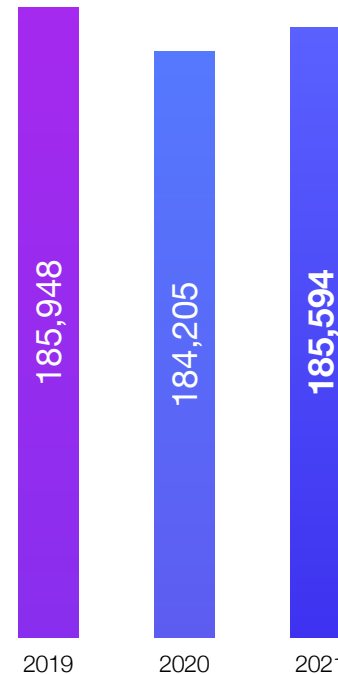
Food Container

Since the launch of the four-sided airtight locking container LocknLock in 1998, we have produced a variety of safe and diverse products in terms of function and materials reflecting consumer needs in line with changing lifestyles, as a global brand beloved by people all over the world.



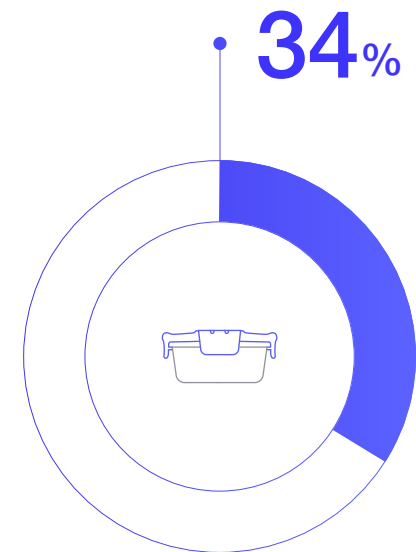
Sales of Food Containers Division

(Unit: KRW million)



* Consolidated

Share of Sales





Barohanggi

Safe meals for my family

Barohanggi Baby Food Container,
Barohanggi Glass, Barohanggi Ceramic

Safe food storage for our family that can be stored and used in the freezer, boiling water, and oven



DosiLock

A professional edition of lunch box

Lunchbox (airtight, non-airtight types),
Meal prep (salad and snacks)

A meal that suits my taste
Customized components based on my style



Stainless Modular

Exclusively Korean sourced materials
and Korean production

Modular system highly preferred by users
The smart Stainless Modular that can be used
in dishwashers, air fryers, and ovens



Top Class

A top-class glass container with safety
assurance

Quality assurance (high resistance durability)
Temperature assurance (withstanding temperatures
ranging from a -20°C freezer to a 400°C oven)
Locking assurance (strong airtightness)



Bisfree Modular

Stable and neat organization with a 6mm
hidden seal

Using premium materials called 'Tritan' for a
clear look like a glass without stains



ECO Lock

100% food grade eco-friendly sealing
containers made of leftover recycled
plastics

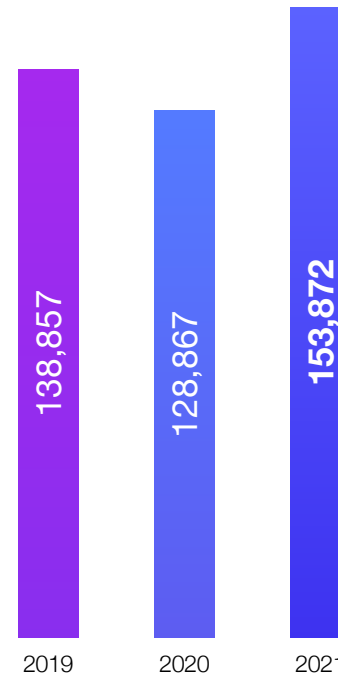
Sold in the largest retail shops in the UK
(Tesco, Sainsbury's)
Personalized designs with unique color matches

Beverageware

LocknLock explored global consumers' lifestyles and local cultures, thereby creating our beverageware with a variety of functions and designs. We take the lead in the global beverageware industry, creating a convenient and fun lifestyle anytime and anywhere.

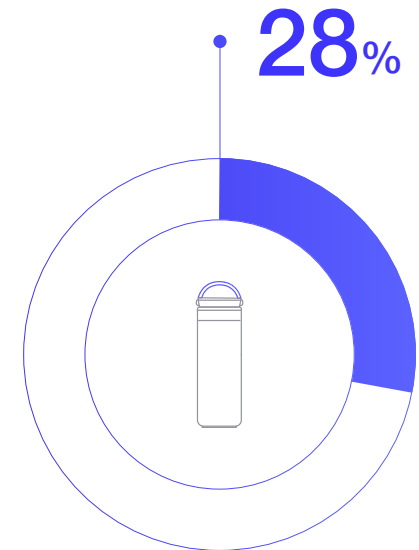
Sales of Beverageware Division

(Unit: KRW million)



* Consolidated

Share of Sales





Metro Series

Metro Mug, Metro Two-way Tumbler, Metro Drive Tumbler, Metro Food Jar, Metro Double Tumbler, Metro Edge Tumbler

Various product lines offering options to choose by needs
Keeping good manners inside with silent stopper!
Easy carry thanks to outstanding cold/thermal insulation



Kids Strap Tumbler and Bottle

The Kids Strap Series has stickers and accessories for kids to decorate their own tumblers and water bottles, helping develop healthy water-drinking habits for children



Bucket Tumbler (FLIP)

Global and local innovations for bicycle and motorcycle riders

Easy to mount while riding bikes with a drink-lid used as a straw when drinking beverages



Dual Glass Tumbler

Safe with Heat-resistant glass and convenient with a built-in straw, mug, and dual cap

Applying heat-resistant glass material free from environmental hormones and scents



Classic Tea Bottle

A product developed in consideration of a Chinese market

Classic Tritan tea bottle for easy brewing and drinking of tea
Engraved grid lines on the container to check the volume



One Touch Water Bottle

Safe with an easy one-touch release and lock-sealing system!

More convenient with a transparent body, grid for checking the volume, and a one-touch button

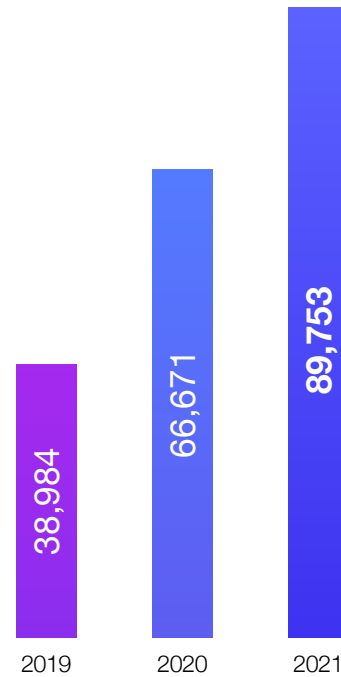
Small Appliance

LocknLock's small appliances put health and environment first, created through exploring consumer-oriented culinary culture and R&D, taking a leap forward as an innovative global lifestyle brand.



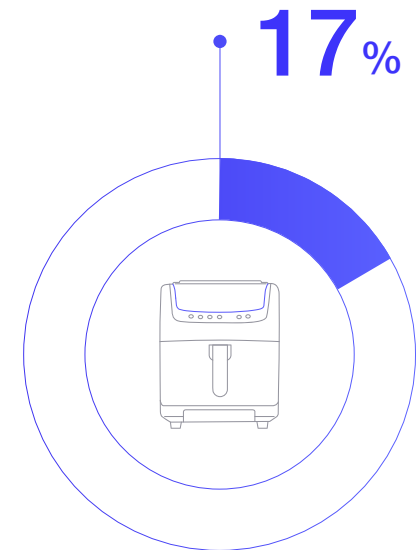
Sales of Small Appliance Division

(Unit: KRW million)



* Consolidated

Share of Sales





Steam Fryer S2

130°C super steam makes food crispier and helps retain moisture, and the dedicated application makes cooking easier and faster
Multi-cooking appliance allowing Home Meal Replacement to specialty dishes



Kitchen Air Purifier

Air purifier for the kitchen

Creating a safer cooking environment as an air purifier specializing in removing fumes* generated during cooking

* Cooking fume: Fine dust generated as the decomposition of various ingredients during cooking with oil at a high temperature of 230°C or higher



Cozy Air Fryer

A compact-sized air fryer that suits the Chinese kitchen environment



Vacuum Rice Container

Storing rice, the staple food of Korea, in a tastier and safer way for a more extended period of time



Knife & Chopper Sterilizer

Thorough sanitization, creating a safe and hygienic environment for knives and cutting boards



Food Waste Cooler

Eliminating rotting and bad odors from food waste by refrigerating it

3L-capacity that matches the size of the most used food waste bag making it practical

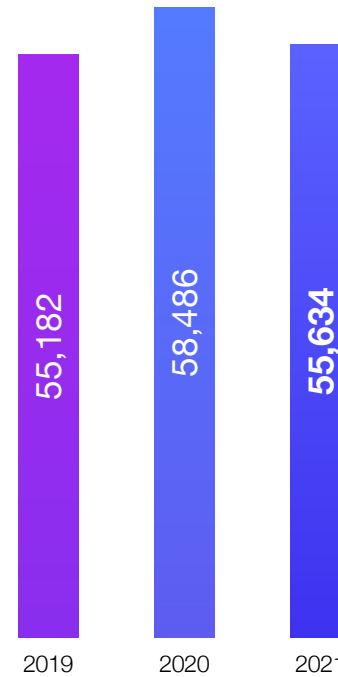


Cookware

LocknLock's cookware was created by developing new technologies and designs for healthy and convenient cooking for consumers worldwide. We are in pursuit of being a global premium cookware brand as a cooking culture creator.

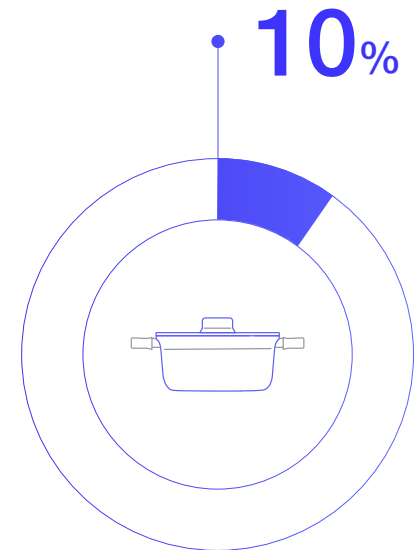
Sales of Cookware Division

(Unit: KRW million)



* Consolidated

Share of Sales





Decore

A cookware that makes daily life decorative

A stylish color and design, with a safe and comfortable hand grip



Hard and Light

Hard and light frying pan and wok series

Hard anodizing and titanium coating technique
Strong durability and light weight
Deep and practical size



Salon

Premium cast iron pot

Elegant design with a luxurious quilting pattern
Winner of two world design awards



Suit IH

The most optimized cookware for induction

The most optimized true wide full induction floor technology for induction, rubber handles with soft touch grip



Soma

Small but definite difference found in frying pan and wok series

1cm deeper, 3cm wider body
Strong titanium coating and HardLock technology
Comfortable handle



Wave

Premium cookware made by casting

Lightweight & more convenient but luxury cast cookware
Winner of Red Dot Award 2020



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Our ESG Strategies

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S

G



Environment

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Our Energy Management
for Carbon Neutrality

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Safe Products for Humans and Nature



Social



Governance

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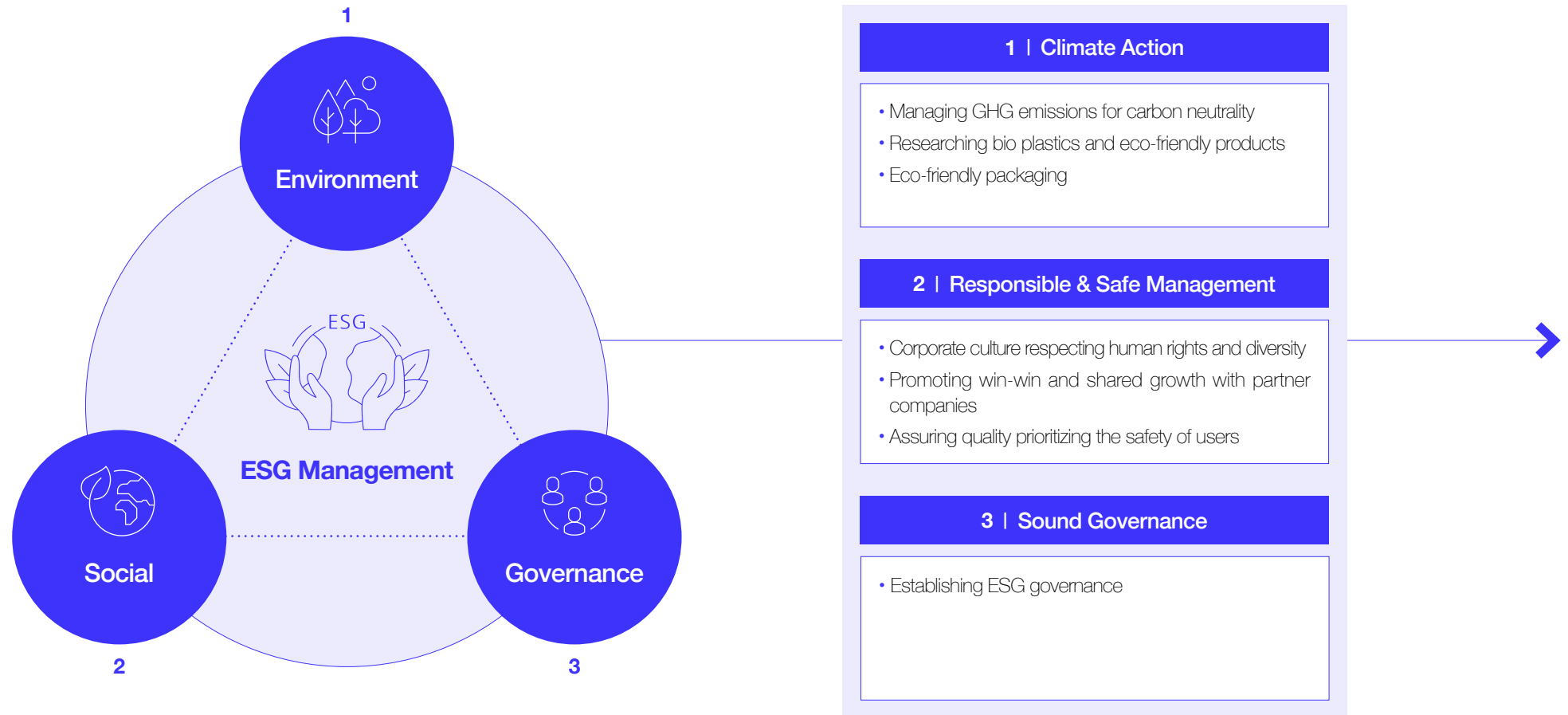
Spread of a Sound
Governance Structure



Our ESG Story

Our ESG Strategy

LocknLock fulfills the environmental and social responsibility, building sustainable values and customer trust based on our sound governance.



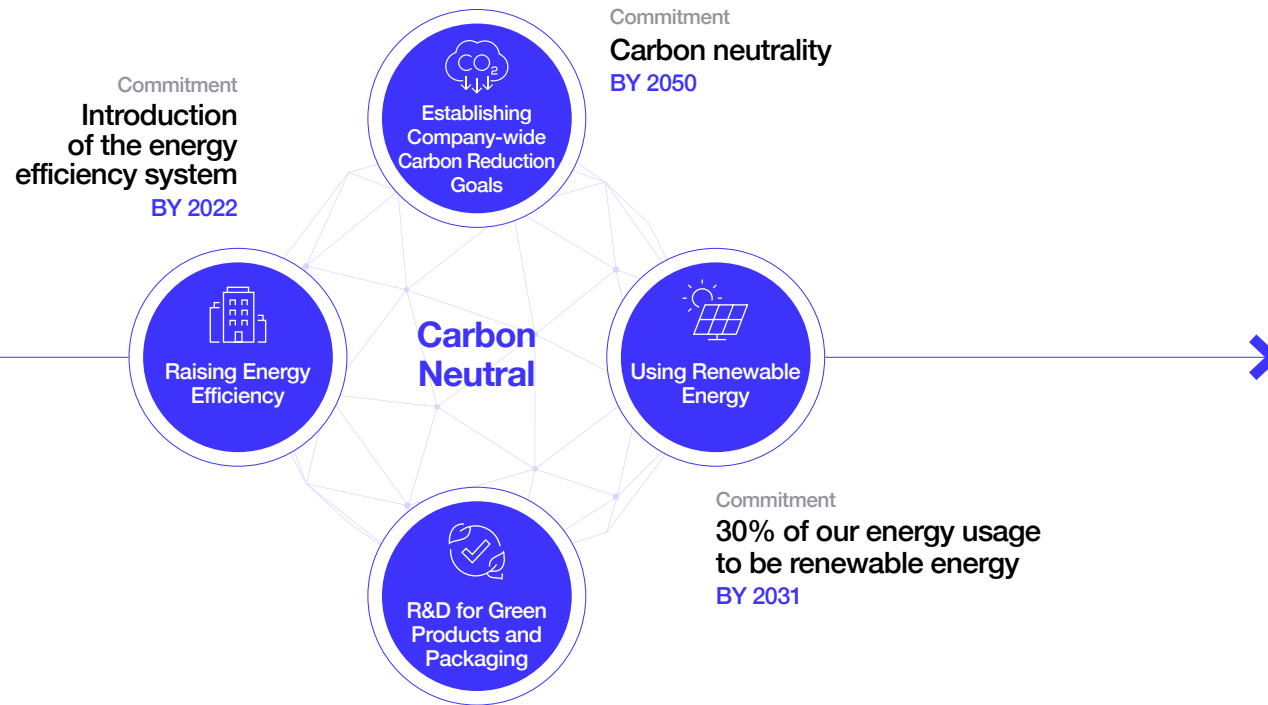
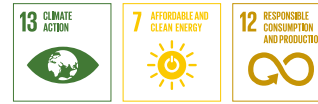


Life Style Innovation



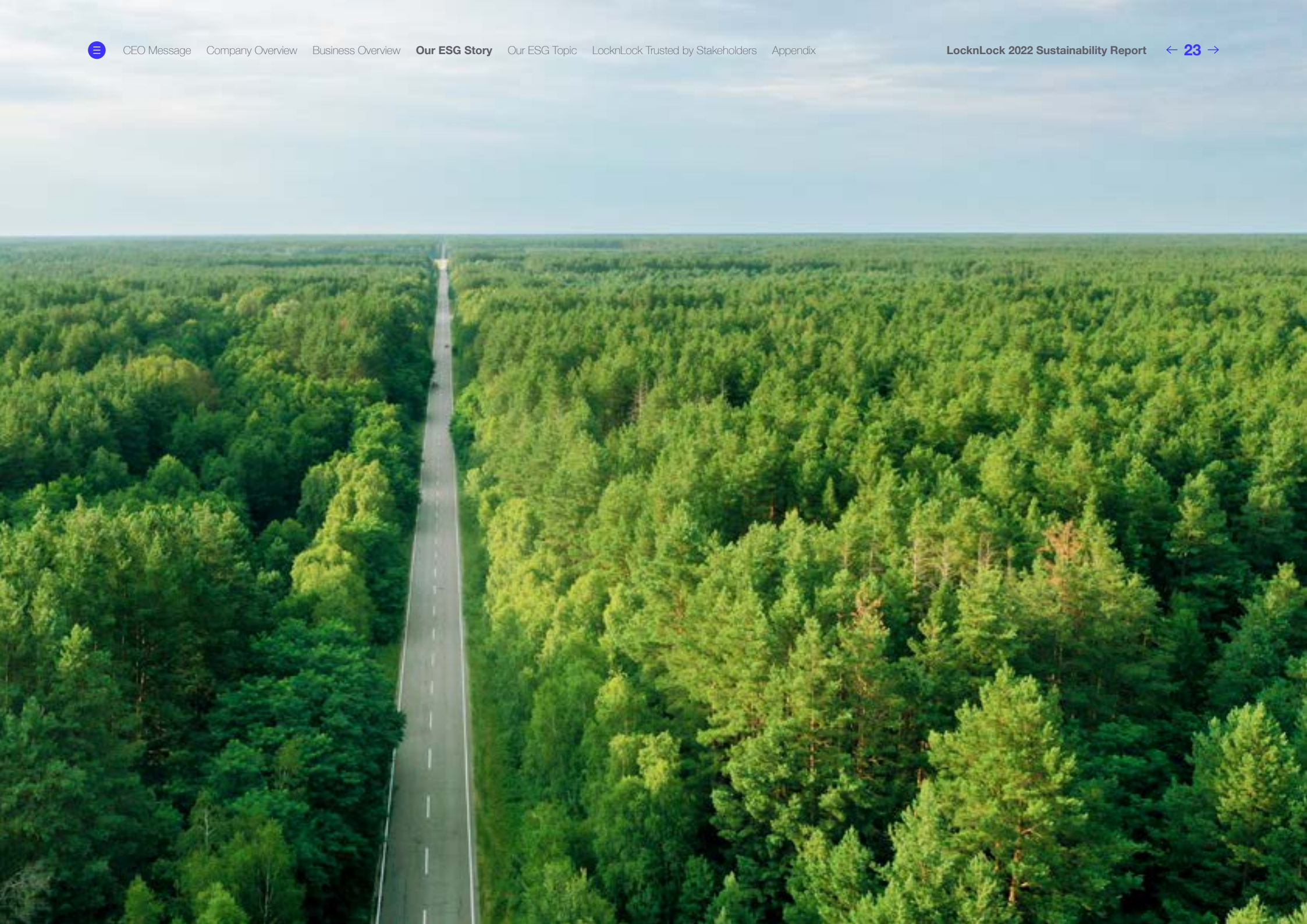
STORY #1

Energy Management for Carbon Neutrality



There is growing awareness of the gravity and threat of climate change worldwide. Against this backdrop, our society is urging companies to disclose concrete implementation plans to minimize their environmental impact and reduce carbon emissions in the entire process of business. Companies should respond to this demand. As the first step in action against climate change, LocknLock established a voluntary carbon mitigation goal and began to manage and calculate GHG emissions based on electricity consumption. Going forward, we will continue to make efforts in company-wide energy-saving activities, expanding the use of new and renewable energy, and researching eco-friendly products and packaging, thereby going toward carbon neutrality.





Commitment 1. Mitigation of Carbon Emissions

UN SDGs Targets



13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries



7.2 By 2030, increase substantially the share of renewable energy in the global energy mix*
* Energy mix: diversification of energy sources



Declaration and Goal

LocknLock declared the 2050 carbon-neutral goal and established detailed targets to meet the goal. We plan to gradually build a GHG inventory, develop green products and packaging materials, and expand the use of renewable energy. Starting with the production and logistics sites in Korea, we will expand the use of renewable energy to production and logistics sites in China and Vietnam, thereby raising the percentage of renewable energy by 30% by 2031.

LocknLock's final responsibility and decision-making authority with regard to climate change rest with the ESG Task Force (TF), which is comprised of executives in charge of the environment, society, and governance. The ESG TF takes the role of reviewing and discussing GHG reduction targets, emissions, activities necessary for reduction, and other significant decisions related to environmental management. LocknLock measures the

energy consumption and greenhouse gas emissions of our headquarters and business sites in Korea and each overseas business site, including subsidiaries in China, Vietnam, and the United States. Based on the results, we have established a company-wide plan for systematic energy consumption management. By introducing high-efficiency power devices and using renewable energy centering around domestic and overseas production hubs, we will focus more on carbon mitigation activities through the reduction of power consumption.

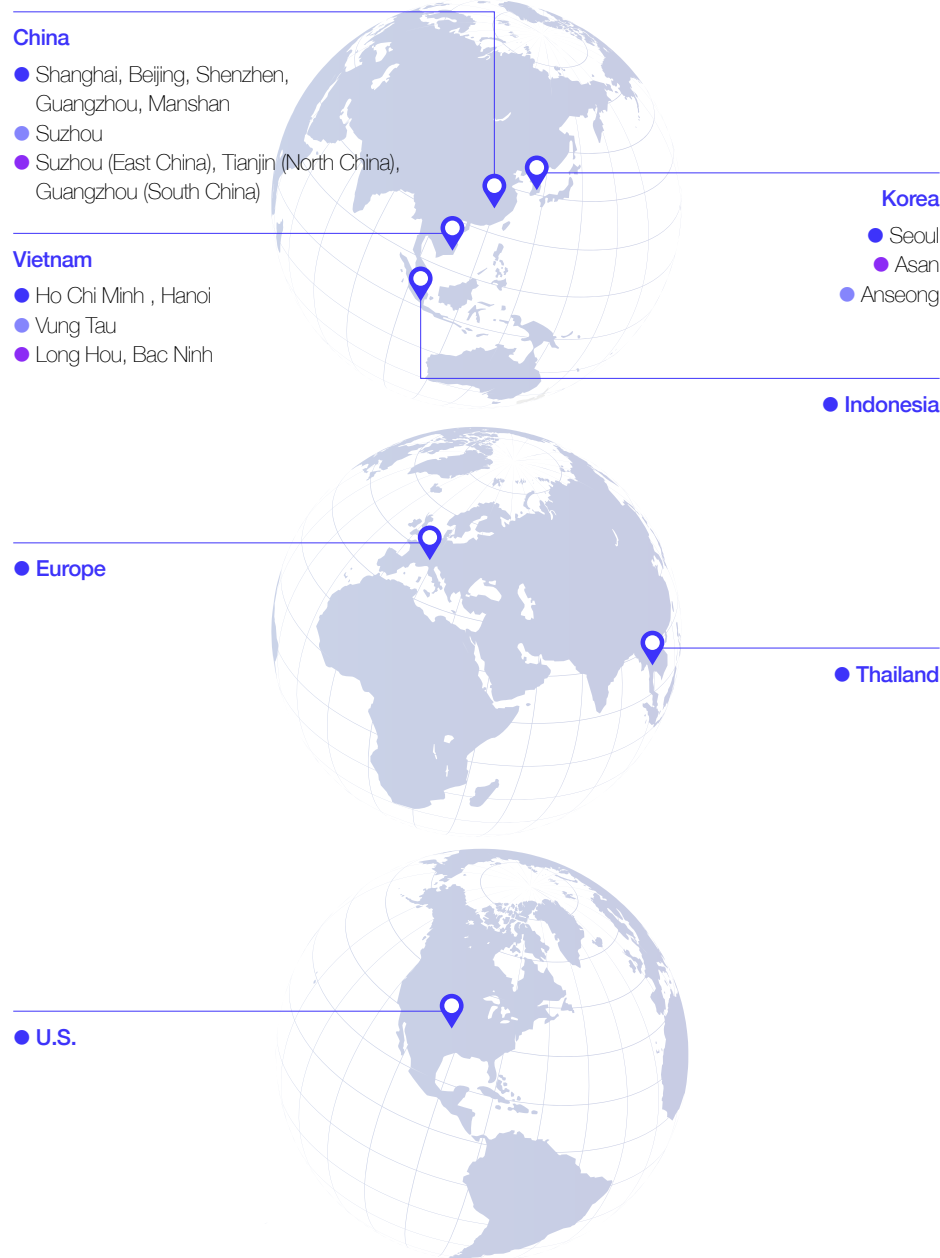
GHG Emissions

Measurement Method

GHG emissions were calculated based on electricity consumption, and both total emissions and intensity have declined since we started measuring in 2019.

Ratio of Emissions

We checked the ratio of our GHG emissions by classifying them into the sales stage (GHG emissions from office buildings, such as headquarters and corporations), the production stage (emissions from business sites that manufacture products), and the logistics stage (emissions from warehouses for product storage). The largest amount of GHG is emitted during the production stage, where plants are directly operated, accounting for about 92%. It was found that GHG emissions from the Vung Tau plant in Vietnam, our core production plant, accounted for about 74% of total emissions.

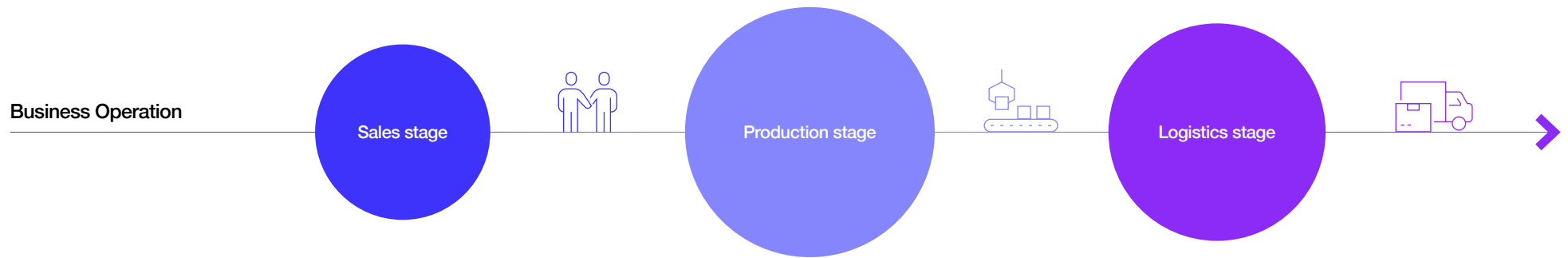


GHG Emissions

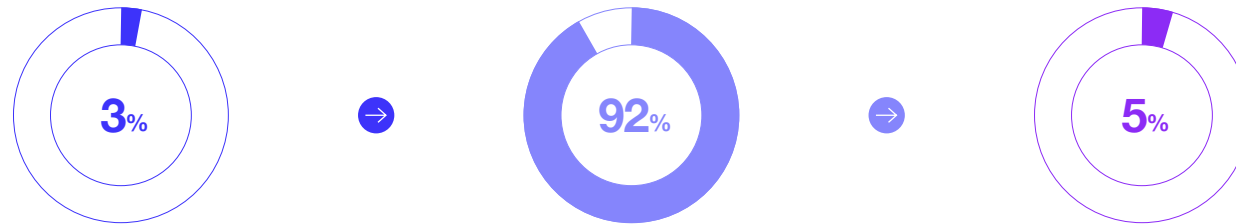
● Sales ● Production ● Logistics (Unit: tCO₂eq)

Country	Region	2019	2020	2021
Total emissions		26,092	22,750	22,123
Korea	Seoul ●	16.05	17.98	20.47
	Asan ●	521.75	486.89	387.50
	Anseong ●	1,632.48	1,669.16	1,585.39
China	Shanghai ●	263.66	202.13	181.51
	Beijing ●	4.94	8.44	7.93
	Shenzhen ●	9.14	8.52	6.95
	Guangzhou ●	13.19	8.79	6.32
	Manshan ●	87.54	28.78	28.54
	Suzhou ●	2,490.54	2,353.72	2,416.01
	Suzhou (East China) ●	167.65	147.98	151.61
	Tianjin (North China) ●	9.05	8.96	9.06
	Guangzhou (South China) ●	24.19	22.70	21.33
Vietnam	Ho Chi Minh ●	298.98	332.25	288.73
	Hanoi ●	36.14	34.01	27.02
	Vung Tau ●	19,911.10	16,814.27	16,434.35
Vietnam	Long Hou ●	298.98	332.25	288.73
	Bac Ninh ●	290.38	258.05	216.40
	Indonesia ●	13.54	11.02	9.86
Thailand ●	-	-	30.69	
U.S. ●	-	1.64	2.67	
Europe ●	2.98	2.48	2.16	

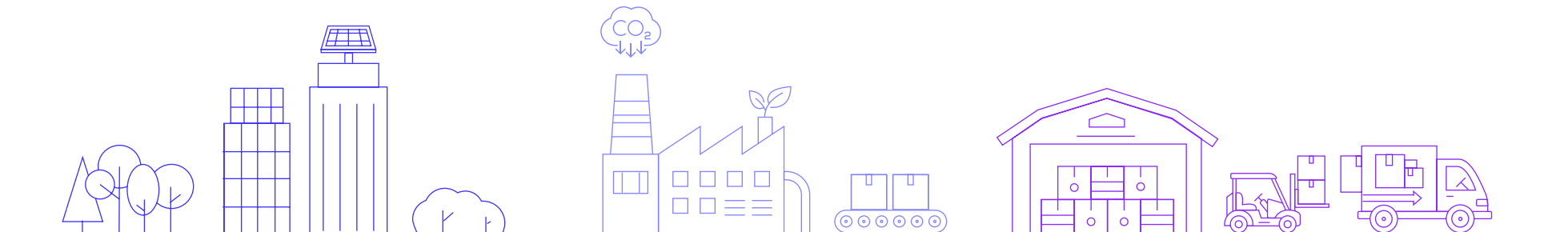
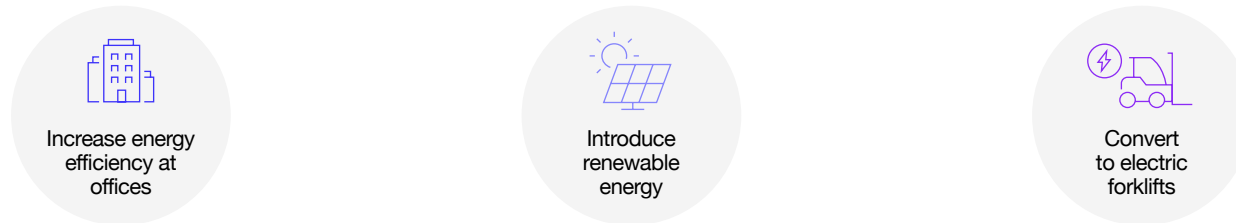
* Calculated based on electricity consumption



Percentage of GHG Emissions by Stage
(as of 2021)



Carbon Reduction Strategies



Action Plans

We analyzed our emissions, and the results show that the largest amount of emissions is generated in the course of manufacturing. Accordingly, we have established GHG mitigation strategies with a focus on plants operated in many countries. As part of the effort, we plan to use renewable energy sources for electricity generation to power our manufacturing plants.

Our ambition is to raise the share of renewable energy to 30% by 2031. Currently, the transition to electric forklifts from internal combustion forklifts is underway. As of March 2022, the transition rate stood at 79%. In the years to come, we will continue to replace internal combustion engine vehicles with hybrid and electric vehicles, thereby reducing GHG emissions.

Targets of Renewable Energy Expansion

Target Year

2025

2028

2031

Country
(Plant)



Korea(Anseong)

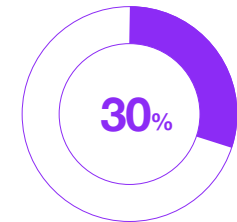
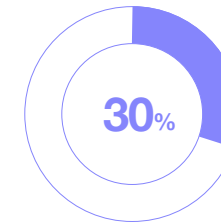
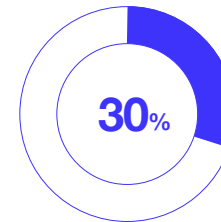


Vietnam(Vung Tau)



China(Suzhou)

Renewable Energy
Share Target
(2021 baseline applied)



Commitment 2. R&D on Eco-friendly Products and Packaging Materials

UN SDGs Target



12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Our Commitment and Goal

LocknLock is committed to developing clean, safe, and earth-friendly products by using eco-friendly materials (biomass materials included) to produce airtight containers, or turning leftover plastic into upcycled products. And we continue to put our best efforts into R&D activities to increase the share of eco-friendly products.

Furthermore, the efforts will be made to make the product packaging and delivery more environment-friendly by adopting elements that favor the environment.

Eco-friendly R&D elements



Eco-friendly Product Development Process



R&D on Eco-friendly Packaging

In order to ensure that products arrive undamaged at their end location, we use the three-layer product packaging which consists of a single-use vinyl for product protection, a packaging container, and industrial packaging. Most of the packing materials we use are well-recyclable, and according to the characteristics of a product, we use may air caps or styrofoam (EPS) as cushioning materials.

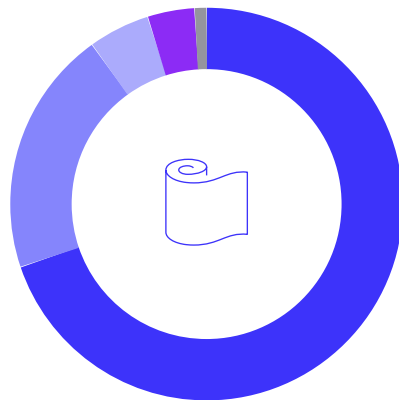
Action Plans

As part of the effort to promote the circular economy, LocknLock is researching into earth-friendly packing materials. In detail, we are figuring out the way of replacing one-time use vinyl, air cap, and tape with honeycomb kraft paper and paper tapes made of environment-friendly vinyl and paper. Going forward, the continuous endeavors will be made to expand the use of sustainable packing materials to cut down on waste generation.



Share of Each Packaging Material

(Based on sales volume in 2021)



- 70% HDPE (High-density Polyethylene) Vinyl
- 20% OPP Film
- 5% Foam Vinyl
- 4% EPS
- 1% CPE Vinyl



Commitment 3. Improving Energy Efficiency

UN SDGs Target



7.3

Double the global rate of improvement in energy efficiency by 2030



▲ Standby power off socket outlet

Our Commitment and Goal

As part of the effort to reduce our carbon footprint, our focus is on the management of our energy use to improve energy efficiency in addition to the utilization of renewable energy sources. By doing so, we ultimately aim to curtail energy consumption itself.

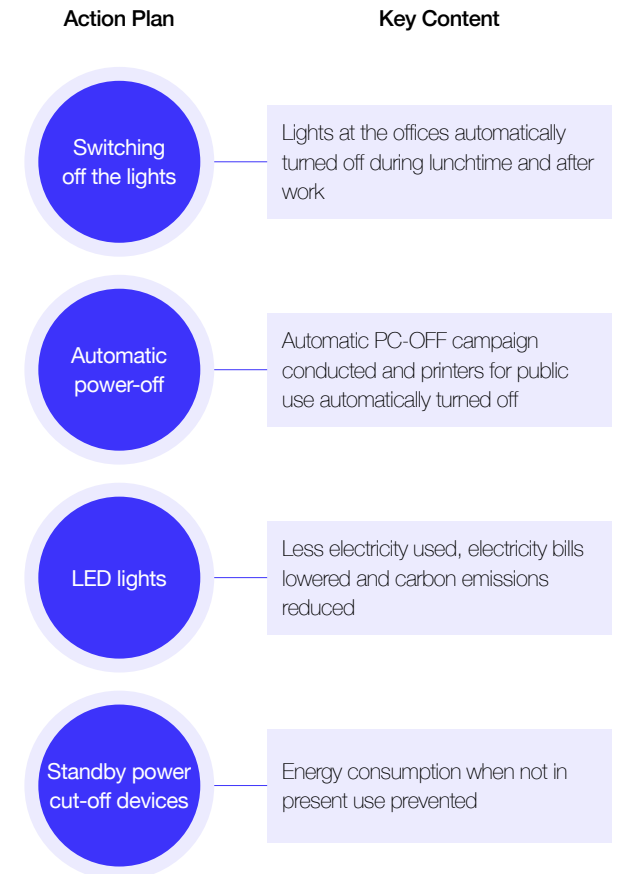
Our Energy Consumption

We identified power unnecessarily consumed at the office, such as computer standby power¹⁾ during lunch and after work or the use of lights, through the analysis of our energy use. And we also found that heating inefficiency during the winter is one of the causes behind the redundant energy use. On the strength of these efforts, we have seen company-wide total energy consumption and energy intensity decline over the past three years.

1) Standby power: It refers to electrical power that a device consumes when not in present use

Action Plans

With the aim of enhancing heat efficiency as well as reducing power consumption, the Headquarters introduced a variety of energy-saving activities in 2022. They encompass introducing LED lights, turning off the lights outside of working hours, using automatically power off electronic devices at the offices, and adopting standby power cut-off devices.



Energy Consumption

● Trading Company ● Plant ● Logistics Center (Unit: kWh, MJ)

Country	Category	2019		2020		2021	
		Power Consumption (kWh)	Energy Consumption (MJ)	Power Consumption (kWh)	Energy Consumption (MJ)	Power Consumption (kWh)	Energy Consumption (MJ)
Total Consumption		56,796,371	545,245,162	49,521,146	475,403,002	48,156,746	462,304,762
Korea	Seoul ●	34,925	335,280	39,137	375,715	44,562	427,795
	Asan ●	1,135,704	10,902,758	1,059,835	10,174,416	843,500	8,097,600
	Anseong ●	3,553,510	34,113,696	3,633,344	34,880,102	3,450,996	33,129,562
China	Shanghai ●	573,928	5,509,709	439,992	4,223,923	395,092	3,792,883
	Beijing ●	10,747	103,171	18,360	176,256	17,262	165,715
	Shenzhen ●	19,889	190,934	18,536	177,946	15,128	145,229
	Guangzhou ●	28,708	275,597	19,139	183,734	13,747	131,971
	Manshan ●	190,549	1,829,270	62,644	601,382	62,113	596,285
	Suzhou ●	5,421,281	52,044,298	5,123,464	49,185,254	5,259,060	50,486,976
	Suzhou (East China) ●	364,935	3,503,376	322,122	3,092,371	330,027	3,168,259
	Tianjin (North China) ●	19,698	189,101	19,500	187,200	19,715	189,264
	Guangzhou (South China) ●	52,644	505,382	49,413	474,365	46,430	445,728
	Ho Chi Minh ●	650,800	6,247,680	723,226	6,942,970	628,500	6,033,600
Vietnam	Hanoi ●	78,668	755,213	74,034	710,726	58,824	564,710
	Vung Tau ●	43,341,540	416,078,784	36,600,500	351,364,800	35,773,500	343,425,600
	Long Hou ●	650,800	6,247,680	723,226	6,942,970	628,500	6,033,600
Indonesia	Bac Ninh ●	632,084	6,068,006	561,720	5,392,512	471,038	4,521,965
	Indonesia ●	29,465	282,864	23,992	230,323	21,451	205,930
	Thailand ●	-	-	-	-	66,796	641,242
The US ●	-	-	3,565	34,224	5,813	55,805	
Europe ●	6,496	62,362	5,397	51,811	4,692	45,043	



▲ LED Lights



▲ Power-off during the lunchtime

STORY #2

Safe Products for Humans and Nature



Commitment
Zero use of chemical substances restricted by EU REACH

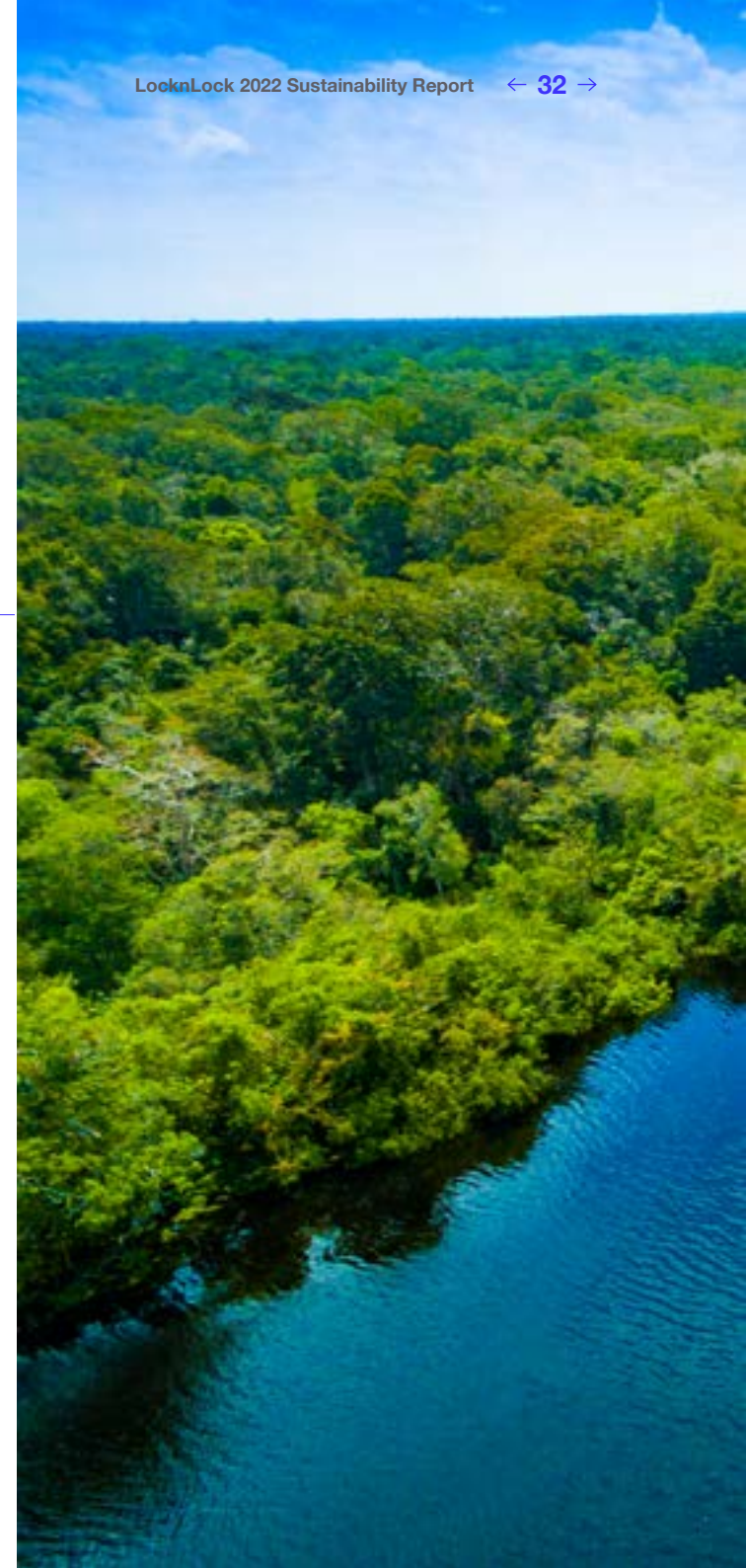


Commitment
Disclosure of key raw materials on our website



Companies are required to grasp what impact their products will have on the environment and people, such as human toxicity potential, across all the stages ranging from materials procurement to production to use to disposal. LocknLock strictly inspects all of our products for their chemical harmfulness and risks, starting from the procurement of raw materials. And the key raw materials used for products are transparently disclosed on our brand website and in-house online shopping mall. Furthermore, the safety of our products has been verified by external reputable agencies. In addition, we will study to find an alternative of high risk chemicals so that we can respond to the global regulations proactively.

As concerns mount over the human rights issues that occur within the value chain, companies are being faced with the growing demand for the policies and activities to make their supply chain more responsible and transparent. Against this backdrop, we have established our Code of Conduct for Suppliers in 2022 taking the issues of human rights, labor, the environment, safety and ethics into account. All of our product and service suppliers are subject to this Code of Conduct. LocknLock promises that we will monitor our suppliers' compliance and their ESG risk management, thereby fully discharging our duties and responsibilities as a global exporter to more than 120 countries.





Commitment 1. Tightening Our Hazardous Chemicals Management

UN SDGs Target



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



3.9

By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination

Our Commitment and Goal

Consumer safety comes first. In 2009, we coined the term, 'Bisfree' for the first time with the development and launch of BPA (bisphenol A)-free airtight containers. And then, we succeeded in inventing the PFOA¹⁾-free technology and applied it to all cooking utensils adopting Teflon coatings in 2010, and introduced the PFOS²⁾-free coating method in 2015.

LocknLock complies with 「Act on the Registration and Evaluation, etc. of Chemical Substances」 and does not use SVHC (Substances of Very High Concern) designated by EU REACH. Furthermore, we will carry out R&D activities to develop alternatives of chemicals over which many regulators have raised their concerns about the danger at home and abroad.

1) PFOA: Perfluorooctanoic Acid
2) PFOS: Perfluorooctanoic Sulfonate

Our Toxic Chemicals Management

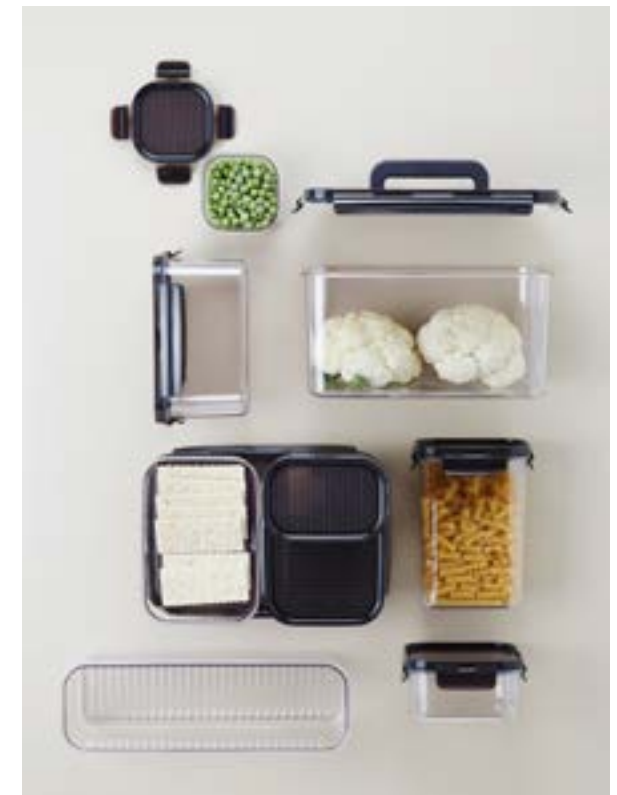
Our Efforts for Consumer Safety

We purchase raw materials 100%, which means that we are not subject to the registration of raw materials. However, we make sure that the primary buyers of raw materials register the chemicals they purchase through seamless inspections when we procure the raw materials. On top of that, the descriptions of the chemical properties subject to management and MSDS (Material Safety Data Sheets) are comprehensively managed in our groupware, which enables us to identify the harmfulness and risk of the chemical substances contained in our products. We have obtained the GMP³⁾ certification for FCMs (Food Contact Materials), and the RoHS⁴⁾ certification when it comes to the electronics subject to the Eco-Assurance System.

3) GMP: Good Manufacturing Practice, production and quality control standards that food contact materials manufacturer must follow
4) RoHS: Restriction of Hazardous Substances in Electrical and Electronic Equipment

Our Efforts for Employee Safety

Mold cleaning detergents, rust inhibitors, sodium nitrate and sodium hydroxide are the hazards and toxic chemical substances that we use in the course of manufacturing. And we have all our business sites separate all the substances for preservation, and place MSDS on the shop floor. In 2021, total amount of mold detergents and anti-rust additives we used for manufacturing amounted to 1,748L.

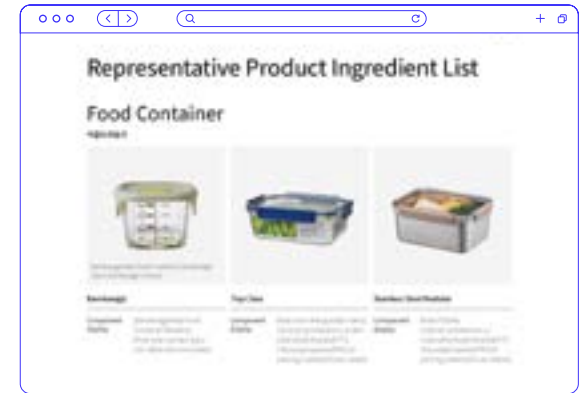


▲ Bisfree Modular

Action Plans

As part of our efforts to tighten control over hazardous chemicals and relieve the consumers' concerns, we disclose the key materials of main products that account for 35% of total domestic sales in 2021 on our website and the LocknLock online mall website. On top of that, the list of our products that are GMP-certified or RoHS-certified are also viewable on our website.

In addition, the set of standards for the management of all chemicals that we use in the course of production and relevant policies are in the pipeline. And we will formulate the criteria to respond to a variety of global regulations, thereby ramping up our consumer safety management.



▲ Disclosing key materials of our products on official website

Our Chemical Substances Management Process



Commitment 2. Labor Practice Management in Our Supply Chain

UN SDGs Target



8.7

Take immediate and effective measures to eradicate forced labor, and modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms

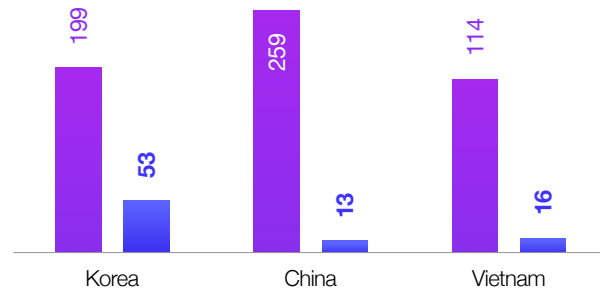
Our Commitment and Goal

LocknLock is committed to creating a corporate culture of respect for human rights and diversity. As part of the efforts, we regard suppliers as our salient business partners, and manage our supply chain in a transparent manner in order to forge an ecosystem for shared growth. To this end, we have designated our key suppliers and put in place a process to put ESG management into action.

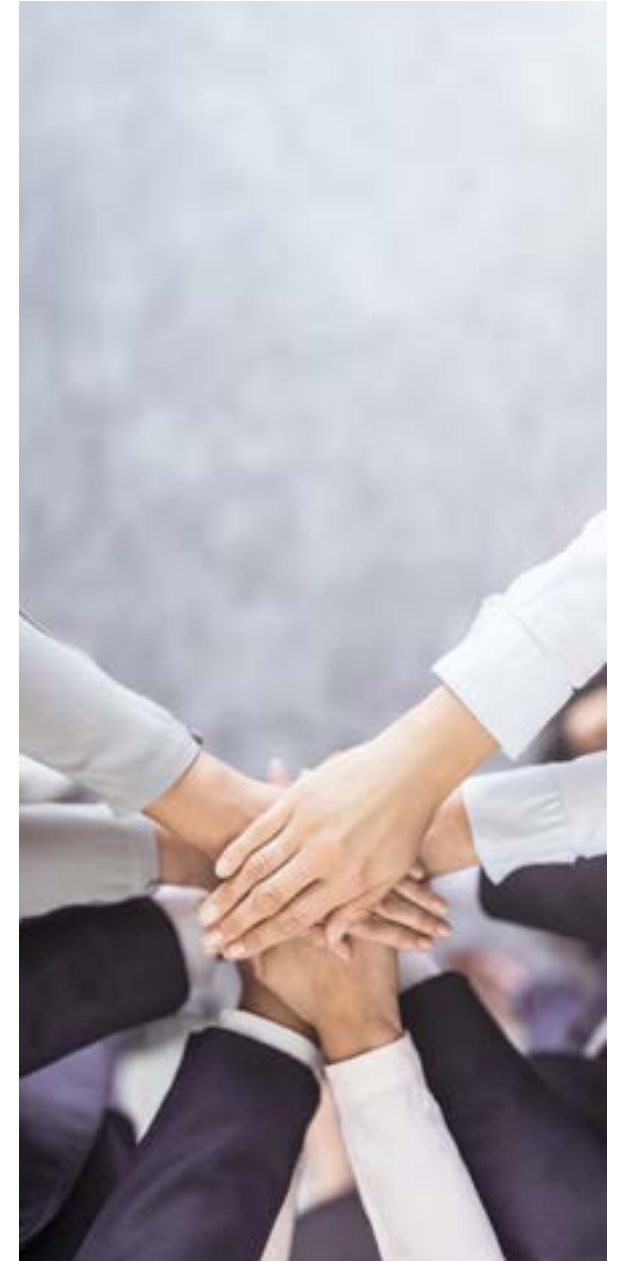
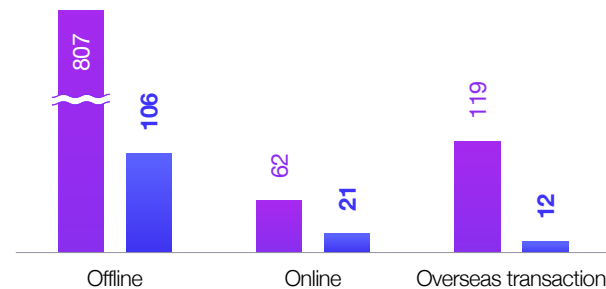
Our Suppliers (as of 2021)

■ All of suppliers ■ Key suppliers (Unit: number)

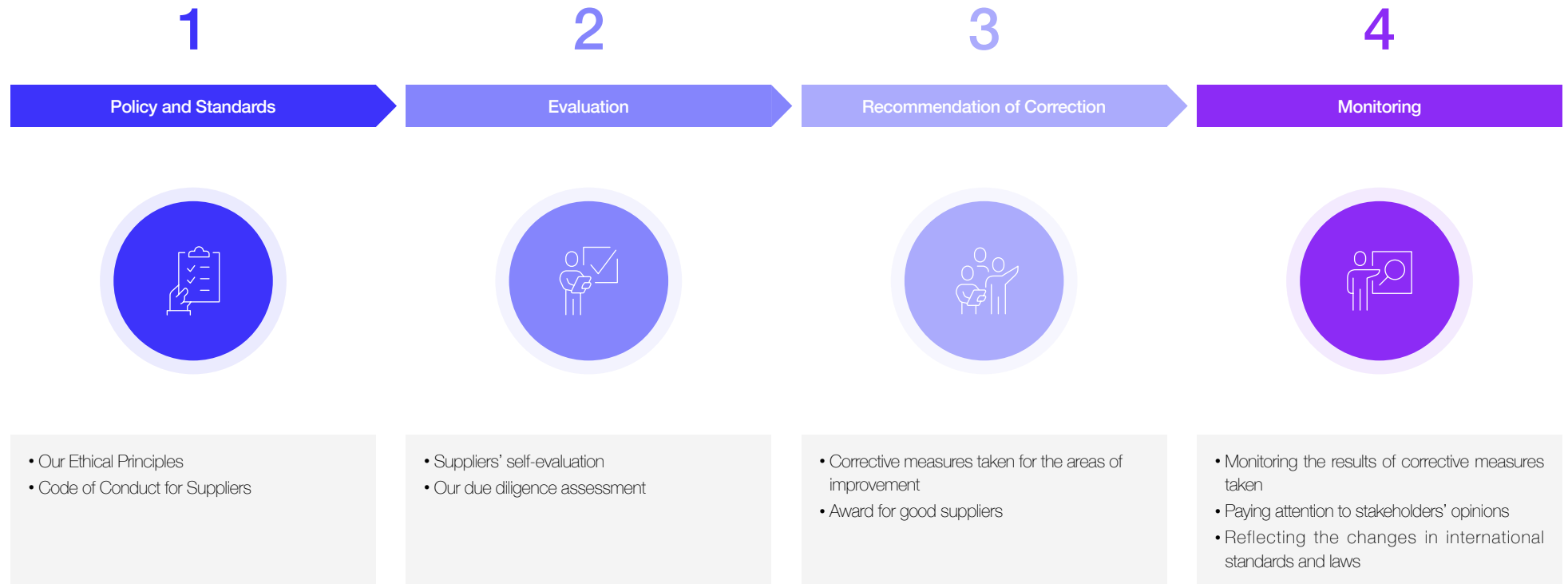
Development & Production



Distribution



Our ESG Management Process for Suppliers



Our ESG Management for Suppliers

We have formulated a set of standards for the selection of key suppliers given the gravity of their business, such as trade volume. As of 2021, we selected 221 key partners among a total of 1,560 suppliers. And we classified 82 suppliers as our key partners on the development and production stage and 139 suppliers as key ones on the distribution stage.

And our suppliers' ESG management process consists of four phases: ① the establishment of policy and criteria, ② supplier ESG evaluation, ③ recommendation of correction, and ④ monitoring. In 2022, we have completed the assessments of suppliers for their ESG management which belongs to phase 2.

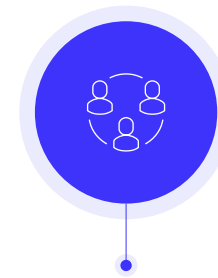
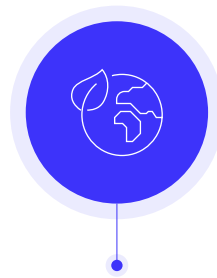
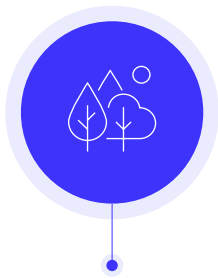
Action Plans

① Establishment of policy and criteria

LocknLock has established our Code of Conduct for Suppliers in line with the standards of ILO (International Labor Organization) and RBA (The Responsible Business Alliance) to promote the human rights of employees within our supply chain and ESG management. The Code of

Conduct consists of 5 areas and 25 detailed items. We design it to embrace the core items in the sectors of the environment, society and governance, and evaluate the level of entire ESG management.

Items of Our Code of Conduct for Suppliers



Classification	Environment		Society		Governance		
Area	Environmental Pollution		Labor & Human Rights	Safety & Health	Ethical Management	Management System	
Detailed Items	<ul style="list-style-type: none"> • Environmental management • Energy consumption and GHG emissions • Effluent management • Air pollutant management • Waste management • Chemicals management 		<ul style="list-style-type: none"> • Ban on discrimination • Salary and benefits • Working hours • Humane treatment • Guarantee of freedom of association • Ban on child labor • Ban on forced labor 	<ul style="list-style-type: none"> • Occupational safety management • Response to emergency situations • Industrial disaster and disease management • Safety diagnosis • Occupational health management 	<ul style="list-style-type: none"> • Transparent management and anti-corruption • Prevention of conflicts of interest • Prevention of unfair transactions • Data protection 		<ul style="list-style-type: none"> • Education and communication • Operation of the grievance handling system • Compliance with related regulations

② Evaluation of Suppliers' ESG Management

LocknLock has developed the checklist of ESG self-diagnosis for suppliers. Based on the checklist, we identify their ESG management status and compliance with the Code of Conduct for Suppliers, and grasp what ESG risks our supply chain has. The checklist for ESG self-diagnosis disclosed on our official website is comprised of 15 items including human rights one. And we distributed the checklist in languages of the countries where our key suppliers operate. As of 2022, a total of 45 suppliers conducted ESG assessments and they are rated 'Good'¹⁾ on average. Going forward, we will analyze the evaluation results by country and request poorly-received suppliers to correct the areas that need improvement.

1) Four-point scale evaluation: Excellent, Good, Average, and Poor. Recommendations for improvement by rating are provided on our official website

ESG Evaluation Results of Suppliers

Classification	No. of Suppliers Receiving ESG Evaluation	Average Rating	Position within Value Chain
Korea	27 suppliers	Good	Development, Production, Distribution
China	17 suppliers	Excellent	Production
Vietnam	1 supplier	Excellent	Production



③ Recommendation of Correction

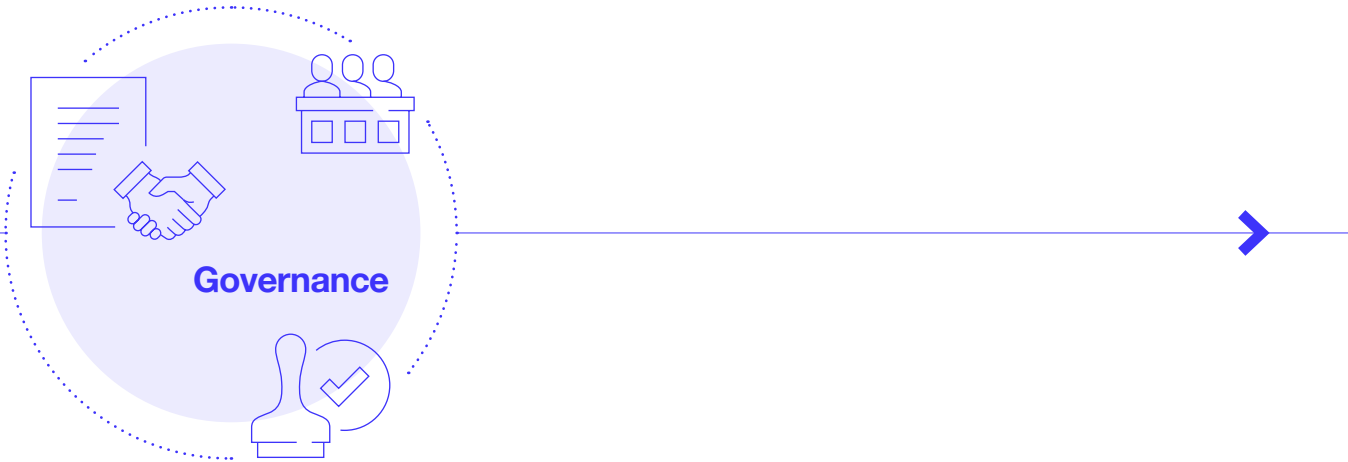
LocknLock plans to provide what should be improved for their better ESG management based on their ESG evaluation results. If a supplier is rated 'Poor' or there is an identified high risk, we will ask the supplier to take corrective measures to rectify the issue. For the well-received suppliers rated 'Excellent', we will award them, thereby motivating them to promote their ESG management.

④ Monitoring

When it comes to the management of suppliers that we request to take corrective action, we plan to keep track of their progress and constantly provide solutions rather than suggest one-time recommendations for improvement. Furthermore, we will keep up with the fast-evolving ESG trends and regulations to reflect them in the checklists and items for ESG evaluation of suppliers. Especially, our focus will be on the areas that can have a far-reaching impact on us and the manufacturing business, such as the Act on Corporate Due Diligence in Supply Chains. LocknLock promises that we will make all-out efforts to embed human rights and ESG management into every stage of our supply chain.

STORY #3

Spread of a Sound Governance Structure



Society has raised a question over shareholder capitalism, and the active discussions on stakeholder capitalism are underway. Pursuit of interests of diverse stakeholders ranging from customers to suppliers to local communities requires diversity in BOD composition in terms of perspective and experience, which enables us to have a broader view to make decisions.

Staying true to our management value, 'We benefit customers all over the world,' LocknLock puts our focus on creating values to satisfy diverse stakeholders. As part of our effort to raise gender diversity in our Board of Directors (BOD), we appointed the first female outside director in 2022 while hiring other outside directors with expertise in finance and business area. All these efforts come together to create a sound governance structure that properly functions in terms of checks and balances.





Commitment 1. Efficient Decision Making Structure

UN SDGs Target



16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

With the aim of ensuring objectivity, the same opportunity to speak is given to all directors. Our BOD listens to the voices of a variety of stakeholders through external and internal communication channels to reflect their thoughts and opinions regarding our pressing issues, and make an informed and balanced decision. And we make it a rule that the CEO does not assume the role of the BOD chairman to ensure a sound supervision of the management. To ensure the board's independence, we have appointed outside director, Sungsik Ahn, as Lead Director while empowering him to request required materials and information from the chairman of the BOD or the company and to convene and preside board meetings for outside directors, thereby raising the efficiency in performing their duties.

BOD Composition

Our BOD represents a wide range of stakeholders, including shareholders, and assumes the roles of making decisions on key business agenda items to achieve long-term growth and supervising the implementation. As part of our effort to promote strategic decision-making, we made our BOD consist of a total of eight directors; four outside directors, two internal directors, and two non-executive directors in April 2022. When it comes to the composition, many factors, such as gender, religion, nationality, and cultural backgrounds, were taken into consideration. And the decision was made at a general meeting of shareholders that the tenure of the directors cannot exceed three years.

BOD's Decision Making System

The very purpose of the BOD is to keep the management in check. In an effort to make our BOD function properly, we make outside directors make up the majority of the BOD in accordance with the Article 542-8 of the Commercial Act (Appointment of Outside Directors) while appointing a female outside director in March 2022 to promote gender diversity.

BOD Composition

● Chairman ◎ Lead Director ○ Member (As of April 2022)

Classification	Name	Key Profile	Area of Expertise	Gender	Tenure	Committee within the BOD	
						BOD	Audit Committee
Internal director	Sunghoon Ghim	CEO	Management	Male	Mar. 31, 2022 ~ Mar. 30, 2023	○	
	Sungtae Kim	CEO	Management	Male	Mar. 31, 2022 ~ Mar. 30, 2023	○	
Outside director	Sungsik Ahn	Vice President of Deloitte Korea	Accounting	Male	Mar. 27, 2020 ~ Mar. 26, 2023	◎	●
	Wonsoo Shin	CEO of LOEN Entertainment	Management & Strategy	Male	Mar. 27, 2020 ~ Mar. 26, 2023	○	○
	Seungbeom Ryu	Executive Director of Deloitte Korea	Accounting	Male	Mar. 27, 2020 ~ Mar. 26, 2023	○	○
	Younah Kang	Associate Professor of Humanities, Arts & Social Sciences at the Yonsei University	Consumer Strategy & Design	Female	Mar. 31, 2022 ~ Mar. 30, 2023	○	
Other non-executive director	Sam Lee	CEO of Affinity Equity Partners	Management	Male	Mar. 31, 2022 ~ Mar. 30, 2023	●	
	Hyeon Choi	Vice President of Affinity Equity Partners	Finance & Accounting	Male	Mar. 31, 2022 ~ Mar. 30, 2023	○	

* Board's age diversity: <30 years: 0, 30~49 years: 3, 50+ years: 5 members

BOD Operation

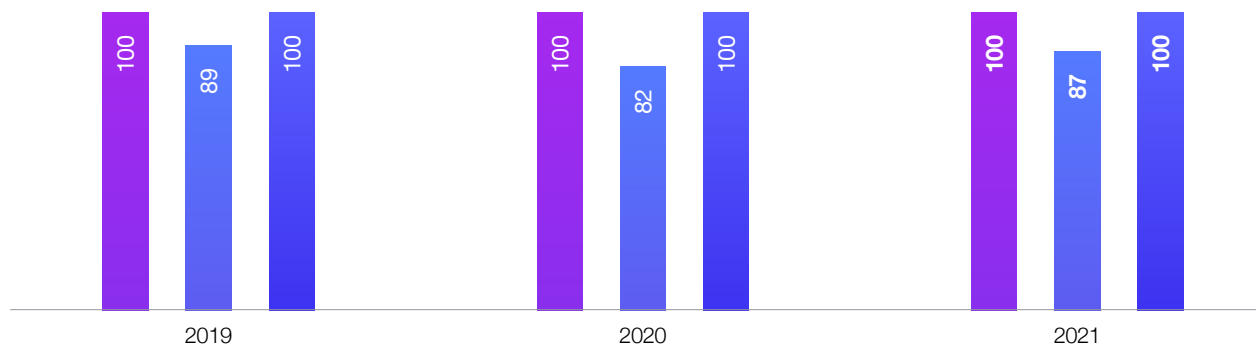
We have two types of BOD meetings; regular meetings convened on a regular basis and temporary meetings held on an occasional basis. The chairman of the BOD convenes the meetings. In 2021, a total of 15 BOD meetings were convened. The directors are notified of the convocation three days before the meeting. The details are disclosed in our business reports.

BOD Operation

Classification	Unit	2019	2020	2021
No. of meetings convened	Time	12	11	15
No. of agenda items discussed (reported/decided)	Case	4/21	8/17	9/30

Board Members' Attendance Rates

■ Attendance rate of internal directors ■ Attendance rate of outside directors ■ Attendance rate of other non-executive directors (Unit: %)



* Attendance rates refers to the board members' average attendance rates at the BOD meetings annually held

BOD Composition Key Indicators

Classification	Unit	2019	2020	2021	April 2022
Diversity	No. of female directors (ratio)	0(0)	0(0)	0(0)	1(13)
Expertise	No. of financial experts (ratio) Person (%)	2(29)	2(33)	2(25)	2(25)
Independence	No. of outside directors within the BOD (ratio)	3(43)	3(50)	3(38)	4(50)

Commitment 2. Diverse and Professional BOD Composition

UN SDGs Target



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

Committees within the BOD

Audit Committee

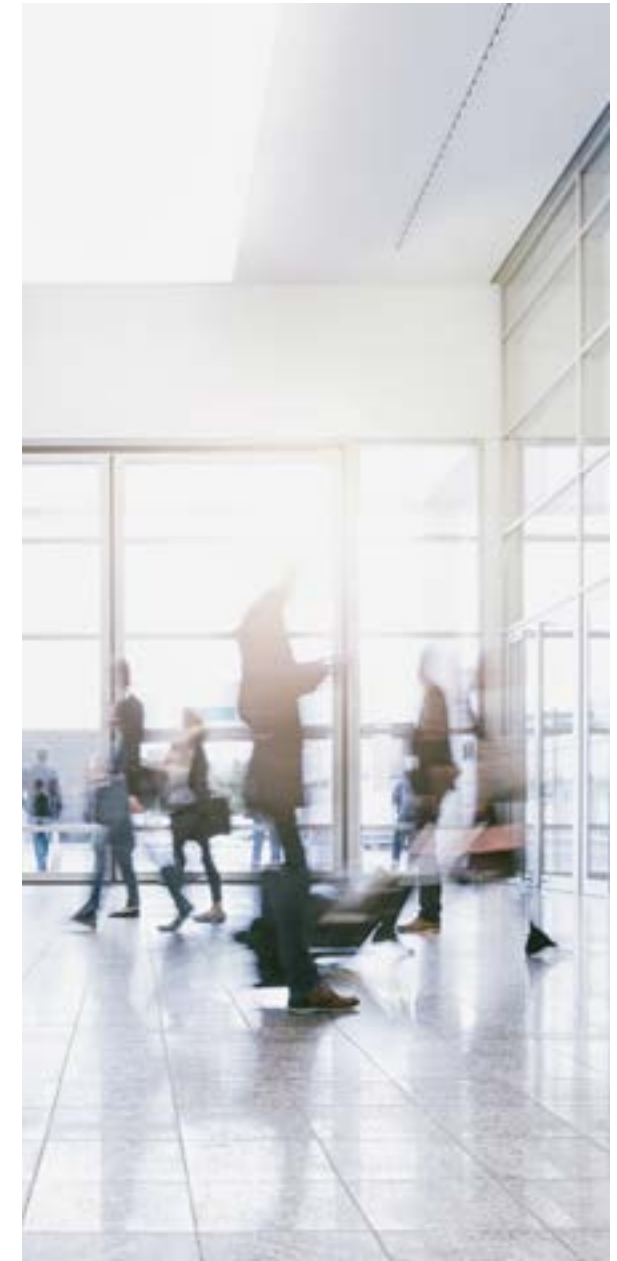
To ensure our board’s independence, transparency, and fairness, we have operated the Audit Committee within the BOD. The committee consists of all outside directors including finance and accounting professionals. The roles and duties of the committee range from accounting and auditing to asset investigation to activities to secure the legitimacy of accounting process for the appointment or change of external auditors, and fairness in business operations. Furthermore, we require responsible employees or external auditors to attend a meeting, if needed, and seek for the advice of external professionals. The Ethical Management Team supports the smooth audits.

Audit Committee Composition

Classification	Name	Area of Expertise
Outside director	Sungsik Ahn	Accounting
	Wonsoo Shin	Strategy
	Seungbeom Ryu	Accounting

Audit Committee Operation

Classification	Unit	2019	2020	2021
No. of Audit Committee meetings	Time	3	11	7
No. of agenda items discussed	Case	6	16	11



Our Board's Expertise and Diversity

Board Skills Matrix

Area	Sunghoon Ghim	Sungtae Kim	Sungsik Ahn	Wonsoo Shin	Seungbeom Ryu	Younah Kang ¹⁾	Sam Lee	Hyeon Choi
CEO, senior management	●	●	●	●			●	
Global company	●		●	●	●	●	●	●
Management	●	●	●	●	●		●	●
Finance			●	●	●		●	●
Accounting			●		●			
Risk management			●	●	●			
Digital & Consumer						●		

1) Female outside director

Directors' Remuneration

Remuneration for directors is comprised of basic remuneration and bonuses. When it comes to bonus, we take financial metrics (sales, operating profit, etc.) and non-financial metrics (contribution to the company, roles and duties) into consideration to decide the bonus amount in accordance with the Rules of Executive Compensation approved by the BOD. The cap on directors' remuneration for all registered directors including outside directors is decided at general shareholders' meetings, within which the remuneration amount is finally decided at the BOD and paid. We plan to launch the Compensation Committee within the BOD in 2023 with an aim of ensuring objectivity and transparency in management performance evaluation and compensation system.

Remuneration (paid in 2021)

Classification	No. of directors	Unit	Total remuneration	Average per capita remuneration	Remarks
Registered director ²⁾	5		980	327	Outside directors and Audit Committee members excluded
Outside director	-	KRW million	-	-	Audit Committee members excluded
Audit Committee members	3		108	36	-

2) Two other unpaid non-executive directors included





48

LocknLock Satisfying
Customers



54

LocknLock Keeping the
Environment at Our Heart



60

LocknLock Putting
Safety First



64

LocknLock Bringing
Happiness to
Our Employees



72

LocknLock Growing
Together with Society

A decorative graphic on the left side of the page. It features a solid white horizontal line that extends from the left edge towards the center. To the right of this line, there are two overlapping circles. The inner circle is solid white, and the outer circle is a dotted white line. The text 'Our ESG Topic' is positioned to the right of these circles.

Our ESG Topic

LocknLock Satisfying Customers

Context

The provision of products palatable to the new demands of the market is key to achieving sustainable growth. Putting customers first, consumer goods companies are required to manufacture safe and healthy products and reflect customers' feedback to maximize customer value. As the safety of corporate communication network and data assets has also come to the fore, companies are being faced with the growing demand for more stringent information assets management including personal data.

Our Approach

We are well aware that our growth and existence lies in customers. Regarding customers as our most paramount value, we have been committed to managing customers' data in a seamless manner. In the years to come, we will pay close attention to customers' voice and reflect their suggestions and thoughts so that we can immediately handle their grievances and inconveniences.

**Ranked 1st in K-BPI for
19 consecutive years**



* In the airtight food container category in 2022 K-BPI (Korea Brand Power Index)



01 Ensuring Quality for Customer Satisfaction

Strategy to Secure Consistent Quality

We keep the ‘best quality and maximized customer satisfaction’ at the heart of our management. To this end, multifaceted efforts are being made including QC¹⁾ procedure management from the very initial stage of product development, sourcing, and the suppliers’ manufacturing phase, the prevention of defective products, and QR²⁾ standardization, thereby guaranteeing consistent quality that underpins the provision of distinguished products and services. On top of that, we have built the quality management system and put it into action at the company level while taking the customer-oriented approach to develop new products and harmonizing our talents with technologies to create the best-in-class products and services.

- 1) QC: Quality Control, a process to verify the defined requirements for quality
- 2) QR: Quality Record, product specification and optimal quality inspection work

Obtaining International Quality Certifications

With the aim of securing quality that satisfies our customers, we obtained the international quality certifications, and have renewed them by reflecting the recent changes in our quality management. Our business sites in Asan and Vietnam are certified to ISO 9001 for their combined manufacturing process of injection molding, glass, and cookware, which is a clear demonstration of our standardized quality management process at home and abroad as well as consistent quality that guarantees consumer safety. When it comes to our airtight containers, we have obtained the GMP (Good Manufacturing Practice) certification for the entire manufacturing process, a representative regulation on FCMs (Food Contact Materials).

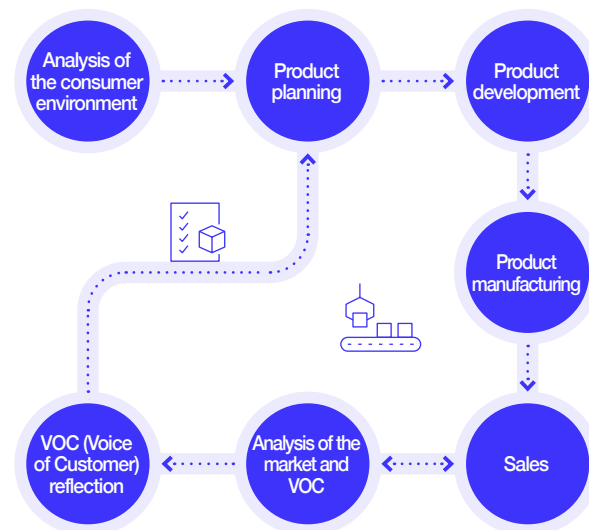
Helping Suppliers in Improving Their Quality Management

To satisfy customers in terms of quality requires us not only to focus on our manufacturing site but also to improve our suppliers’ quality management. Accordingly, we pay a visit to suppliers’ manufacturing sites on a monthly basis to provide feedback on their procedures, and request them to take corrective measures, if needed, and monitor their action to check their improvement. In addition, we put in place the system that monthly provides feedback on their quality, thereby comprehensively managing their product quality and correction history.



▲ Support for production quality improvement

Process to Secure Quality



▲ Support for development quality improvement

We pay close attention to our customers' inconvenience

Altering Materials of Container Caps

Previous Euro Glass containers had weak stability as they were prone to slipping when stacked, and their cap-integrated wings had a high risk of damage in an emergency. Consumers also pointed out that the translucent lid made it harder to identify the contents.



We launched Top Class containers with relatively concave caps to make them less shaky when stacked and detachable clip wings to reduce the risk of breakage. We also produced it with a transparent BPA-free material called Tritan so that consumers can easily check the food inside and use it more safely.



More Convenient Vacuum Rice Container

The Vacuum Rice Bucket stores rice, the staple food of Koreans, in a fresh and hygienic manner. The first generation of vacuum rice buckets had an integrated cap making it hard to clean the inside, and it had a wire for charging.



The second generation has both wired and wireless charging so that it can be placed anywhere. In addition, its cap has been updated to be detachable, making it easier to clean inside. The start and stop of the vacuum is controlled with a one-touch button, while a desiccant storage box and a built-in scoop considerably raised user convenience.



Improving UI and Sanitary of Knife & Chopper Sterilizer

It is known that contaminated tableware accounts for 25% of the cause of food poisoning. To resolve this issue, LocknLock launched a Knife & Chopper Sterilizer to help consumers maintain their clean and sanitary kitchen. But some consumers pointed out that the sanitation indication level was obscure to see the progress. Some commented that checking water stains or residue was difficult because the main body could not be separated.



In response to the complaints, we created an intuitive 4-level indicator to select it easily while making the body cover detachable in order to enable the inside cleaning and sanitation of the whole chopping board.



Renewal of Marimo Ultrasonic Humidifier

Marimo Ultrasonic Humidifier is popular for its clean design and size, suitable for single-person households. However, there were many noise complaints.



We lowered the noise of the humidifier body by switching out a motor. We also used magnetic components to make assembly convenient while adding a lamp function to respond to suggestions from our consumers.



02 Facilitating Communication with Customers

No. 1 in Korean Brand Power

LocknLock takes the lead in the industry based on high consumer trust. According to the 24th Korea Brand Power Index (K-BPI), we are unrivaled, ranking No.1 in the airtight container field for 19 consecutive years (2004-2022) and in the kitchenware field for 6 consecutive years (2017-2022), solidifying our top brand position. Nevertheless, we are not complacent about our current status, but are seeking to continuously grow by raising awareness and preference year by year.

No. 1 in Korean Standard Well-being & Environment Index

We strive to be a company that puts the consumers' higher quality of life first. In recognition of our efforts, we were placed No.1 in the Korean Standard Well-Being & Environment Index (KS-WEI) in 2021, which conducts surveys on the brand's health, environmental, safety, sufficiency, and social aspects targeting the consumers who actually used the products. The KS-WEI evaluated that we appropriately consider the consumers' living situation and needs. Going forward, we will make our utmost efforts to create products that consumers feel safe to use.



We design your lifestyle

iF Award in 2021

Metro Edge Tumbler

Metro Edge Tumbler received high marks in the iF Award for its ergonomic design. The tumbler is popular not only for its trendy balanced grip curve and slim strap, but also for excellent portability and convenience.

Red Dot Award in 2021

Barohanggi

We won the Red Dot Award for the 'Barohanggi' series that presents a practical design reflecting modern lifestyle as well as safety. The optimal size for one meal portion and a 'safe cap handle' made of silicone notably received favorable reviews for satisfying both design and functional aspects.

German Design Award

Soma IH

Soma was recognized at the German Design Awards for its design for comfortable use. Its comfortable handle grip and its weight lighter than a small pack of milk received particularly good reviews. The advantage of applying IH technology enables various ways to use it.

iF Design Award in 2022

Food Waste Cooler

Its soft cube shape makes use of space in an efficient way in a limited kitchen where many appliances are placed. The design reflected our customers' desires. The design team wanted it to harmoniously fit into any space without looking like a food waste bin.

Design Contest

Staying true to our brand value, 'People-oriented lifestyle innovation,' we have pursued the product design that benefits customers' daily life and at the same time, puts the environment at its heart. As a lifestyle innovation brand, we plan to host the 2nd Design Contest in 2022 that engages many creators with outstanding capabilities with the purpose of demonstrating our leading stature in terms of design.

Official Homepage Renewal

In 2021, we extensively reformed our official website to upgrade user convenience and convey the values of 'life innovation,' 'lifestyle,' and 'creator,' which are our core brand identities. As a mobile responsive web page, it enhances consumer accessibility so that users can easily access it on both computers and mobile devices.

Customer Satisfaction Monitoring

In the second half of 2022, we plan to review the items for mobile customer satisfaction and Net Promoter Score (NPS) for small home appliance services. In case it is difficult to connect through a phone call as all staff is busy counseling, we operate a callback service that offers to contact the missed number when the earlier counseling is completed.

03 Reinforced Security for Information and Personal Data

Information Security Management System

LocknLock has established an Information Security Management System (ISMS) to safeguard the information assets to be protected in a safe and effective manner. We also have information security regulations in compliance with the Act on Information and Communications Network and Personal Information Protection Act. These regulations define tangible and intangible information assets as well as guidelines, procedures, and matters applicable to all employees, partner companies, and external personnel who use them. We review the feasibility of information safety regulations at least once a year to upgrade the guidelines. We plan to enhance reliability by obtaining certification in information protection systems from external institutions.

Responsibility for Information Protection

An executive-level information security officer (CISO), designated by the CEO, is in charge of security management, countermeasures for critical issues, countermeasures against infringements, and recovery from those accidents. The IT Innovation Team under the Operation Headquarters is responsible for information security on the field and is divided into the PI part managing the operation and process of the enterprise ERP, and the IT part controlling the server, network, IT assets, and shopping malls. Chinese subsidiaries have formed their own information security organizations in accordance with local laws and appointed personal data protection managers.

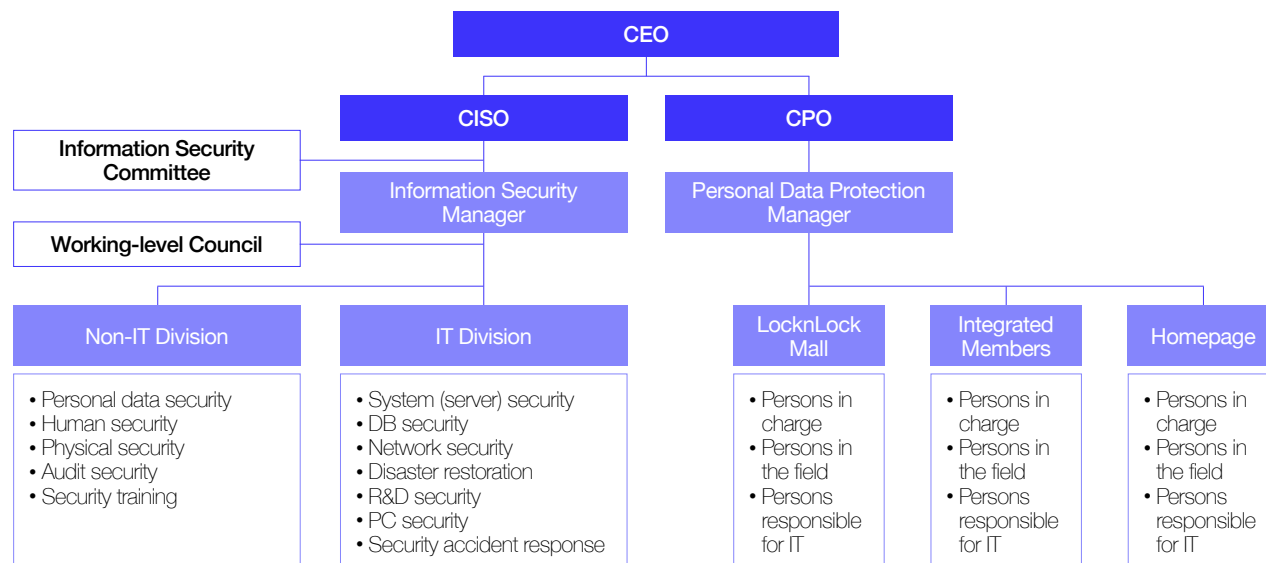
Information Security Activities

Aiming to secure the safety of information assets and personal data, we utilize a variety of security systems that roundly blocks external attacks. The key systems we currently use are as follows.

Information Security Systems

	Classification	Function
	Firewall	A security system that monitors traffic flowing into the internal network from outside
	Web firewall	Blocking the malicious code or attacks by inspecting incoming traffic to the web
	DB encryption	Storing securely encrypted data files containing personal information
Server	ATP	Cutting off incoming malicious code files
	Server access control	Enhancing the security by only allowing authorized users to access the internal server
	Server antivirus solution	Blocking malicious code entering the server
	Configuration management solution	Managing development source history
PC	Client antivirus solution	Preventing incoming malicious code from computers

Organizations Responsible for Information Security



Information Security Training

We provide personal information management training for our employees once a year. The educational course presents the matters to be observed by the person handling personal information by the management stage while emphasizing the understanding of revised latest laws, aiming to raise awareness of personal information protection and elevate the application to work. In addition, information security training for system administrators is provided once a year. It is an education on the concept of information security and related laws, as well as diverse cases and security management systems.

Performance of Information Security Training

Training	Content	Training Hour	Target	Attendance Rate
2021 Practical Bible for Personal Data Handlers	<ul style="list-style-type: none"> Recently revised laws in relation to personal information protection Cases of applying personal information security at daily work 	1 hour	All employees (418 people ¹⁾)	100%
2021 Information Security Training	<ul style="list-style-type: none"> Understanding the concept of information security and relevant laws Recent trends and cases of cyber attacks System and network security Information security management system 	1 hour	System managers	100% (12 people)

1) All employees except for on-site workers and sales workers

Personal Data Breach (Unit: case)

0	0	0
2019	2020	2021

Customer Data Protection System

LocknLock regards customers' personal data as highly valuable. Therefore, we capitalize both on technical and physical means to manage personal data as safely as possible. As a result of these endeavors, as of 2021, there has been no violation of information security and personal data protection for 3 consecutive years.

LocknLock's Principle for Customer Information Protection

1. We encrypt customers' personal data.

The communication section, in which the customers' personal data is handled, is encrypted, and the stored personal data is protected by encryption of 128 bits or more.

2. We make access control of personal data our daily routine.

We minimized the internal organization and the number of people handling personal data so that it is used only for essential tasks. We also monitor access to the system and the status of the database in real time, while systematically managing password and access control rights of the system that processes personal information. We do our utmost efforts to safely manage personal data through continuous audits and measures.

3. We control physical access to the personal data system.

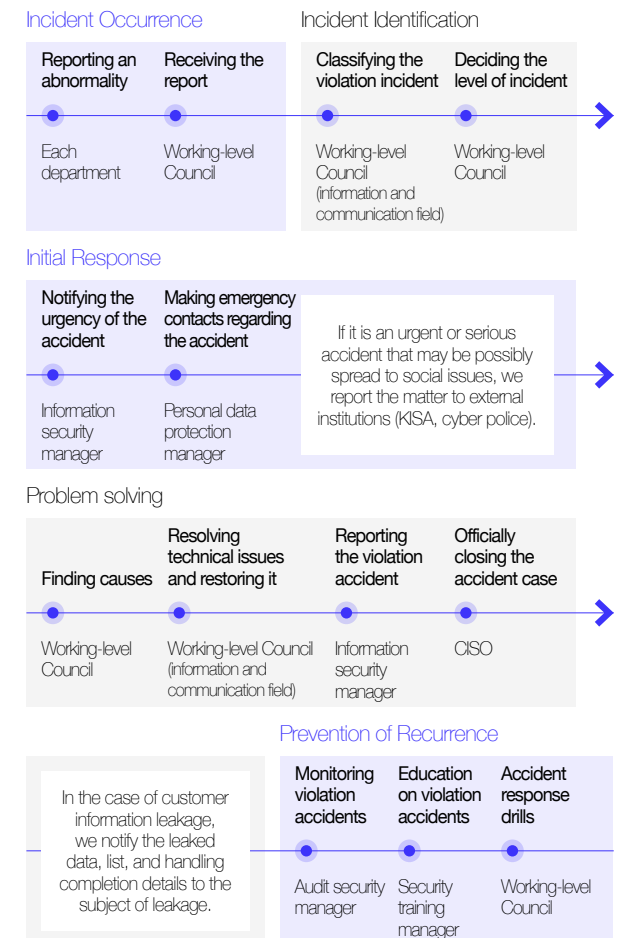
The location of the system containing personal data is confidential. We minimize the physical access by the operating personnel to the system and keep the documentation of physical access history. We also consistently systematize the management through regular internal audits.

Response to Information Security Incidents

With an aim to minimize the spread of damage in the event of personal data leakage, we swiftly respond to the incidents in accordance with our response policy for information security incidents. Each department notifies the information security department when an abnormality is detected at work. Then,

the information security department takes an initial response to resolve the accident and prevents the recurrence of an accident through follow-up education and training.

Response Process to Information Security Incidents



LocknLock Keeping the Environment at Our Heart

Context

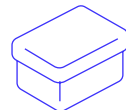
The circular economy model has come into the spotlight as an alternative to the linear economy that flows from materials, production, and consumption to disposal. Besides, corporate responsibility has been a critical issue in terms of using raw materials that hardly allow natural degradation, such as microplastics. As there is growing demand for products that consider the environment, eco-friendly and environmentally conscious companies can gain a competitive edge in the market, which can serve as an engine to promote new research and development for more eco-friendly products.

Our Approach

LocknLock has been developing a variety of products that result in mitigated carbon emissions. We also strive to create an eco-friendly household goods market by selling environmentally-friendly products designed with our technology and promoting related R&D. As part of our endeavors to fulfill our corporate responsibility as a company utilizing plastic as raw material, we will build an eco-friendly portfolio and actively carry our plastic recovery and upcycling activities.

Collecting **1,027 kg**
of old food containers

(cumulative data from 2020)



01 R&D of Eco-friendly Products

Carbon Mitigation Plan within Product Life Cycle

LocknLock complies with our 4R eco-friendly principle to reduce the use of raw materials (Reduce), enhance recycling activities (Recycle), reuse raw materials and energy (Reuse), and replace them with eco-friendly materials (Replacement) in the entire production process. We have continuously increased the ratio of non-plastic products in our portfolio by expanding into beverage ware, cookware, and small home appliances besides food storage, which is representative of airtight containers. In particular, we upcycle the plastics to be scraped or raw materials to mitigate the amount of carbon dioxide generated in the disposal stage. We also apply plastics made of non-petroleum using corn, wheat, and bamboo to products and packaging materials, focusing on the carbon reduction from the production stage. Based on these 4R principles, we plan to achieve the carbon neutrality goal by 2050.

R&D on Eco-friendly Materials and Products

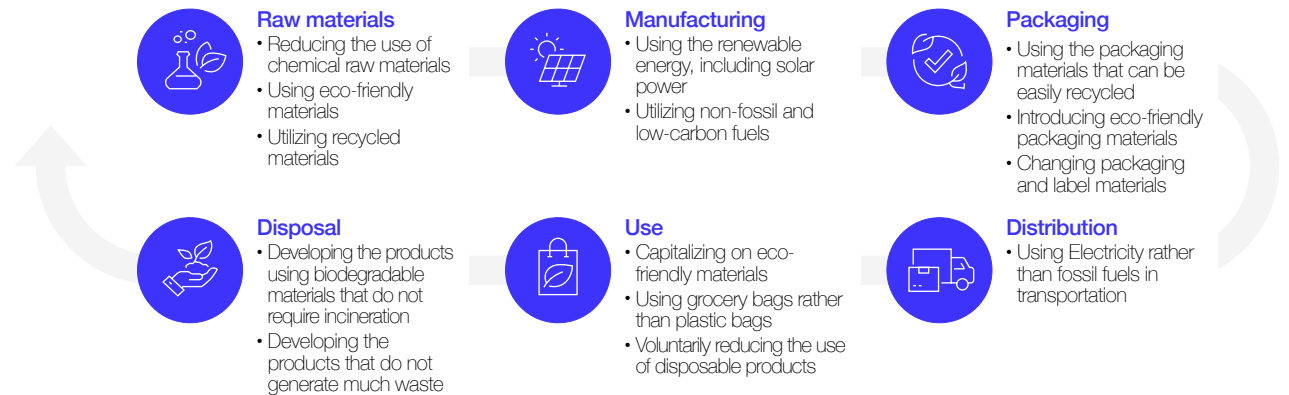
R&D-dedicated Organizations

LocknLock expanded our R&D organization in 2018 to secure a technological competitive edge in key business areas, such as technology and product development for small home appliances, material development, and production technology support in a continuous manner. Our Innovation Team develops eco-friendly technologies that can contribute to resolving environmental problems and creating social values.

Eco-friendly Home Appliances

As a leading eco-friendly home appliance business model, LocknLock concentrates on core materials and technology

Carbon Mitigation Plan within Product Life Cycle



related to the green air purification business. As part of it, we have promoted eco-friendly projects that reduce CO₂ in homes and improve air quality based on our technology. We strive to create a better global environment through continuous innovation in our eco-friendly business model.

Research on Biodegradable Plastics

Using biomass raw materials, we are researching biodegradable plastic airtight containers that emit only half the carbon in the manufacturing process compared to general plastics. The eco-friendly multi-use containers made of corn are safe for the human body as it has no environmental hormones detected. They are 100% biodegradable within 180 days and do not leave microplastics, which enables them to be easily recycled as compost. We are also conducting R&D to resolve transparency, heat resistance, and ductility issues in comparison to polypropylene (PP) or Tritan. We plan to release them as a product in 2023 after sample production and product testing in 2022. Based on these R&D capabilities, we will expand eco-friendly products to 50% of our total product portfolio by 2027.

Launch of Eco-friendly Single-use Kitchen Items

We have rolled out eco-friendly disposable kitchen products, rollback and sanitary gloves. About 25% of raw materials used for these products are sugar cane, which reduces the use of polyethylene (PE), one of fossil fuels. In recognition of this eco friendliness, we have obtained eco-friendly certifications.

Eco-friendly Packaging

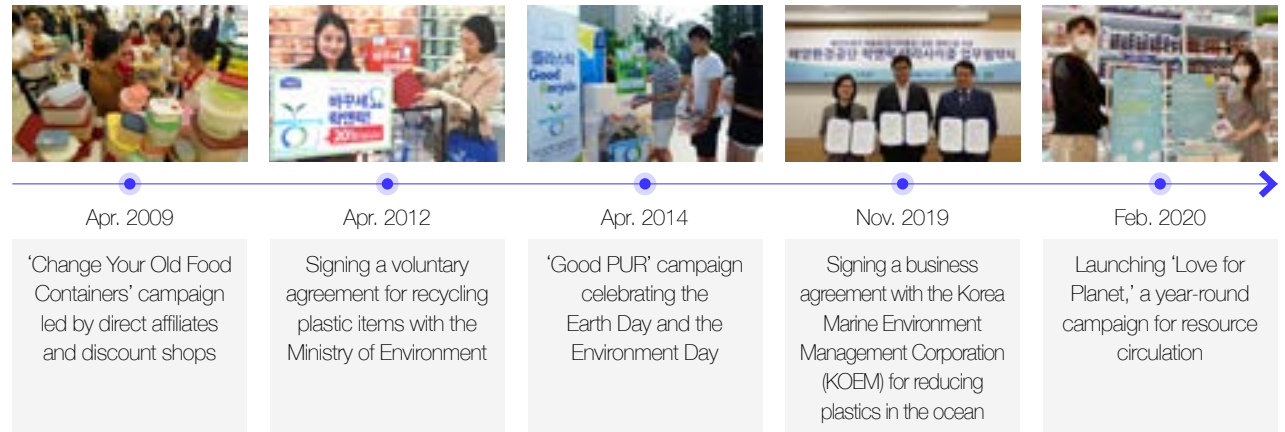
We aim to maximize the reduced amount of carbon emissions in the entire process by introducing eco-friendly elements into our product packaging and transportation. Styrofoam (EPS), widely used as a packaging material, is a type of plastic that is hardly removed, although it is easily broken into microplastics. Thus, LocknLock is looking into the ways to apply paper-based kraft honeycomb, pulp paper, biodegradable air caps, and sponge foam as alternative eco-friendly packaging materials. By introducing eco-friendly packaging materials, our objective is to reduce 50% of the amount of styrofoam we use by 2024.

02 Facilitating Resource Circulation

Voluntary Participation in the Plastic Recycling Agreement

In 2012, LocknLock signed a voluntary agreement with the Ministry of Environment to recover and recycle plastic waste. Since then, we have achieved the target recycling rate every year, saving waste charges and promoting resource circulation of plastic products¹⁾. Going forward, we will continue saving resources and increasing the recycling rate by making voluntary efforts to establish a product recovery and recycling system.

1) Agreements were voluntarily concluded and implemented for the last 11 years since 2012, except for 2015 when agreements were not signed



Plastic Upcycling

Love for Planet Campaign

Starting with the 'Change Your Old Food Containers' campaign in 2009, LocknLock has been conducting year-round campaigns aiming to create a resource circulation culture with local community members for a healthy earth and sustainable life. We are introducing various upcycling technologies, thereby taking the lead in making a plastic recycling culture and spreading the meaning of resource recycling.

Collection of Airtight Containers

Old airtight containers are collected at the LocknLock offline stores or the collection points we operate. Going forward, we will increase the collection points so that more and more people can join this effort to create a resource circulation culture together.



COME BAG Eco Bag

In 2020, we produced the first eco-bag that are upcycled from plastic airtight container and marine plastic in Korea. We made eco-bags using polypropylene (PP), the primary raw material for airtight containers, in 2021 for the first time in the industry, maximizing the plastic recycling effect. The amount of plastic utilized to produce one eco-bag is about 40g, which is similar to the effect of recycling a single 100mL-sized airtight container, mainly used as a sauce container.

Upcycling Bench

We regenerated a public bench made out of airtight containers collected from offline stores and discarded marine plastics. The upcycling benches were installed along the Jeju Olle Trail to provide shelter to local residents and travelers in Jeju, which also raises awareness of resource circulation in real life. The effect of producing the upcycling bench is similar to the effect of recycling about 1,400 airtight containers with a size of 450mL.



▲ LocknLock Upcycling Bench installed in Jeju Olle Trail

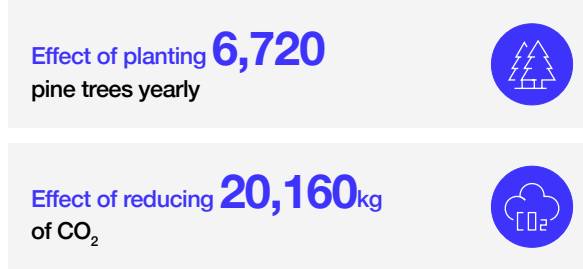
Carbon Mitigation Project

LocknLock contemplates various ways to take the lead in recycling resources by reusing the plastic waste left over from the production process. As part of our endeavors, we have cooperated with several companies to create cases of advanced resource upcycling.

In 2021, we collaborated with CJ Logistics to produce 300 Carbon ZERO Pallets¹⁾ and adopted them to the logistics sites. After LocknLock provides plastic leftovers from the plant, a professional manufacturer produces carbon-free pallets, and CJ Logistics utilizes them. The amount of plastics that go into one Carbon ZERO Pallet is 28 kg. However, 67.2 kg of carbon is generated if we simply discard them. We provided 10 tons of scrap plastic for this project to produce 300 recycled pallets, which achieved the same carbon dioxide reduction effect as planting 6,720 pine trees.



▲ Carbon Zero Pallet



In the second half of 2021, we launched a consultative body for carbon-zero in collaboration with CJ Logistics and A Twosome Place to take the initiative in carbon reduction activities with companies and citizens. As part of this, we conducted, 'Hello, Zero Waste' campaign, in which leftover plastic generated from our plants and disposable waste plastic collected from the branches of A Twosome Place were upcycled into mufflers and multi-use storage boxes. These upcycled products were sold through Wadiz, a crowdfunding platform, and the proceeds from the sales were donated for Big Issue Group, one of social enterprises helping housing vulnerable groups, and the vulnerable suffering from climate change.

1) Palette: a flat supporting structure for loading goods and transporting them with forklifts at a logistics site



▲ Group picture of Carbon Zero Council



▲ 'Hello, Zero Waste' upcycling products

Promotion of Green Marketing

One Week Challenge for Healthy Seoul

We collaborated with the Seoul Health Family Support Center in 2021 to conduct a tailored program under the theme of environmental improvement, intending to encourage citizens to lead eco-friendly lifestyles. The 'One Week Challenge for Healthy Seoul' was carried out with different themes each week, such as using tumblers instead of disposable cups or using multi-use containers at supermarkets to spread environmental protection activities in our society. In this challenge, a total of 300 Seoul citizens participated and celebrating gifts were given to those who had completed activities by the 5th week in order to encourage continuous engagement.



▲ 'One Week Challenge for Healthy Seoul' Poster

03 Efficient Use of Raw Materials

Certification in Environmental Management System

LocknLock has disclosed our firm will to perform all of our business in an environmentally friendly manner and take the lead in environmental protection and resource preservation through continuously developing technologies and saving resources in our Ethical Principles. We have acquired and maintained ISO 14001 certification, an international standard for environmental management, after going through external professional audits toward 3 business sites in total, among 6 business sites including the domestic headquarters, Asan site, Anseong site, and overseas business sites.

Efficient Use of Resources

Efforts to Reuse Raw Materials

LocknLock prevents wasting quality plastics to reduce waste by manufacturing eco-friendly airtight containers made of recycled polypropylene (PP) fragments in our plants. As we use scrap materials left from our plants, we are able to maintain the same quality as other 100% food-grade LocknLock products. Due to the nature of the recycled product, it can be produced in a number of different colors, making it unique to meet an individual's taste. It is being sold with positive feedback in the UK's large retail supermarkets, Tesco and Sainsbury's.

Reuse Performance of Raw Materials

	Unit	2019	2020	2021
PP Re-use	ton	204	241	147
ECO Lock Production	number	1,433,119	1,786,380	2,150,596
ECO Lock Sale	number	620,510	720,883	857,443
ECO Lock Revenue	KRW million	926.5	1,031.5	1,142.2



▲ ECO Lock

Water Management

In 2021, we achieved in reducing both water usage and revenue intensity. Going forward, we will continue to lessen the use of water and strive to use it efficiently.

Water Usage

	Classification	Unit	2019	2020	2021
Water	Total usage	m ³	327,797	348,199	342,274
	Intensity	m ³ /KRW million	0.67	0.69	0.63



◀ ISO 14001 (EMS) Certificate

04 Minimization of Environmental Impact

Effluent Management

In 2021, total effluent discharge, including domestic and overseas business sites, increased by 1% compared to the previous year, but the intensity decreased by 5.3%. Our Chinese business sites conduct yearly regular inspections, managing water pollution risks under the supervision of the Environmental Protection Agency of the jurisdiction where the business sites are located. The business sites in Vietnam measure wastewater, analyzing BOD, COD, SS, and other elements every month, and conduct quarterly measurements led by a specialized agency, improving its management capabilities for wastewater treatment. We will continue to minimize wastewater discharge and reduce water pollutants with an efficient wastewater and effluent treatment system.

Effluent Discharge

	Classification	Unit	2019	2020	2021
Effluent	Total usage	m ³	179,533	205,106	207,132
	Intensity	m ³ /KRW million	0.37	0.41	0.38

Water Pollutant Discharge

	Classification	Unit	2019 ¹⁾	2020	2021
	Discharged BOD concentration		377	424	315
	Discharged COD concentration	ppm	720	808	863
	Discharged SS concentration		243	674	466

1) The figure of 2019 was measured from the second quarter

Waste Management

Water and oil that we dispose of from each business site are separated and handled by an external waste company. We separate recyclable items by dividing them from waste generated in the field through the separation discharging process, focusing on increasing the recycling rate of the waste.

Waste Discharge

	Classification	Unit	2019	2020	2021
Waste	Total discharge	ton	4,660	4,537	5,519
	Intensity	kg/KRW million	9.59	9.04	10.16

Air Pollutant Management

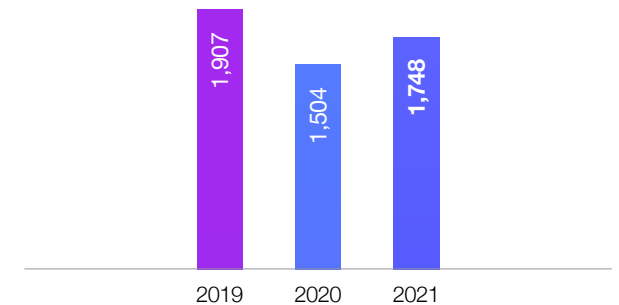
Air pollutants are monitored by an external professional organization. Our Chinese sites conduct regular air quality measurements once a year under the supervision of the Environmental Protection Agency of the jurisdiction, and our Vietnamese sites perform regular air quality measurements once a quarter through a specialized institution.

Chemicals Management

We comply with the 'Act on Registration and Evaluation, etc. of Chemicals' and do not use substances of very high concern (SVHC) designated by EU REACH. Currently, there are a few manufacturing sites using dangerous substances or hazardous chemicals, such as mold cleaners, rust inhibitors, sodium nitrate, and sodium hydroxide. We make sure each business site stores the relevant substances separately by their properties, places a Material Safety Data

Sheet (MSDS), and is equipped with the safety protection equipment necessary for handling. On top of that, we regularly provide safety training on hazardous chemicals and dangerous substances once a year for employees in the field to prevent accidents. We use a minimum amount of hazardous chemicals by diluting them with water. The Vietnam plant that has an injection center only uses environmentally certified paints and silicones to comply with legal requirements.

Hazard Chemicals²⁾ Usage (Unit: L)



2) Mold cleaner, rust inhibitor

LocknLock Putting Safety First

Context

In 2022, the safety and health regulations have become stricter; for instance, the 'Serious Accidents Punishment Act' was enforced. Companies must put their employees' safety and health first, striving to organize a safety and health management system to preemptively prevent potential risks that may occur at business sites and embed a safety culture in the field. There are growing demands for mutual safety and health management to support the safety and health of staff from partner companies in addition to our employees. Therefore, it is required for companies to respond to it in a reliable manner.

Our Approach

With an aim to ensure on-site safety at worksites, we have set up our own risk standards while identifying and improving potential risk factors through a self-inspection system. We provide safety training, targeting business sites and sales agencies and hold 'Safety and Environment Day' to award good sites in terms of safety management, assisting in internalizing a safety culture in the daily work of our employees.

The improvement rate of risk factors in business sites

99%



01 Safety and Health System

Organization Dedicated to Safety and Health

We maintain the environment of headquarters and business sites in and outside Korea to be safe in accordance with our mid- to long-term master plan for a safe environment, starting with the appointment of a company-wide safety environment officer and the establishment of a safe environment TF in 2019. The key performance, budget as well as safety and health management plan are reported to the BOD. In 2022, we plan to promote the safety and environment TF to a regular safety-dedicated organization while supporting the acquisition of professional certificates to enhance the competency of the organization in charge.

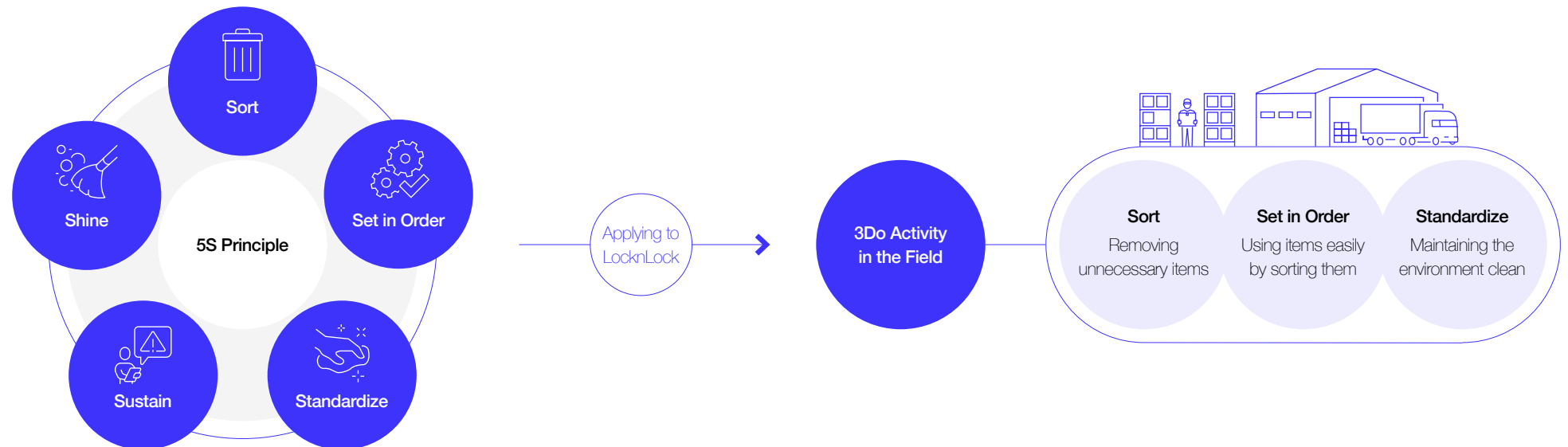
System for Securing Safety in the Field

Standards for Field Safety Management

To create a safe working environment, the '5S principle' and '3Do activities' have been introduced and operated. The 5S principle is the first letter of five elements; Sort, Set in order, Shine, Standardize, and Sustain. Based on this 5S principle, we are creating a safe workplace through 3Do activities that require removing unnecessary items, using items easily by sorting them and keeping the environment clean.

Establishment of Autonomous Safety Management System

2021 is the first year of the establishment of the field autonomous safety management system. We focus on identifying potential risk factors in the workplace while preventing accidents by implementing a full-fledged self-risk assessment that was previously conducted as a pilot. The system includes activities to overhaul field management guidelines, including basic safety and health management regulations and emergency responses, and to check the condition of facilities using 68 criteria in the safety checklists by process facility. The manager in charge checks if there is any non-compliance using about 10 checklists related to each facility or process in person. We perform thorough safety monitoring if any required correction is detected by filling out the details before and after improvement.



02 Safety and Health Activities

Internalization of a Safety Culture

Safety and Health Education and Training

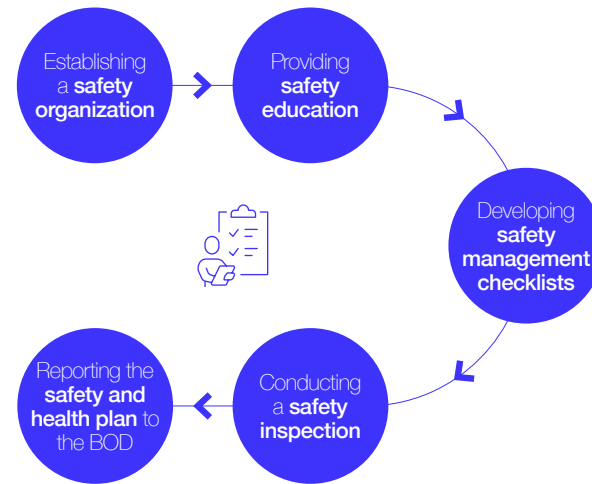
• On-site Safety Education

LocknLock provides regular safety education and training for production and logistics business sites. Field workers are required to complete 2-hour safety training every month; new employees must take it 8 hours a month. If necessary, special safety and health training is offered. In 2021, we underscored the strengthening of managers' accident prevention capabilities by reinforcing training for site managers. As part of the efforts, we provided 6 hours of video training utilizing the newly introduced self-risk assessment and an opportunity to practice the Korea Risk Assessment System (KRAS) of the Korea Occupational Safety and Health Agency.

• Safety Education in the Store

In addition to the manufacturing sites, LocknLock strives to control the safety of our stores located in Korea, Vietnam, and China. In 2021, we appointed 450 environmental safety managers and supervisors for store facilities, providing regular safety education for store managers and staff for 3 hours once a year. A standard fire safety management checklist is distributed to each store, while the manager conducts a daily safety check and the supervisor conducts a monthly safety check. In 2022, we plan to reinforce the training and inspection procedures to establish a store safety management system.

5 Steps for Store Safety Management



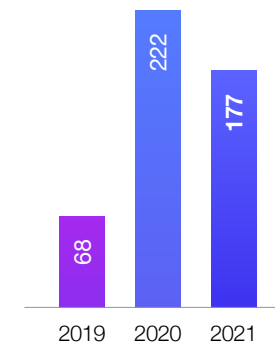
Safety and Environment Day Event

Marking the 'Safety and Environment Day' in 2021, we held an event to share safety environment improvement cases at our site throughout the year and to award excellent business sites. We have improved 97% of high-risk factors production and logistics sites in and outside Korea and repaired 100% of unacceptable risk factors, which demonstrates that we are actively preventing accidents. After we comprehensively considered the evaluation criteria, including materiality, completeness, difficulty, innovation, and teamwork, we awarded KRW 3 million to the best worksite and KRW 1 million each to the best improvement cases in order to encourage active safety management.

Safety and Health Management

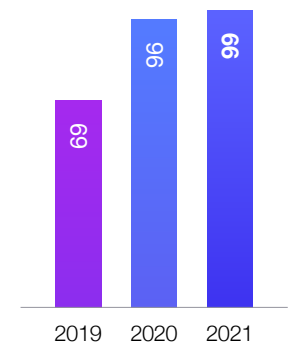
No. of detected risks at workplace

(Unit: case)



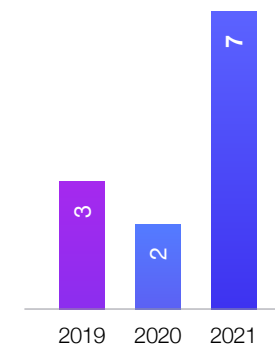
Rate of improving risk factors

(Unit: %)



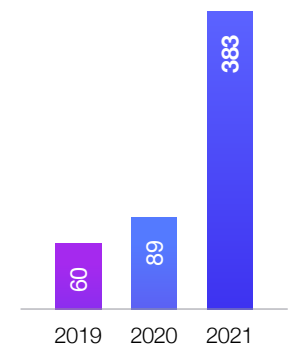
No. of providing safety and health education

(Unit: case)



No. of participants in safety and health education

(Unit: person)

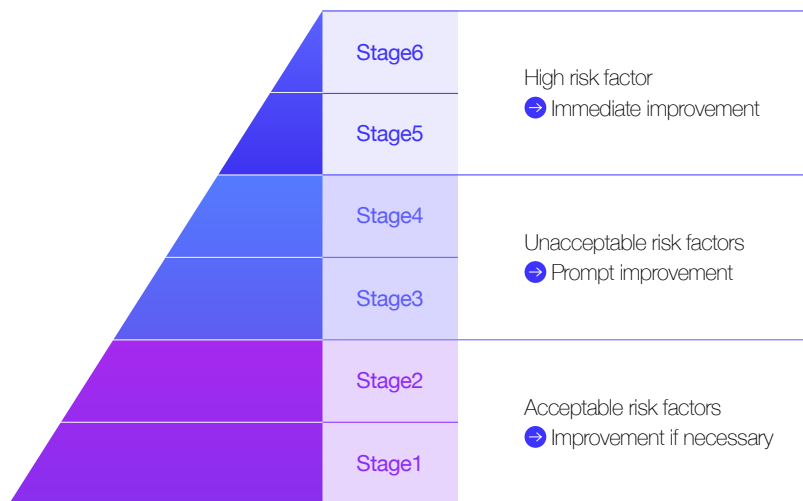


Preventive Activities against Serious Accidents

Identification of Safety and Health Risks

LocknLock measures the level of risks within the workplace in accordance with the risk assessment standards of the Occupational Safety and Health Agency, applying an appropriate level of response. The level of risks is classified into six levels in consideration of both the frequency of occurrence (1-5 points) and the intensity of the accident results (1-4 points), followed by classifying them as 'high risk,' 'unacceptable,' and 'acceptable' factors. The risk assessment of domestic and overseas business sites in 2021 shows that 70 types of high-risk factors, such as fire-fighting equipment and machinery, were identified as high-risk factors requiring immediate improvement, while 107 types of fire-fighting equipment and hazardous materials were classified as unacceptable factors requiring prompt improvement.

Risk Assessment Criteria



On-site Inspection and Evaluation by Experts

We implement both the self-risk assessment and the objective evaluation conducted by safety and health experts, aiming at thoroughly managing safety risks on the production sites. Each business site annually conducts a self-risk assessment and goes through an on-site inspection implemented by the safety and health team at the headquarters or external experts at least once every three years. In 2020, we checked risk factors and improvement areas at our business sites in Korea and Vietnam using a Quick risk assessment by external experts. We plan to resume the on-site inspection by the safety and health team of the overseas sites in 2022.

Emergency Response Management

Emergency Response Process

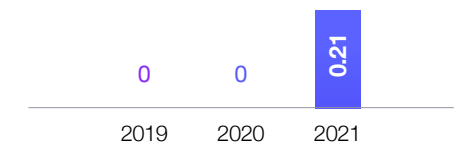
Based on our own emergency response management guidelines, we can swiftly and systematically respond to emergencies in case of fire or explosion accidents. We conduct virtual drills on a regular basis to make thorough preventive efforts, such as checking evacuation areas and medical equipment for each situation and inspecting dangerous machines. In case of an accident, our fire and rescue team, evacuation and relief team, and resource support team will take their roles to minimize casualties.

Occupational Accident

Mortality accident (Unit: case)



Accident rate (Unit: %)



LocknLock Bringing Happiness to Our Employees

Context

At the core of our sustainable organization lies a corporate culture that respects the diversity of employees and supports individual growth. That is because the diversity of employees is directly related to the creative ideas required for mid- to long-term development of the organization and the identification of new business opportunities. Accordingly, a company should provide reasonable evaluation and compensation and various support programs to support individual competency and growth while seeking work and life balance.

Our Approach

LocknLock operates a performance-based objective compensation system and non-discriminating recruitment system. Besides, we support the development of individual employees through various training programs. Aiming to create a happy work environment and a communication culture for employees, we strived to improve it to become a bottom-up corporate culture. We also raise the work concentration of employees supported by the work-life balance system.

Female Ratio of the Organization

52% (domestic)



01 Human Rights Management and Securing Diversity in Employees

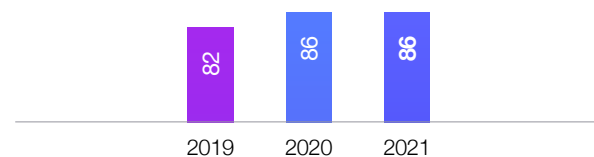
Human-oriented Value

We have specified 'people-oriented' values as our core values and practiced human rights management. Through the Ethical Principles and Practice Pledge, all of our employees pledge not to discriminate against any reason unrelated to work, including regional ties, school ties, blood ties, gender, and physical disability, and not to form any factions in the organization. We stipulated the prohibition of workplace harassment in our employment regulations. In case we receive a report or become aware of the harassment, we immediately investigate to check the fact. Every year, we provide human rights education as part of our efforts to prevent any occurrence of acts that are against people-oriented values.

Respecting Diversity

As of the end of 2021, LocknLock has a total of 3,409 employees, of which 534 are employees working in Korea. The majority of employees at domestic sites are women. In order for the realization of gender equality, we do not discriminate when it comes to roles, recruitment, and positions and give equal opportunities depending on their performance.

Equal Pay for Men and Women¹⁾ (Unit: %)



1) Pay gap generated due to job duties

Employees in Korea

Classification		Unit	2019	2020	2021
Total No. of Employees		Person	589	591	534
Gender	Male (ratio)	Person (%)	270(45.8)	275(46.5)	254(47.6)
	Female (ratio)		319(54.2)	316(53.5)	280(52.4)
Employment Type	Regular employees (ratio)	Person (%)	528(89.6)	542(91.7)	508(95.1)
	Non-regular or dispatched employees (ratio)		61(10.4)	49(8.3)	26(4.9)
Age	<30 years (ratio)		52(8.8)	54(9.1)	58(10.9)
	30~49 years (ratio)	Person (%)	438(74.4)	443(75.0)	374(70.0)
	50+ years (ratio)		99(16.8)	94(15.9)	102(19.1)
Diversity	The disabled (ratio)		2(0.3)	2(0.3)	2(0.4)
	Youth interns (ratio)		0(0)	0(0)	2(0.4)
	High School graduates (ratio)	Person (%)	85(14.4)	125(21.2)	88(16.5)
	Foreigners (ratio)		0(0)	0(0)	0(0)

Employees in Overseas

Classification		Unit	2019	2020	2021
Total No. of Employees		Person	3,543	3,175	2,875
Details	Dispatched		98	95	87
	Locally hired		3,445	3,080	2,788

Human Rights Education

Through the LocknLock Cyber Training Center, we provide ethics education and legally required education for our employees annually to improve awareness of the disabled, prevent sexual harassment, and protect personal data. If online courses are not accessible, separate offline training was provided to help employees complete human rights and ethics education.

Human Rights Education

Classification		Unit	2019	2020	2021
Total hours of human rights education		Hour	1,296	1,566	1,672
Hours of human rights education per employee		Hour	3	4	4

02 Human Resources and Performance Management

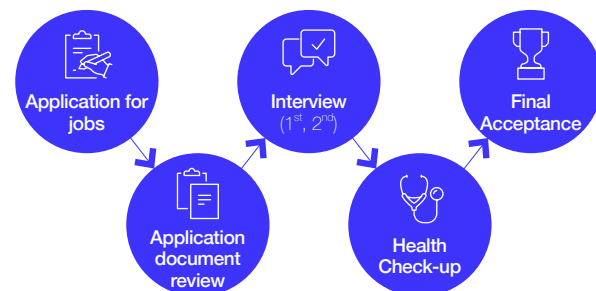
Fair Recruitment

In pursuit of becoming a lifestyle creator bringing life innovation to reality, we recruited human resources who will grow into global talents. In 2021, a total of 100 new employees were hired in Korea, contributing to job creation in the domestic labor market, which has been contracted in the aftermath of the COVID-19 pandemic.

Despite the social distancing due to the pandemic, we have exerted every effort to hire talents as safely and fairly as possible. We conducted virtual interviews using a video conference solution for non-face-to-face recruitment and used a non-regular recruiting system. As such, we have prepared measures to preemptively respond to various crises that may occur in the future as well as the COVID-19 pandemic and to secure suitable talent in a short period of time if necessary.

As a global company, we hire competent and passionate talents regardless of nationality or age. In particular, we recruit people from local areas when we hire critical roles in marketing and sales and assign them jobs and positions based on their capabilities.

Talent Recruitment Process



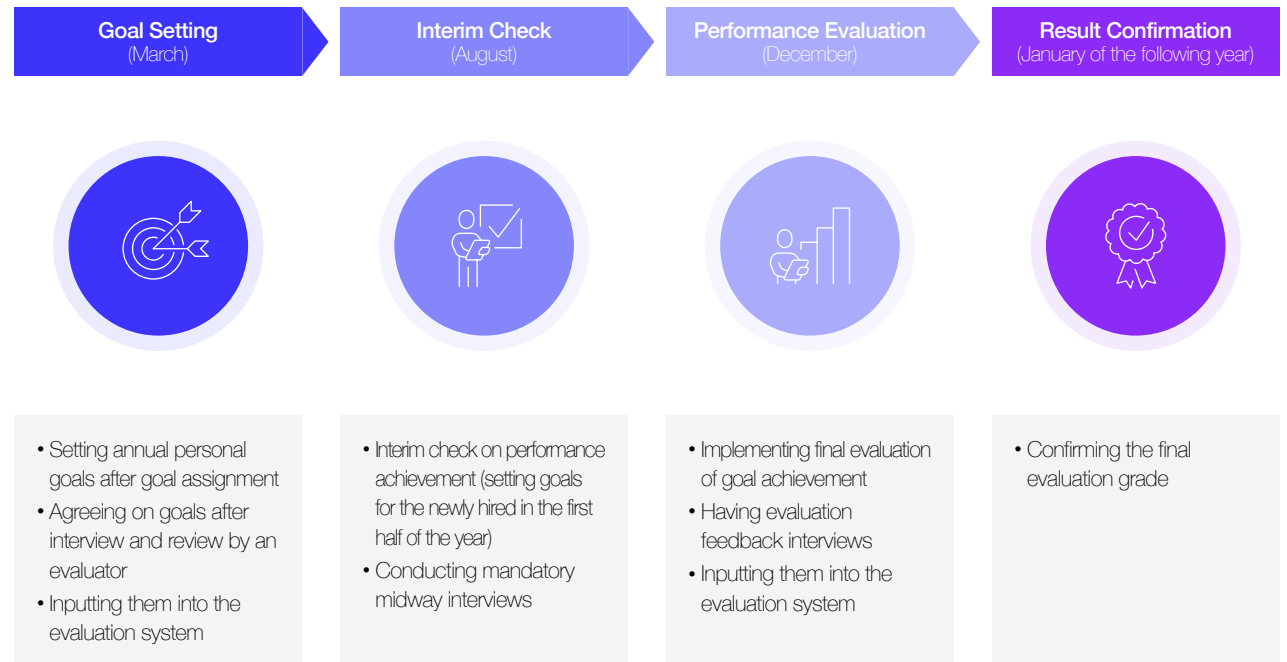
Recruitment and Employment

		Classification	Unit	2019	2020	2021
Recruitment	No. of new employees		Person	184	97	100
	Gender	Male		70	37	42
		Female		114	60	58
	Age	<30 years		22	23	33
		30~49 years	Person	120	66	62
		50+ years		42	8	5
	Region	Seoul		143	73	89
		Asan		14	6	1
		Anseong		27	18	10
	No. of voluntary turnover		Person	103	92	87
Turnover	Gender	Male		33	31	42
		Female		70	61	45
	Age	<30 years		11	11	18
		30~49 years	Person	69	66	64
		50+ years		23	15	5
	Region	Seoul		84	81	80
		Asan		4	6	1
		Anseong		15	5	6
Years of Service	Average length of service for men (management, development, sales positions)			4.70	5.37	5.90
	Average length of service for men (production positions)			4.33	4.75	5.56
	Average length of service for women (management, development, sales positions)		Year	8.55	9.20	9.39
	Average length of service for women (production positions)			6.78	7.91	8.51

Reasonable Performance Evaluation

Keeping in mind our principle of performance evaluation on the development of employees' capabilities, improvement of their achievements, and the realization of a performance-based personnel system, we make endeavors to evaluate the competence of employees based on objective grounds. We conduct performance evaluations for all employees once a year. Performance goals are agreed upon in meetings between evaluators and employees every March, and interim feedback is provided in August. At the end of the year, we give our employees a final evaluation rating in line with the 5-grade system and last feedback. The subject of evaluation can raise objections to the evaluation results. Upon receiving a complaint, the evaluator should faithfully provide feedback concerning the evaluation results. We implement promotions and give incentives in accordance with the performance evaluation results. On top of the annual performance evaluation, we carry out performance-based personnel systems, such as an idea and achievement award system, on a regular basis for giving motivation by awarding prizes or vacations to talented individuals who take on challenges.

Performance Evaluation Process



03 Capacity Building and Welfare Benefits

Education for Employee

Talent Development System

We operate a systematic education program for our employees with an aim to nurture challenging future talents. In line with the education system, we provide leadership training to strengthen teamwork and job training to sharpen work competency.

Human Resources Development Programs

Program	Purpose	Details
Leadership Training	Sharing management strategy and performance	<ul style="list-style-type: none"> Sharing business strategies and performance by field Prioritizing domestic and Southeast Asian sales and gradually increasing the scope step by step Raising understanding of the company's strategic direction through continuous expansion of training
	Reinforcing leaders' management capabilities	<ul style="list-style-type: none"> Intending to develop self-leadership at the team member level through mandatory training for team leaders Focusing on change management and team member improvement Recognizing the need for change management and applying methods for each process to the field Understanding the role of leaders to enhance effective teamwork
Job Training	Sharpening common job competency	<ul style="list-style-type: none"> Conducting in-house basic competency building training for common jobs
	Providing education tailored to demands	<ul style="list-style-type: none"> Selecting high-level courses after conducting an employee training demand survey Expanding the training based on the results after running an open session for all employees
	Improving job expertise (to be implemented)	<ul style="list-style-type: none"> Requesting to sharpen expertise in key tasks such as sales, marketing, and development Conducting pilot training focusing on sales and marketing in 2021 Expanding to various jobs after conducting a pilot training for each job

Operation of Online Education Platform

We support our employees to upgrade their work competency and immersion in education in non-face-to-face situations through Multi-Campus, an online education platform. Employees can easily take training courses by offering mobile learning programs or reference books for each lecture. On top of that, we provide detailed programs in about 50 fields, giving employees the freedom to take the training they want without time and space constraints.

Training for Employees

Classification	Unit	2019	2020	2021
Total training hours	Hour	6,752	6,543	7,146
Training hours per person	Hour	11.46	11.07	13.38
Training costs per person	KRW	214,620	207,966	269,060
Average satisfaction level for training	Score	4.18	4.11	4.48

Education on Work-from-home

In response to the non-face-to-face work style derived from the COVID-19 pandemic, we provided training that improves efficiency for employees who are not accustomed to working from home. We posted a video on YouTube named 'Top 10 Techniques for Working from Home Enabling Smarter Work,' introducing useful tips and helping our employees to perform their work effectively from home as if they were working at a company. We are reviewing the continuous application of the working-from-home system to reduce the pandemic risk and allow our employees to take care of their family members as needed.

Creating a Healthy Workplace

Work-Life Balance

LocknLock has a variety of support systems in place to create a work environment in which our employees can work autonomously and grow continuously. With an aim to increase work immersion and maintain work-life balance, we have prepared a flexible working system and PC-OFF system. In addition, we operate an alternative vacation account system and a sandwich vacation system in order to encourage employees to use their vacation freely. The refreshment vacation and vacation expenses are offered to employees every five years of service, giving ample opportunities to recharge.

Family-friendly Business Certification

Our exemplary family-friendly management system is implemented to support the work-life balance of our employees. LocknLock was certified as a family-friendly company by the Ministry of Gender Equality and Family in 2013. To ensure that all employees and their families are happy, we provide family-care leave and leaves related to infertility and fetal examination.

Promoting Health of Our Employees

So as to make sure our employees lead a healthy life, we provide a comprehensive health check-up service to all employees once a year.

Operation of Customized Welfare Mall

We run a welfare mall as an optional welfare system for employees in Korea. Employees can use the points we provide that can be converted into cash based on the years of service. Points can be used in shopping and accommodation through the welfare mall or offline stores such as convenience stores, cafés, and supermarkets.

Welfare Policy for Employees

Autonomous Work Environment	<ul style="list-style-type: none"> • Flexible working system • PC-OFF system • Free use of vacation • Freedom of wearing any attire • In-house café operation
Personal Growth Support	<ul style="list-style-type: none"> • Refresh vacations and vacation expenses • Reward for work-related invention • Health check-up • Mentoring system • In-house training • Work-related books • External conference
Welfare Support	<ul style="list-style-type: none"> • Children's education expenses • Congratulatory events and condolences • Discount on company mall • Fitness expenses • Resort • Holiday gifts • Breakfast

Welfare Expenses

Classification	Unit	2019	2020	2021
Annual welfare benefits in total	KRW million	3,475	3,722	4,210
Average annual welfare benefits per employee	KRW	5,899,516	6,298,106	7,883,961

Use of Parental Leave

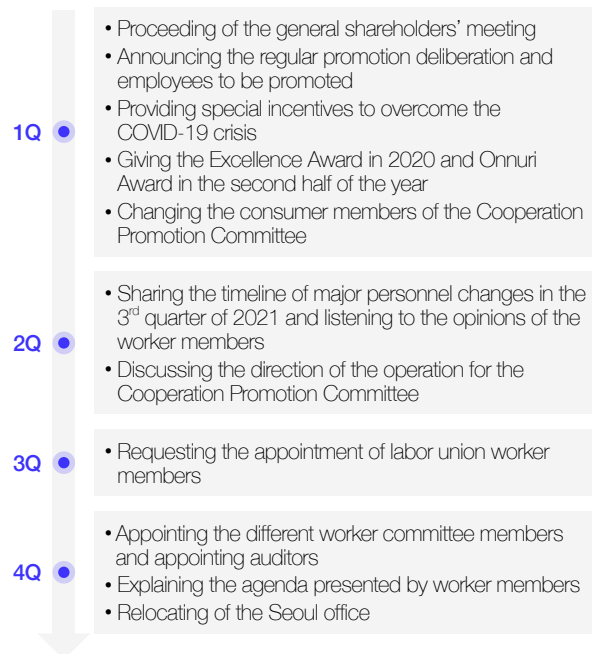
Classification	Unit	2019	2020	2021
No. of employees using parental leave	Male Person	0	4	4
	Female Person	5	11	11
	Total Person	5	15	15
Rate of employees returning to work after parental leave	%	100	100	100
No. of employees working more than 12 months after return	Male Person	0	3	4
	Female Person	4	10	11
	Total Person	4	13	15
Rate of employees working more than 12 months after return	%	80	87	100

04 Labor Relations and Organizational Culture

Win-Win Labor-Management Relationship

LocknLock established a labor union in 2021. As of December 2021, 60% of our employees joined the labor union. In October, during the six-month negotiation period, we reached an agreement on a total of 125 items, including improvements in welfare benefits and reform of the personnel system. The first collective agreement was also signed. The Labor-management Council meeting is held once a quarter, a total of four times a year, to discuss safety, health, and compensation issues. Going forward, we will create a healthy corporate culture through cooperation between labor and management.

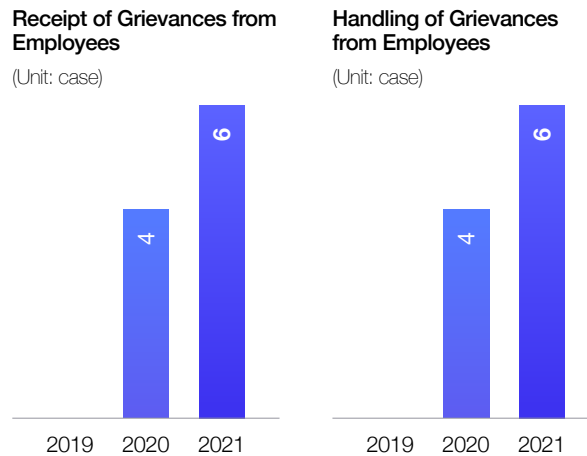
Labor-Management Consultation and Resolutions



Operation of Grievance-Handling System

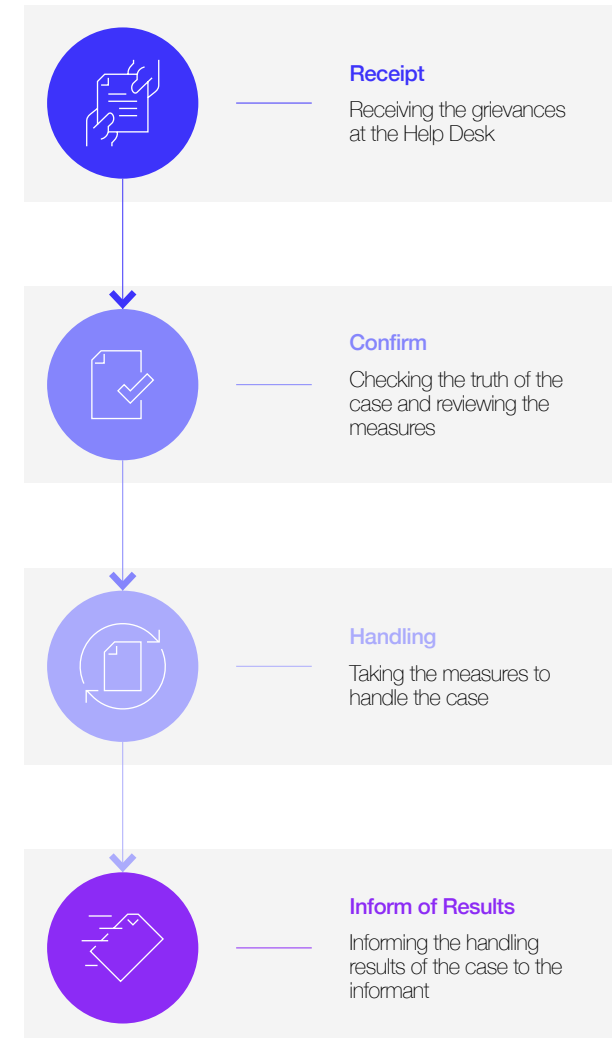
We have a grievance handling system in place where employees in difficulties can consult and report grievances. Our employment regulations notably stipulate the prohibition of workplace harassment and sexual harassment. Employees can file a report through the internal Help Desk, and the informant's identity and the grievances' details are strictly kept confidential. The reports we receive are informed to the Audit Committee after a preliminary investigation. If the facts are confirmed, the HR team sends them to the Personnel Committee, followed by sharing the results of the corrective actions in a transparent manner.

Grievance Handling



* Grievance handling system (Help Desk) has been operated since 2020

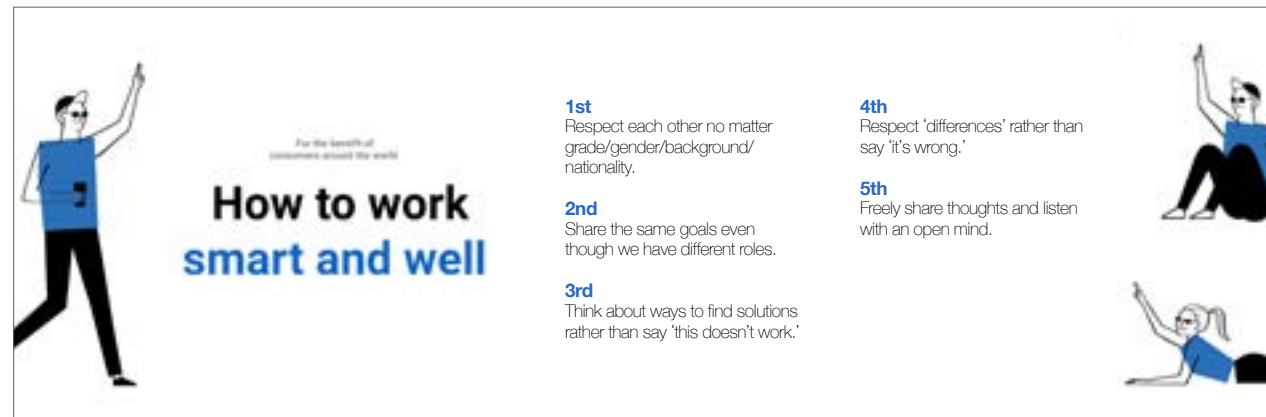
Grievance Handling Process



Creating a Communicative Culture

How to Work Smart and Well Project

We are not only focusing on the competitive edge of products and services but also on creating a culture of mutual respect and sharing the thoughts among the employees working together. The principle of working at LocknLock, called 'How to Work Smart and Well', was created by a total of 933 employees from 7 countries over 144 days, contemplating the ways to respect, work together, acknowledge, and listen to each other. By letting our employees establish the principles and culture, we strived to reorganize the organizational culture to a bottom-up, breaking the existing vertical organizations. This was produced into a video so that it could be applied to actual work and disseminated to all our employees.



LocknLock Newsletter

We regularly publish an internal newsletter to share company-wide notices and the news regarding other departments. Newsletters containing essential information are produced casually, taking a role as a channel to exchange creative ideas and promote communication among employees by providing small gifts through quiz events.

Small But Highly Innovative & Small But Firm Will Systems

We give awards in the areas of 'Small But Highly Innovative' & 'Small But Firm Will' to reward employees who practiced the company's core values and to encourage their continuous improvement of work performance. 'Small But Highly Innovative,' introduced in 2018, has established as LocknLock's unique culture, and it is all the more meaningful

in that it is recognized by colleagues who work together. Its system is to recommend colleagues who have actively and creatively innovated work. In 2021, we awarded 12 employees in the 'Small But Highly Innovative' area and 44 employees in the 'Small But Firm Will' area.



Understanding Corporate Strategies and Sharing Ideas

LocknLock shares business status and strategic directions with employees while gathering opinions to reflect them into our management or product strategies. The representative cases include adopting the idea of an employee who proposed the sale of a large-capacity water bottle to the people staying at home, whose population has increased due to the COVID-19 pandemic, and operating an in-house experiential group for employees to have hands-on experience of the main product first. We have encouraged communication with employees so that they can understand our vision and strategies. Based on the facilitated engagement of employees, we also raised the understanding of products and reflected their feedback on products.

LocknLock Growing Together with Society

Context

Companies cannot grow without stakeholders such as customers, suppliers, or local communities. The development of local communities has a positive impact on corporate business operations, and ultimately leads to their potential growth. Accordingly, companies should fulfill their responsibilities and duties as the members of society, and go hand in hand with various stakeholders to move forward beyond profit generation.

Our Approach

As we are well aware that we may have a far-reaching impact on local communities as a corporate citizen, we are carrying out social contribution activities in both domestic and overseas business sites tailored to local characteristics. In China, Vietnam, and Thailand, we have helped local people overcome the COVID-19 pandemic through a wide range of activities including free lunch box offerings.

KRW 496 million invested
in social contribution



01 Shared Growth with Suppliers

Principles of Fair Trade

Principles of Fair Transactions with Supplier

Our Ethical Principles stipulates that LocknLock pursues co-prosperity with all our suppliers, based on which we aim to strengthen our partnership underpinned by trust and collaboration. To this end, we follow our fair set of standards for the selection of suppliers in a rational and objective manner. And all transactions with suppliers come after preliminary discussions with them, and we make sure that the trades are conducted on a fair and equal basis. And we do not allow any form of abuse of power.

Shared Growth Promotion

Shared Growth promotion System

In an order to grow together with suppliers, and sharpen our competitiveness, we have established a fair trading order and lent support to them. The formulation of the strategies for fair transactions is also part of the effort to embed fair and square subcontracting and to promote collaboration for mutual growth. Staying true to the strategies, multifaceted efforts are being made to spread a culture of shared growth through active communication.

Shared growth promotion System



02 Local Community Contribution Activity

Social Contribution Activity for the Environment

Campaign to Promote Multi-use Container Usage

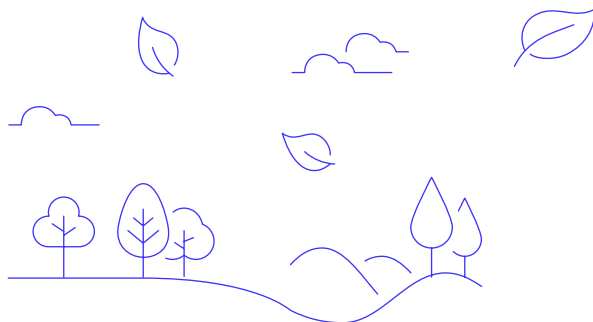
In order to usher in a zero-waste culture, we are making various efforts to promote the usage of multi-use containers instead of single-use ones. Our eco-friendly campaign focuses on the promotion of the usage of tumblers and multi-use containers instead of disposable cups and packages.

• Single-use Cup LOCK Campaign

Our core value lies in our accountability for the environment. To realize our value, we carry out a resource circulation campaign, aiming to reduce single-use cup consumption by encouraging employees to use tumblers. Three years into the campaign, we saw the remarkable achievement of reducing disposable cup usage by 323,000 at the Seoul Headquarters, and about 87% of our employees agreed on the discontinuation of single-use plastic straw provision.



▲ 'Single-use Cup LOCK Campaign' for single-use cup reduction



• Cherished Container Challenge

LocknLock is committed to embedding a culture of multi-use container usage into citizens, local communities, and local shops. We took part in the campaign, ‘cherished container collection’ hosted by the Korea Broadcasting Advertising Corporation (KOBACO) as a sponsor company, garnering the strength to vitalize the usage of multi-use containers. Going forward, the efforts will be made to identify opportunities to collaborate with public institutions or eco-friendly startups to have green container usage culture permeate every corner of our daily life.



▲ Cherished Container Challenge

• Various Activities for Global Multi-use Container Usage

Our endeavors are also made in foreign countries to raise their awareness of environmental protection as well as to promote earth-friendly lifestyle. In detail, we have carried out diverse events to donate items, such as street campaigns or zero-waste lunchbox provision, with the aim to deliver messages regarding the gravity of the environment. By doing so, we have played a contributing role in creating opportunities to protect the environment in our everyday life globally.

College Student Supporters Green Mate

Green Mate program is also part of our effort to engage college students who belong to generation MZ in driving an eco-friendly culture. In 2021, the selected green mates took on the roles of disseminating a culture of zero waste and tumbler use on social network services, and also joined the plogging and environment-friendly film making. With the emergence of the COVID-19 pandemic, we converted this program to non-face-to-face form. In the years to come, we will find ways of delivering these eco-friendly programs in a constant manner in line with this non-face-to-face era.



▲ Green Mate Activity

Global Plogging Day

We have held ‘Global Plogging Day’, our eco-friendly initiative that involves jogging and picking up trash in the parks, beaches or streams adjacent to our domestic and overseas business sites. This cleanup campaigns in local communities enable us to fulfill our social responsibilities and also to reinforce the bond among our employees. The satisfaction level of the participants stood at 97%, and about 94% of them wanted to join this movement next time. So we are considering the addition of a campaign, such as ‘disposable item-free picnic,’ following the plogging day event.



▲ Global Plogging Day

Social Contribution Activity for Society

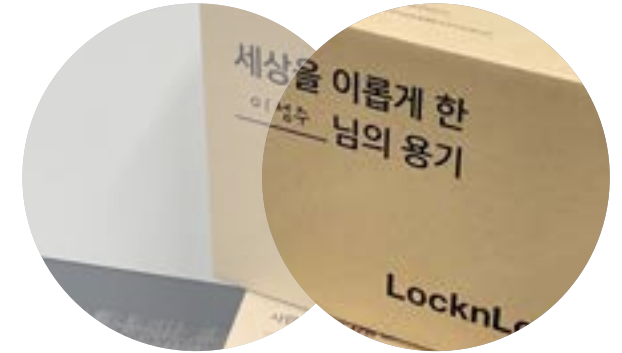
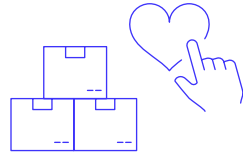
Pandemic and Natural Disaster Assistance

LocknLock provided goods and financial assistance with gratitude for medical and emergency workers who made painstaking efforts to overcome the COVID-19 pandemic at the forefront. In 2021, we offered the medical staff drinks in 500 'cool tumblers' in the summer season.

As part of the support for local residents damaged by forest fires in Donghae, Gangwon-do and Uljin, Gyeongsangbuk-do, we donated KRW 480 million worth of kitchen and household items to help them recover their daily life. Given their situation where they were living in temporary accommodation centers since their houses were burnt, we selected and donated the most urgently needed items in collaboration with Donghae-si, Uljin-gun, and World Vision. The selection included food containers for sanitary preservation, cabinets, hangers and trash cans for efficient space use. These items were delivered to 600 households in Donghae and Uljin.

EROUN BOX, Complimenting Citizens Benefiting the World

Staying true to our business philosophy, 'Benefitting the World,' we have put in place a program aimed at discovering good citizens and rewarding them. Based on our core values, we select good practices in two categories, 'courage to protect the environment' and 'courage to protect humans,' and deliver the 'EROUN Box' consisting of our goods. We continue to deliver this movement down the road, hoping that we have a good and positive impact on the society through this campaign.



EROUN BOX delivered to citizen Lee Sung-su

LocknLock's Goods Donation

We are making every effort to contribute to the environment by recycling items, and share our love with neighbors by donating the proceeds from sales. In 2014, we signed an agreement with Beautiful Store and have donated items on a monthly basis. 180,000 items on average have been annually donated since then. We have also donated goods to Goodwill Store, the welfare foundation where persons with disability select and sell items by themselves. In addition, we non-regularly hold in-house bazaars to circulate and reuse items that are necessary for somebody else.



▲ Beverageware donation for the summer season

Support for Global Future Generations

Our focus is also on educational support for children in foreign countries. In an effort to improve learning environments for children in poverty regions, we operate 'Hope Process' project and 'LocknLock Hope Computer Class.' Around 3.5 million yuan (KRW 650 million) were donated in the form of funds for global leadership to Yanbian University in China. On top of that, we run a project to replace street lights in poor rural regions in the western part of China in collaboration with our representative model, Gong Jun, thereby eliminating their inconvenience when passing at night and improving their safety.

Global Sharing

As a global company, LocknLock has lent support to the vulnerable with a variety of donation activities overseas. In detail, we provided goods for the marginalized children in foreign countries while donating items to Vietnam in partnership with the Red Cross Society. In China, we made donations with Shanghai Charity Foundation. Going forward, we continue to give local communities a hand with sharing in nations where we operate including Thailand and Indonesia.

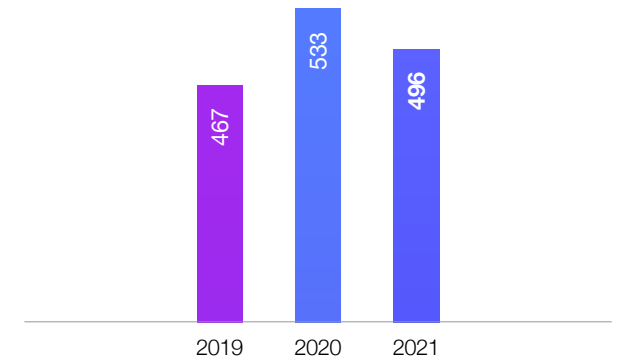
Support for Ukraine War Refugees

We provided humanitarian assistance for war refugees in Ukraine. In 2022, we delivered approximately 95,000 daily necessities and hygiene items (KRW 450 million worth of items), such as blankets or towels, to the refugees through the Polish Red Cross. We joined our hands to humanitarian assistance for overseas countries under dire circumstances. In line with our management philosophy that puts people first, we will provide assistance in a persistent manner.

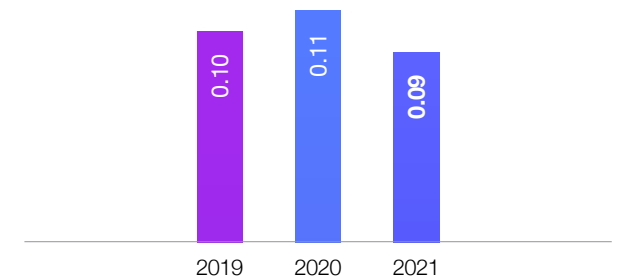


▲ Daily necessities and hygiene items provided for Ukraine war refugees

Investments in Social Contribution (Unit: KRW million)



Ratio of Donations to Sales (Unit: %)





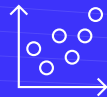
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Governance



82

Ethical
Management



84

Materiality
Assessment



86

Communication
with Stakeholders

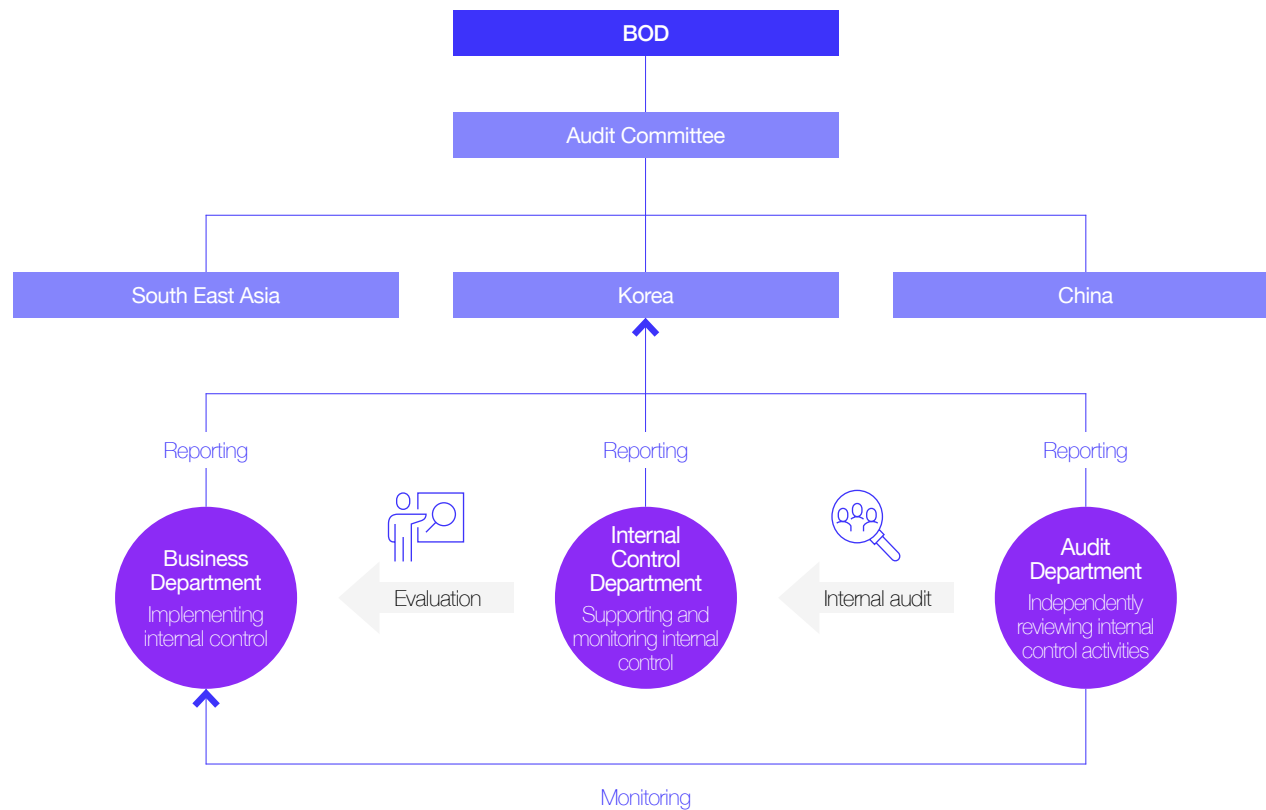


**LocknLock
Trusted by
Stakeholders**

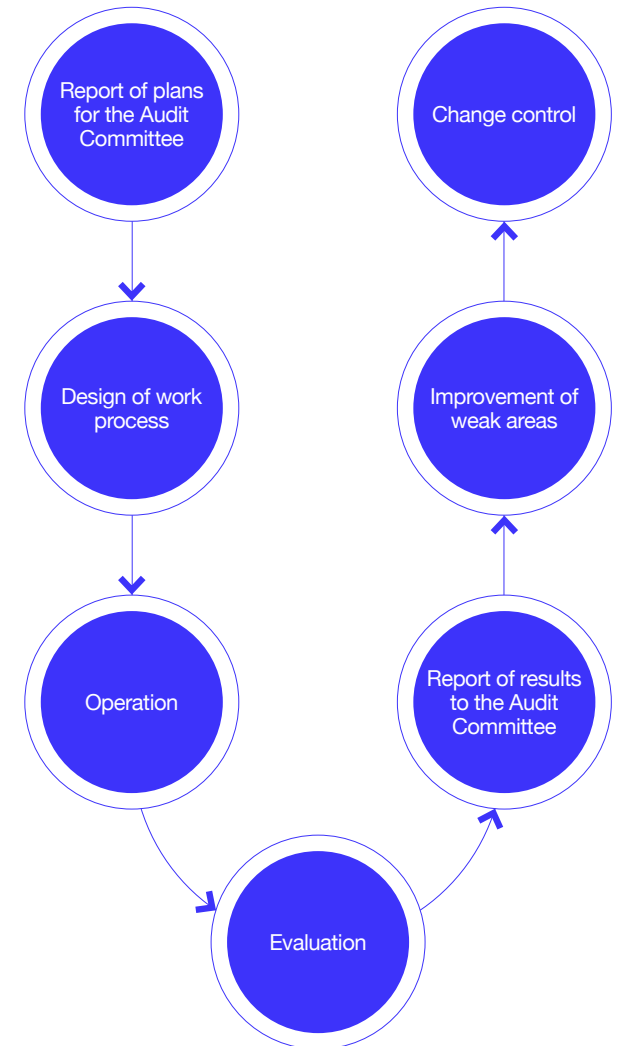
Governance

Internal Control System

LocknLock has established and operated a global internal control system led by the Audit Committee with an objective to establish a sound internal control culture and practice ethical management. In Korea, we operate an internal accounting management system for the financial sector, while overseas subsidiaries plan to introduce them in 2023, aiming for a more advanced operating system.



Internal Control Procedure

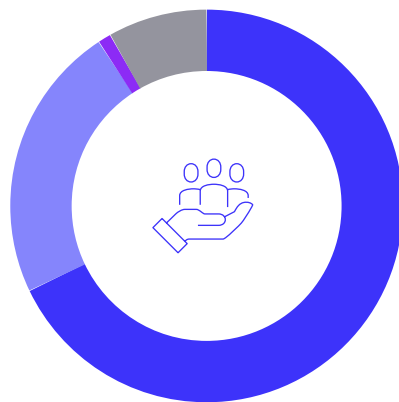


Shareholders' Rights

Shareholder Status

A total of 67.82% LocknLock's shares are owned by Consumer Strength, 1.09% by affiliated persons, 22.66% by minority shareholders, and 8.43% by others.

Composition of Shareholders (As of Dec. 31, 2021)



- **67.82%** Consumer Strength
- **22.66%** Minority shareholders
- **1.09%** Affiliated persons
- **8.43%** Others

Protection of Shareholders' Rights and Interests

LocknLock has adopted an e-voting system to enhance the convenience of shareholders in exercising their voting rights. In the convening of a general meeting of shareholders, we announce that voting rights can be exercised electronically in accordance with Article 368, paragraph 4 of the 「Commercial Act」 (Exercise of voting rights by electronic method). Shareholders who own voting stock on the last day of each settlement period can exercise their voting rights from 10 days before the meeting to the day before the meeting through the e-voting system provided by the Korea Securities Depository instead of visiting the place.

Communication with Shareholders

Details of General Shareholders' Meeting

Category	15 th meeting	16 th meeting	17 th meeting
Announcement date	Mar. 10, 2020	Mar. 16, 2021	Mar. 16, 2022
Date of general shareholders' meeting	Mar. 27, 2020	Mar. 31, 2021	Mar. 31, 2022
Period between the announcement date	17 days (2 weeks before the shareholders' meeting)	15 days	15 days
Notification method for the matters related to the general shareholders' meeting	Electronic disclosure through the Financial Supervisory Service and the Exchange and sending convocation notices		

Efforts to Expand the Engagement of Shareholders

Category	15 th meeting	16 th meeting	17 th meeting
Distributing general shareholders' meeting	-	-	-
Written vote	-	-	-
Electronic voting	☑	☑	☑
Recommendation of proxy solicitation	☑	☑	☑

IR Status



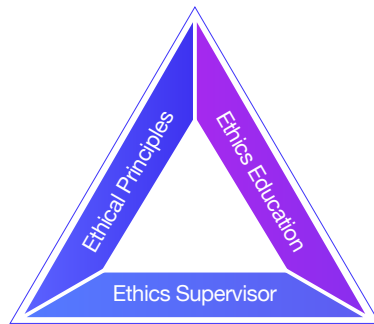
Target: Domestic and foreign institutional investors, general investors, and the media
Format: Report on quarterly performance / disclosure on website
Main agendas: Quarterly performance
Date: April 26, August 3, November 15 in 2021
 February 16 in 2022



Target: Domestic institutional investors
Format: Conference call
Main agendas: Business status and outlook, treasury stock purchase, and dividend policy
Date: September 10, September 13, October 15, November 23, November 30, December 13, December 22 in 2021
 February 23 in 2022

Ethical Management

Ethical Management System



Ethical Principles

LocknLock has established ethical principles that serve as standards for correct behavior and value judgment that all employees and stakeholders must follow. We have selected five themes; customers and shareholders, compliance and social responsibility, co-prosperity with partner companies, basic ethics for employees, and compliance with ethical standards. We are committed to creating values for various stakeholders and playing a pivotal role in social and economic development.

Ethical principles are periodically modified in accordance with domestic and international law revisions to reflect the ever-changing circumstances. The internal reporting procedure, the main updated area in 2021, defines the internal reporting acts and stipulates personal protection measures such as guaranteeing the informant's anonymity. In 2021, a total of one ethical report was received.

Supervising Ethics

We annually conduct ethical audits through the internal accounting management and reporting systems. The Audit

Committee, comprised entirely of outside directors, plays a role as an ethical management supervisory body, reviewing the results of the operation of the internal accounting management system and internal reporting system.

Cyber Reporting Center

We operate the Cyber Reporting Center where any employees, affiliates, and external stakeholders can anonymously report violations of the Ethical Principles, unfair business practices, unethical behaviors, and unfair trade practices. The informant's identity and the report's content are kept strictly confidential, and we guarantee that the informant cannot be disadvantaged due to the reporting. When a report is received, we check the facts and, if necessary, take severe disciplinary action. In the case of speculations regarding unfair or inappropriate acts, we swiftly examine and find out the truth and share the results of handling the report with the informant. On top of that, we will protect the accused from discriminatory treatment by not disclosing the content of the report until the charges are confirmed.

Ethics-related Reports

No. of ethics-related reports (Unit: case)

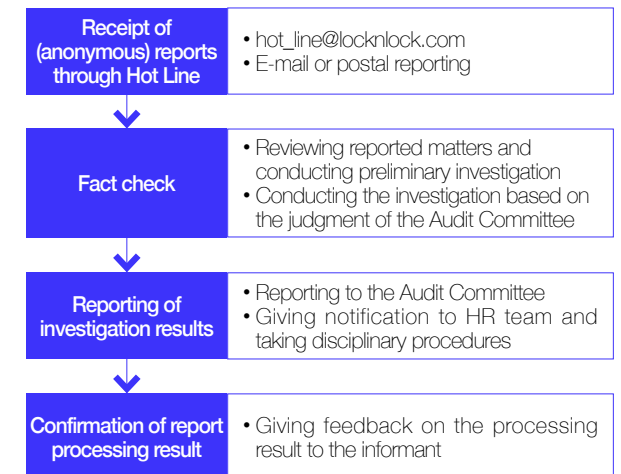


* Hot Line for ethics-related reports have been operated since 2021

Report Types in Cyber Report Center



Operation Process of Internal Reporting System



Internalization of Ethical Culture

Pledge to Practice the Ethical Principles

LocknLock received the pledge to practice the ethical principles and the pledge to practice integrity from all employees, new employees, as well as internal and external stakeholders, including partner companies, aiming to raise the ethical awareness of them. This is a mandatory requirement by the 'Act on External Audit of Stock Companies' and the internal accounting management system. Accordingly, the entire regular employees at all Korean business sites submit the pledge to practice the ethical principles through an electric document every year.

Ethics Education

LocknLock provides online ethical management education every year for all our employees, including non-regular workers, for the sake of strengthening compliance management. In 2021, the educational curriculum encouraged employees to raise their ethical awareness by making employees present various ethical dilemmas that could be encountered in daily work. In addition to ethics education, we provide training on personal data protection, raising awareness of the disabled in the workplace, and prevention of sexual harassment as legally required training, supporting all employees to raise ethical awareness through regular training. In 2021, 100% of our employees completed the ethics education.

Education on Internal Accounting Management System

In order to ensure transparency and consistency in accounting, we provide training on the internal accounting management system as a compulsory course to be taken once a year for all employees and auditors of our Korean subsidiaries. This education aims to secure reliable financial management and appropriate internal control in accordance with regulations and procedures. In 2021, 100% of our employees completed the internal accounting management system education.

Performance of Ethics Education (as of 2021)

Type	Educational Program	Main Theme	Target	Participation Rate
Online	Ethical Management 3.0: Searching for Sincere Ethical Management	<ul style="list-style-type: none"> Choice, responsibility to customers Preparation for the future, sincere ethical management 	All employees (including non-regular workers)	100%
	Internal Accounting Management Training	The concept, definition, and operation of the internal accounting management system		100%

100% of Employees pledged to practice the ethical principles (in 2021)



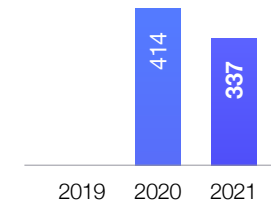
100% of Partner companies pledged to practice integrity (in 2021)



Ethics Education

No. of employees completing ethics training

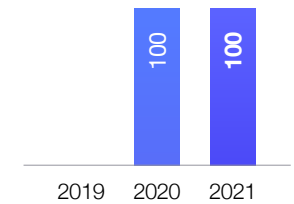
(Unit: person)



* Ethical education has been provided since 2020

Participation rate of ethics training

(Unit: %)



* All employees excluding the staff on site, sales personnel, and dispatched employees

Violation of Social Laws

No. of antitrust and anti-competition violations

(Unit: case)



Fines and settlements caused by antitrust and anti-competition

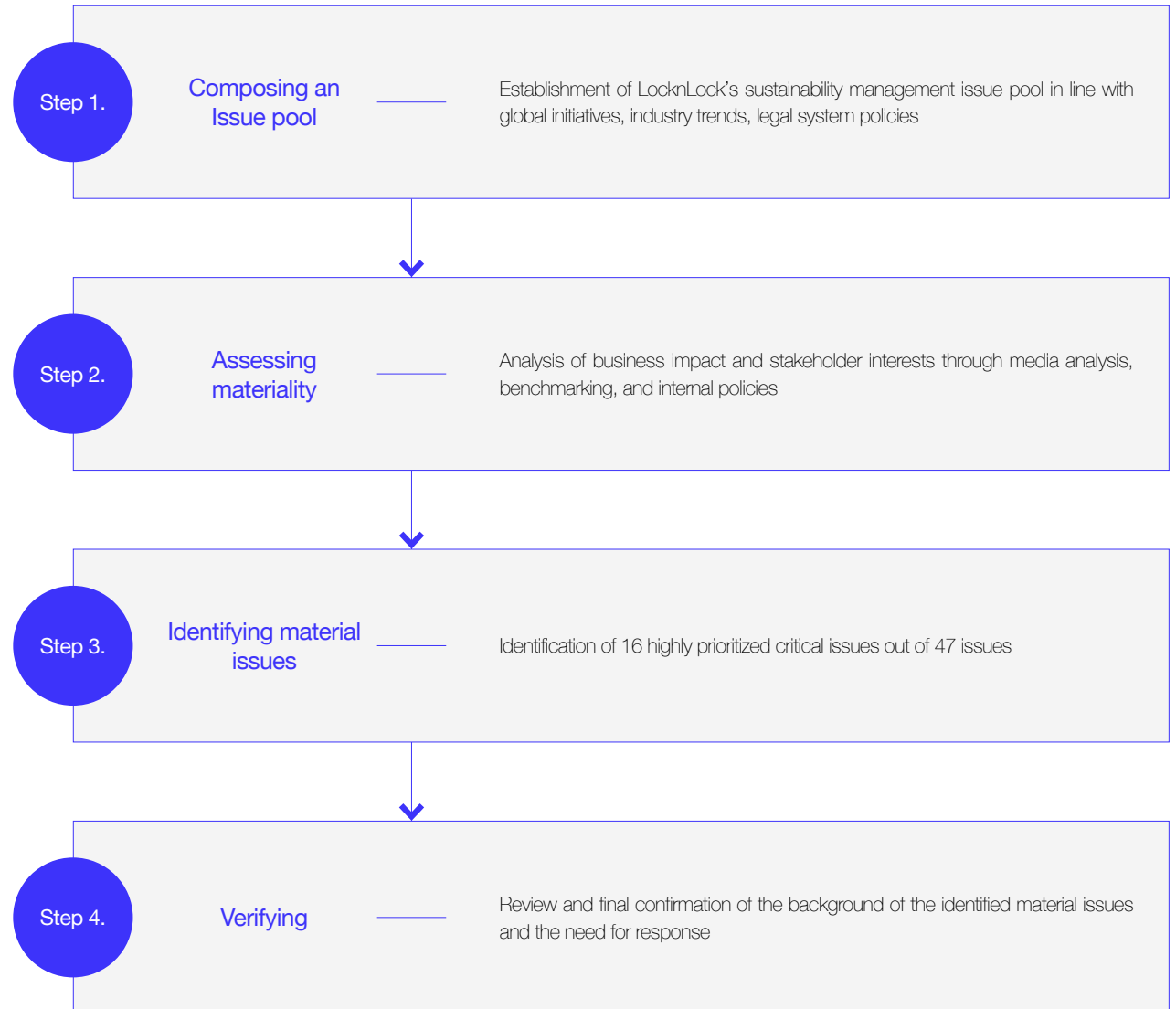
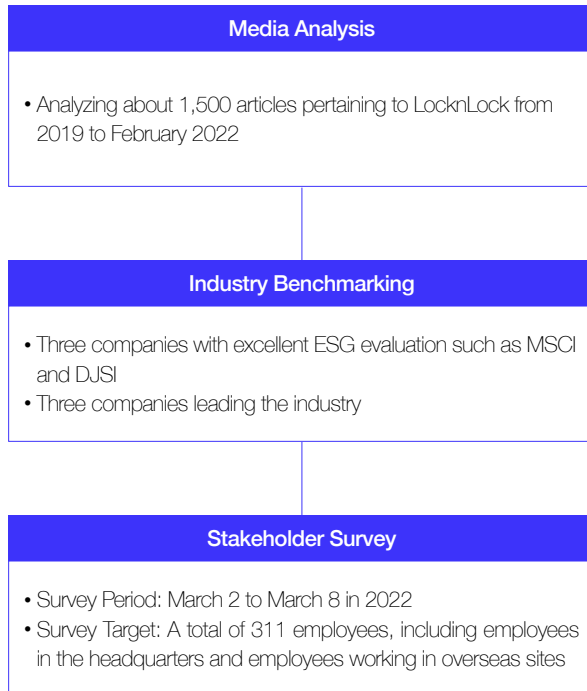
(Unit: KRW)



Materiality Assessment

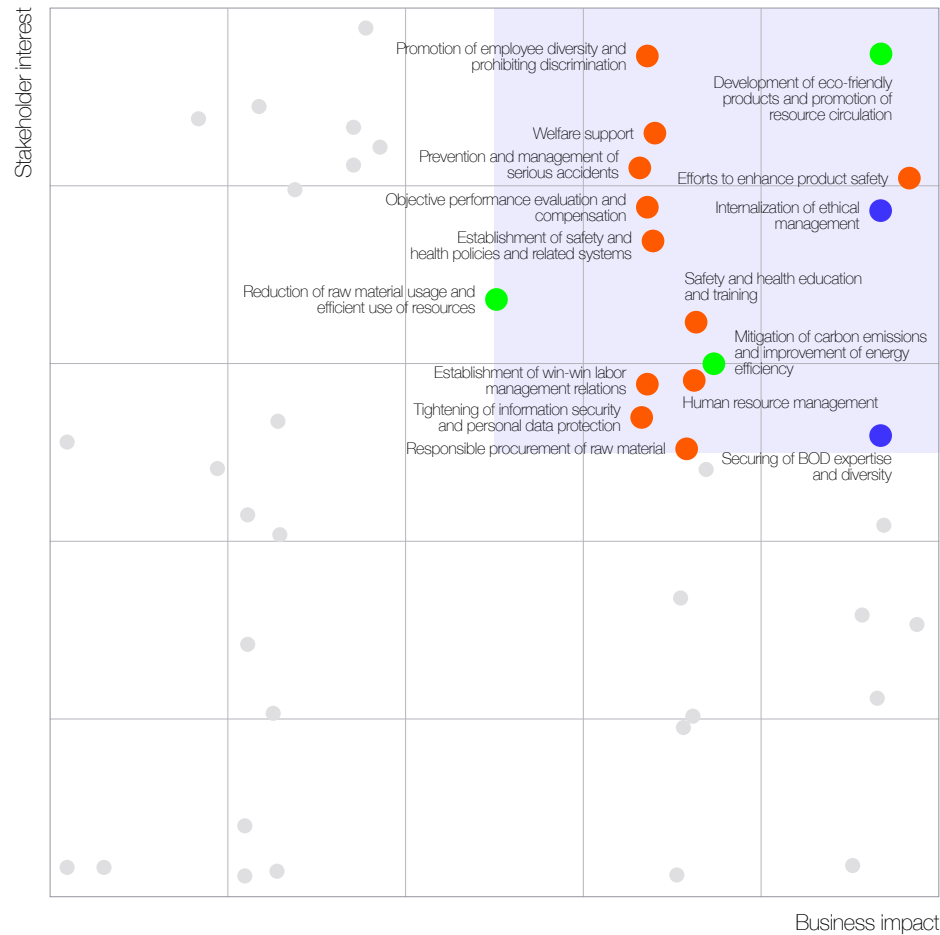
LocknLock conducted a materiality assessment to focus on and report the salient issues by analyzing the business impact and stakeholder interests among various sustainability management issues. 16 material issues were selected in 2022. We will manage these topics identified as our material issues.

Methodology for Materiality Assessment



Materiality Map

● Environment ● Social ● Governance



Material Issues

	Material Issues	Report Page	GRI Topic
LocknLock Keeping the Environment at Our Heart	● Development of eco-friendly products and promotion of resource circulation	p.54 - 59	301-1~3
	● Mitigation of carbon emissions and improvement of energy efficiency		302-1, 3
	● Reduction of raw material usage and efficient use of resources		305-2, 4
LocknLock Satisfying Customers	● Efforts to enhance product safety	p.48 - 53	416-2
	● Tightening of information security and personal data protection		418-1
LocknLock Putting Safety First	● Establishment of safety and health policies and related systems	p.60 - 63	403-1~7
	● Safety and health education and training		403-9
	● Prevention and management of serious accidents		
LocknLock Bringing Happiness to Our Employees	● Promotion of employee diversity and prohibiting discrimination	p.64 - 71	401-1~3
	● Human resource management		402-1
	● Welfare support		404-1, 3
	● Objective performance evaluation and compensation		405-1~2
LocknLock Growing Together with Society	● Responsible procurement of raw material	p.72 - 77	414-2
	● Securing of BOD expertise and diversity	p.80 - 83	102-16
LocknLock Trusted by Stakeholders	● Internalization of ethical management		

Communication with Stakeholders

LocknLock operates channels to communicate with various internal and external stakeholders. We make our strenuous efforts to reflect the stakeholders' opinions received through each channel in our business activities and sustainability management.

Major interest	Communication Activity (frequency)				
Sound governance, corporate value enhancement, and continuous corporate risk management	<ul style="list-style-type: none"> • Business report and public disclosure (once a year) • General shareholders' meetings (once a month, if necessary) • IR meetings 		<ul style="list-style-type: none"> • Labor-Management Council (4 times a year) • 'How to Work Smart and Well' (at all times) • LocknLock newsletter (1-2 times a month) • Grievance handling system (at all times) • Safety and Environment Day Event (once a year) 	Work-life balance, personal growth, ensuring of a safe workplace, fair treatment, free corporate culture	
Transparent disclosure of information, communication on ESG data and performance, sustainable development of new technologies	<ul style="list-style-type: none"> • Eco-friendly new materials and product development activities (at all times) • Carbon ZERO Council (at all times) • Sustainability management initiatives (at all times) 			<ul style="list-style-type: none"> • LocknLock website, blog and social media (at all times) • Customer consultation channel and callback service (at all times) • Receiving consumer complaints (at all times) • Mobile customer satisfaction survey (at all times) 	Facilitating communication with customers, safe product quality, product and service consultation and A/S service, consumer privacy, understanding consumer needs
Social contribution activities in and outside Korea, job creation for the underprivileged, eco-friendly regional development, corporate social responsibility, employees' volunteer activities	<ul style="list-style-type: none"> • Sustainability Report (once a year) • Local community campaigns and volunteering (at all times) • Social media and press releases (at all times) • Interactions with citizens and public interest groups (at all times) • Communication with the government and local governments (at all times) • Social contribution programs (at all times) 				<ul style="list-style-type: none"> • ESG self-diagnosis of suppliers (at all times)

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Membership Status

Economic Performance

Consolidated Financial Statements

Statement of Financial Position

(Unit: KRW million)

Category	2019	2020	2021
Current assets	409,500	413,964	542,041
Cash and cash equivalents	113,980	168,623	191,773
Deposits from financial institutions	45,269	16,465	25,203
Account receivable	72,689	72,409	76,901
Other receivables	9,153	6,068	13,884
Inventories	155,602	139,284	191,555
Other current assets	11,313	10,958	12,059
Current income tax assets	48	157	27
Assets held for sale	1,447	-	30,639
Non-current assets	390,434	369,221	287,683
Long-term deposits from financial institutions	150	1,554	227
Long-term other receivables	8,357	8,381	3,415
Long-term other financial assets	4,424	1,898	2,421
Tangible assets	268,518	245,302	197,702
Intangible assets	19,453	33,573	33,282
Investment in real estate	11,171	10,922	-
Right-of-use assets	68,750	61,236	42,972
Other non-current assets	2,138	1,694	1,340
Deferred tax asset	7,473	4,662	6,323
Total assets	799,934	783,185	829,725
Current liabilities	67,419	70,088	101,323
Account payables	25,423	25,776	29,556
Other liabilities	14,579	16,359	18,140
Other financial liabilities	2,100	2,067	7,194

Category	2019	2020	2021
Other current liabilities	9,456	10,711	33,119
Current lease liabilities	10,000	9,766	8,222
Income tax payable	4,486	3,838	3,694
Deferred revenue	441	461	477
Refund liabilities	-	-	290
Provisions for current liability	934	1,111	631
Non-current liabilities	48,506	47,769	34,450
Defined benefit liabilities	11,980	12,539	17,045
Long-term other financial liabilities	2,515	740	-
Lease liabilities	30,276	26,451	8,116
Deferred Revenue	1,189	1,189	1,189
Provisions for liabilities	470	756	1,121
Deferred tax liabilities	2,075	6,093	6,980
Total liabilities	115,925	117,857	135,773
Controlling interests	683,861	665,162	693,793
Capital stock	27,500	27,500	27,500
Capital surplus	314,836	314,838	314,838
Capital adjustments	-314	-743	-15,549
Accumulated other comprehensive income	-44,515	-51,447	-2,073
Retained earnings (deficit)	386,353	375,014	369,077
Non-controlling interests	148	166	159
Total Equity	684,009	665,328	693,951
Total Liabilities and Equity	799,934	783,185	829,725



Consolidated Statement of Comprehensive Income

Income Statement

(Unit: KRW million)

Category	2019	2020	2021
Sales	485,993	501,985	543,038
Cost of goods sold	272,634	278,323	310,423
Gross profit	213,358	223,662	232,615
Selling and administrative expenses	189,587	195,049	199,455
Restoration of impairment losses on receivables	-545	-314	641
Operating income	24,316	28,928	32,519
Financial income	3,501	3,715	3,904
Financial expenses	1,669	1,129	973
Other non-operating income	10,337	11,759	11,832
Other expenses and losses	8,070	12,397	24,107
Restoration of impairment losses on other receivables	-	-19	-28
Gain on disposal of subsidiaries	-	-	1,140
Income before income taxes (loss)	28,415	30,856	24,287
Income tax expenses	12,038	19,100	8,131
Net income (loss)	16,377	11,756	16,156

Credit Rating

Credit Evaluation

Category	2019	2020	2021
NICE Information Service	BBB	BB+	BB+

Economic Value Distribution (Domestic)

(Unit: KRW million)

Category	2019	2020	2021
Employee	30,426	30,792	31,730
Government	1,823	3,677	-2,109
Supplier	69,172	59,861	68,567
Local community & NGO	467	533	496
Shareholder	-	-	-

Tax Payment

Corporate Taxes (paid in 2021)

(Unit: KRW million)

Region	Sales	Operating Income	Corporate Taxes
Korea	243,540	-659	-2,109
China	226,545	14,907	5,332
Vietnam	163,363	7,799	1,917
Indonesia	16,008	2,783	689
Thailand	11,774	806	219
Germany	6,618	127	106
The US	1,805	-219	1
Lockerroom	10,187	-18	15
India	0	-17	-1
Others	-136,802	7,010	1,963
Total	543,038	32,519	8,131



Environmental Performance

Key Environmental Indicators

	Category	Unit	2019	2020	2021
Product sales	Sales	KRW million	485,993	501,985	543,038
Materials	Materials consumption	ton	13,370	10,689	11,804
	Amount of materials reused (PP)	ton	204	241	147
Energy (Scope2)	Total consumption	TJ	545	475	462
	Consumption per unit of sales	MJ/KRW million	1,122	947	851
GHG emissions (Scope2)	Total emissions	tCO ₂ eq	26,092	22,750	22,123
	Emissions per unit of sales	tCO ₂ eq/KRW million	0.05	0.05	0.04
Water	Total water consumption	m ³	327,797	348,199	342,274
	Consumption per unit of sales	m ³ /KRW million	0.67	0.69	0.63
	Korea		13,829	12,788	11,997
	China		43,400	35,990	39,908
	Vietnam	m ³	270,502	299,365	290,361
	Indonesia		12	9	8
	Europe ¹⁾		54	47	-
Effluents	Total discharge	m ³	179,533	205,106	207,132
	Discharge per unit of sales	m ³ /KRW million	0.37	0.41	0.38
Waste	Total waste generation	ton	4,660	4,537	5,519
	Generation per unit of sales	kg/KRW million	9.59	9.04	10.16
	Waste recycling rate ²⁾	%	100	100	100
Plastic collected	Amount of airtight containers collected	kg	-	477	550
Water pollutant ³⁾	Discharged BOD concentration		377	424	315
	Discharged COD concentration	ppm	720	808	863
	Discharged SS concentration		243	674	466
Harmful chemical substance	Amount of mold detergent and rust inhibitor used	L	1,907	1,504	1,748
Environmental management certification	Business sites certified to ISO 14001	case	2	2	3
Eco-friendly product sales performance (Eco container)	Sales	KRW million	927	1,032	1,142
	Products sold	case	620,510	720,883	857,443
Non-compliance with environmental laws and regulations and incurred fines	Non-compliance with environmental laws and regulations	case	1	0	1
	Fines incurred by non-compliance with environmental laws and regulations	KRW	800,000	0	1,850,000

1) The water consumption of Europe (German entity) in 2021 will be calculated in November 2022

2) Based on the mandatory recycling ratio stipulated in the 'voluntary agreement of plastic waste collection-recycling system'

3) Autonomous management. The figure of 2019 was measured from the second quarter

Social Performance

Key Social Indicators

Employee Status

Domestic Employee Status

	Category	Unit	2019	2020	2021
Total no. of employees		Person	589	591	534
Gender	Male (%)	Person	270(45.8)	275(46.5)	254(47.6)
	Female (%)	(%)	319(54.2)	316(53.5)	280(52.4)
Contract Type	Regular employee (%)	Person	528(89.6)	542(91.7)	508(95.1)
	Contract and dispatched employee (%)	(%)	61(10.4)	49(8.3)	26(4.9)
Age	<30 years (%)		52(8.8)	54(9.1)	58(10.9)
	30~49 years (%)	Person	438(74.4)	443(75.0)	374(70.0)
	50+ years (%)	(%)	99(16.8)	94(15.9)	102(19.1)
Diversity	The disabled (%)		2(0.3)	2(0.3)	2(0.4)
	Youth interns (%)	Person	0(0)	0(0)	2(0.4)
	High School graduates (%)	(%)	85(14.4)	125(21.2)	88(16.5)
	Foreigners (%)		0(0)	0(0)	0(0)

* Overseas Employee Status

	Category	Unit	2019	2020	2021
Total no. of employees		Person	3,543	3,175	2,875
Details	Dispatched		98	95	87
	Locally hired	Person	3,445	3,080	2,788



Recruitment and Retention

• New Recruitment

Category		Unit	2019	2020	2021
No. of new hires		Person	184	97	100
Gender	Male		70	37	42
	Female		114	60	58
Age	<30 years		22	23	33
	30~49 years	Person	120	66	62
	50+ years		42	8	5
Region	Seoul		143	73	89
	Asan		14	6	1
	Anseong		27	18	10

• Voluntary Turnover

Category		Unit	2019	2020	2021
No. of voluntary leavers		Person	103	92	87
Gender	Male		33	31	42
	Female		70	61	45
Age	<30 years		11	11	18
	30~49 years	Person	69	66	64
	50+ years		23	15	5
Region	Seoul		84	81	80
	Asan		4	6	1
	Anseong		15	5	6

• Retention

Category		Unit	2019	2020	2021
Average length of service of male employees (in managing, R&D, and sales positions)			4.70	5.37	5.90
Average length of service of male employees (production worker)			4.33	4.75	5.56
Average length of service of female employees (in managing, R&D, and sales positions)		Year	8.55	9.20	9.39
Average length of service of female employees (production worker)			6.78	7.91	8.51

Parental Leave

Category		Unit	2019	2020	2021
No. of employees using parental leave	Male	Person	0	4	4
	Female	Person	5	11	11
	Total	Person	5	15	15
Rate of employees returning to work after parental leave		%	100	100	100
No. of employees working more than 12 months after return	Male	Person	0	3	4
	Female	Person	4	10	11
	Total	Person	4	13	15
Rate of employees working more than 12 months after return		%	80	87	100

Fringe Benefit

Category		Unit	2019	2020	2021
Total annual benefit expenses		KRW million	3,475	3,722	4,210
Annual benefit expenses per capita on average		KRW	5,899,516	6,298,106	7,883,961

Employee Education

Category		Unit	2019	2020	2021
Total no. of trainees		Person	2,141	3,019	1,718
Average hours of training per year per employee		Hour	11.46	11.07	13.38
Educational expenses per capita		KRW	214,620	207,966	269,060

Labor Practice

• Labor Union¹⁾

Category	Unit	2019	2020	2021
Union membership rate	%	-	-	60
No. of Labor-Management Councils convened	Case	4	4	4

1) LocknLock's labor union was established in 2021

• Employee Communication²⁾

Category	Unit	2019	2020	2021
No. of employees' grievances	Case	-	4	6
No. of grievances handled	Case	-	4	6

2) Grievance handling system (Help Desk) has been operated since 2020

• Fair Remuneration³⁾

Category	Unit	2019	2020	2021
Ratio of remuneration of women to men	%	82	86	86

3) Pay gap generated due to job duties

Occupational Safety and Health

• Industrial Accident⁴⁾

Category	Unit	2019	2020	2021
Employee	Case	0	0	1
Accident rate	%	0	0	0.21
Contractor and supplier	Case	0	0	0

4) Zero fatalities in 2019 to 2021, contractor and suppliers included

• Improvement in Risk Factors

Category	Unit	2019	2020	2021
No. of risk factors of business sites	Case	68	222	177
Rate of risk factor improvement	%	69	96	99

• Education on Occupational Safety and Health

Category	Unit	2019	2020	2021
No. of educational programs provided on industrial safety and health	Case	3	2	7
No. of employees receiving occupational safety and health education	Person	60	89	383

Supplier

Category	Unit	2019	2020	2021
Total no. of suppliers	Number	1,515	1,539	1,560
No. of core suppliers		181	201	221

Social Contribution

Category	Unit	2019	2020	2021
Investments in social contribution	KRW million	467	533	496
Ratio of donations to sales ⁵⁾	%	0.10	0.11	0.09

5) In accordance with 'Political Funds Act', we do not donate for political purpose

Quality Management

Category	Unit	2019	2020	2021
Rate of business sites certified to ISO 9001	%	-	-	33
No. of products recalled	Case	0	0	1

R&D

Category	Unit	2019	2020	2021
Investments in R&D	KRW million	3,041	3,677	3,746
Ratio of R&D costs to sales	%	0.63	0.73	0.69
Intellectual property rights	Case	1,509	1,574	1,762
Patent	Case	24	4	5
Design	Case	604	626	733
Trademark	Case	881	944	1,024

Data Security

Category	Unit	2019	2020	2021
No. of employees trained on data security (common training)	Person	416	430	418
No. of employees trained on data security (training for managers)	Person	13	15	12
No. of employees trained on data security (suppliers' employee)	Person	7	8	8
No. of data security-related violations	Case	0	0	0
No. of customer data privacy-related violations	Case	0	0	0
Total fines and penalties incurred by data security-related breaches	KRW	0	0	0



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	403-2	Hazard identification, risk assessment, and incident investigation	63	
	403-3	Occupational health services	69	
	403-4	Worker participation, consultation, and communication on occupational health and safety	62	
	403-5	Worker training on occupational health and safety	62	
	403-6	Promotion of worker health	69	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	68	
Training and education	403-9	Work-related injuries	63, 92	
	404-1	Average hours of training per year per employee	68, 91	
	404-3	Percentage of employees receiving regular performance and career development reviews	67	
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	42, 65, 90	
	405-2	Ratio of basic salary and remuneration of women to men	65, 92	
Human rights management	412-2	Employee training on human rights policies or procedures	65	
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	74-77	
Supplier social assessment	414-2	Negative social impacts in the supply chain and actions taken	36-39	
Public policy	415-1	Political contributions	92	
Customer health and safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	No violation
	417-1	Requirements for product and service information and lab	35	
Marketing and labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	-	No violation
	417-3	Incidents of non-compliance concerning marketing communications	-	No violation
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	53	No violation
Socioeconomic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	-	No violation

UN Sustainable Development Goals

The UN Sustainable Development Goals (UN SDGs) are to be achieved by the international community by 2030 to resolve global poverty issues and realize sustainable development. We will ensure that our corporate strategies and activities align with the Sustainable Development Goals aiming to contribute to future-oriented development. In promoting them, we will also protect the environment and consider social and economic growth.

UN SDGs	LocknLock's Main Activities
 <p>Goal 3. Ensuring healthy lives for all and promoting well-being</p>	<ul style="list-style-type: none"> • Setting the management process of chemical substance • Non-use of EU REACH Substances of Very High Concern (SVHC) • Disclosure of the key materials of main products on official website • Securing safe workplace
 <p>Goal 5. Achieving gender equality and empowering women and girls</p>	<ul style="list-style-type: none"> • Securing diversity in governance by appointing the female non-executive director • Fair recruitment and ensuring diversity in employees
 <p>Goal 7. Ensuring sustainable energy for all</p>	<ul style="list-style-type: none"> • Increasing the proportion of renewable energy to 30% by 2031 • Introducing the office energy efficiency system by 2022
 <p>Goal 8. Pursuing constant, inclusive and sustainable economic growth together with productive full employment and decent jobs</p>	<ul style="list-style-type: none"> • Securing Fair recruitment and employee benefits • Enacting code of conduct for business partners in accordance with international human rights standards such as ILO and RBA • Prohibition of all forms of child labor in the supply chain by managing ESG management of partner companies
 <p>Goal 12. Establishing sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> • Research on eco-friendly products and packaging materials • Promoting resource circulation through plastic upcycling
 <p>Goal 13. Implementing urgent action to confront climate change and its impacts</p>	<ul style="list-style-type: none"> • Declaration of carbon neutrality by 2050 • Establishment of strategies on GHG reduction in production sites centered on Korea, Vietnam and China
 <p>Goal 16. Promoting peaceful and inclusive societies for sustainable development and judicial system accessible for all and building effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> • Establishment of a sound governance structure where balance and checks are available • Efficient BOD operation • Ethics and human rights management

SASB Index

We take the framework of Sustainability Accounting Standards Board (SASB) to assess our economic, environmental, and social performance. The sustainability indicators that fall under the container and packaging sectors only belong to our airtight container business while the indicators for household & personal products are limited to kitchenware.

Household & Personal Products			
Topic	Disclosure	Code	Page
Water management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	CG-HP-140a.1	p. 90
	Description of water management risks and discussion of strategies and practices to mitigate those risks	CG-HP-140a.2	p. 58
Product environmental, health, and safety performance	Revenue from products that contain REACH substances of very high concern (SVHC)	CG-HP-250a.1	p. 34
	Revenue from products that contain substances on the California DTSC Candidate Chemicals List	CG-HP-250a.2	p. 34
	Discussion of process to identify and manage emerging materials and chemicals of concern	CG-HP-250a.3	p. 35
	Revenue from products designed with green chemistry principles	CG-HP-250a.4	p. 55
Packaging Lifecycle Management	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	CG-HP-410a.1	p. 28 - 29
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	CG-HP-410a.2	
Environmental & Social Impacts of Palm Oil Supply Chain	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book & Claim	CG-HP-430a.1	N/A



Containers & Packaging			
Topic	Disclosure	Code	Page
Greenhouse gas emissions	Gross global Scope1 emissions, percentage covered under emissions-limiting regulations	RT-CP-110a.1	p. 90
	Discussion of long-term and short-term strategy or plan to manage Scope1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CP-110a.2	p. 22 - 27
Air quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM)	RT-CP-120a.1	Not disclosed
Energy management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	RT-CP-130a.1	p. 90
Water management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CP-140a.1	p. 90
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CP-140a.2	p. 58
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CP-140a.3	p. 90
Waste management	Amount of hazardous waste generated, percentage recycled	RT-CP-150a.1	p. 90
Product safety	Number of recalls issued, total units recalled	RT-CP-250a.1	p. 92
	Discussion of process to identify and manage emerging materials and chemicals of concern	RT-CP-250a.2	p. 35
Product lifecycle management	Percentage of raw materials from: (1) recycled content, (2) renewable resources, and (3) renewable and recycled content	RT-CP-410a.1	p. 58, 90
	Revenue from products that are reusable, recyclable, and/or compostable	RT-CP-410a.2	
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	RT-CP-410a.3	p. 28-29
Supply chain management	Total wood fiber procured, percentage from certified sources	RT-CP-430a.1	N/A
	Total aluminum purchased, percentage from certified sources	RT-CP-430a.2	N/A

Third-Party Assurance Statement

Dear Management and Stakeholders of LocknLock

Introduction

The Korean Standards Association (“KSA”) was commissioned by LocknLock (“LocknLock”) to perform a third-party Assurance Engagement of ‘2022 LocknLock SUSTAINABILITY REPORT’ (the “Report”). KSA presents independent opinions as follows as a result of feasibility of the data contained in this Report. LocknLock has sole responsibility for content and performance contained in this Report.

Independence

As an independent assurance agency, KSA does not have any kinds of commercial interest in businesses of LocknLock apart from undertaking a third-party assurance on the Report. We have no other contract with LocknLock that may undermine credibility and integrity as an independent assurance agency.

Assurance Standards and Level

This Assurance Engagement followed the AA1000AS v3 assurance standards to provide Moderate Level assurance. We checked the four principles of inclusivity, materiality, responsiveness and impact in combination with information credibility of the Report. We also reviewed whether the Report content was created in accordance with the GRI Standards.

Assurance Type and Scope

This Assurance Engagement followed the AA1000AS v3 assurance standards to provide Type 2 assurance, which means that the assurance assessed the accuracy and reliability of the company’s statements and performance data provided in the Report. The assurance scope is from January 1, 2021 to

December 31, 2021 and the assurance focused on systems and activities including policies and goals, businesses and programs, standards, and achievements of the Company’s sustainability management. While the company’s environmental and social data as well as financial data was verified, the scope of review concerning stakeholder engagement was limited to the materiality assessment process.

Assurance Methodology

We used the following methods to gather information, documents and evidence with respect to the assurance scope.

- Analyses of articles related to LocknLock’s sustainability management published by domestic media outlets
- Review of management system and process used in improving the performance of sustainability management and preparing the Report
- Review of the consistency between the financial performance data and the company’s audit report/publicly announced data
- Examination of internal documents and basic materials

Assurance Results and Opinions [On an assurance principle/process level]

KSA reviewed the draft version of this Report to present our opinions as an assurance provider. Modifications were made of the Report content if deemed necessary. We were not aware of any significant errors or inappropriate descriptions in this Report as a result of our Assurance Engagement. As such, we present our opinions of the 2022 LocknLock SUSTAINABILITY REPORT as follows.

- Inclusivity** Has LocknLock engaged its stakeholders in strategically responding to sustainability?
KSA believe LocknLock is aware of the importance of stakeholder participation and is making an all-out effort to establish a process

Materiality	that will increase their participation. LocknLock has selected stakeholders including government and related employees, customers, partner companies, local communities, academia and professionals, shareholders and investors to receive diverse feedbacks and opinions.
	Has LocknLock included material information in the Report to help stakeholders make informed decisions?
	We are not aware of any significant omissions or exclusions of data that is material to stakeholders. We verified that LocknLock conducted materiality assessment with issues identified from analyses of internal and external environments and reported according to the result.
Responsiveness	Has LocknLock appropriately responded to stakeholder requirements and interest in this Report?
	We verified that LocknLock responded stakeholders’ needs and interests through reflecting stakeholders’ opinions in the Report. We are not aware of any evidence that LocknLock’s response to significant issues of stakeholders was reported inappropriately.
Impact	Has LocknLock appropriately monitored its impact on the stakeholders?
	We verified that LocknLock is monitoring and assessing its impact on the stakeholders by conducting an enhanced verification of its standard business activities. Furthermore, it has been verified that LocknLock appropriately publishes its findings in the Report.

GRI Standards Disclosure

We confirmed that this Report was prepared in accordance with GRI Standards Core Option. Based on data LocknLock provided, we also confirmed a validity of the contents related to General Standard Disclosure and Specific Standard Disclosure.

Universal Standards

We have verified that the Report complied(s) with the requirements of the Universal Standards of Core Option, and (have) reviewed the following disclosures:

102-1 ~ 102-13(Organizational profile), 102-14(Strategy), 102-16 ~ 102-17(Ethics and integrity), 102-18, 102-22, 102-23, 102-24(Governance), 102-40 ~ 102-44(Stakeholder engagement), 102-45 ~ 102-56 (Reporting practice), 103(Management Approach)

Topic-specific Standards

We have checked the material topics identified from a materiality test process in which content to be disclosed. We examined disclosures below:

201-1, 203-1, 205-2, 205-3, 206-1, 301-1, 301-2, 302-1, 302-3, 303-4, 303-5, 305-2, 305-4, 306-2, 306-3, 308-2, 401-1, 401-3, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 404-1, 404-3, 405-1, 414-2, 416-2, 417-2, 417-3, 418-1

- We conducted the assurance of the indicators to determine LocknLock's compliance with the GRI standards based on the company's headquarters and local plants.

Opinions and Recommendations [Performance/Issues]

We present the following recommendations to help LocknLock establish a company-wide sustainability management strategy and respond to continuous issues of sustainability.

Economy

LocknLock is communicating with stakeholders at home and abroad and building trust by disclosing its business activities and ESG commitments in detail through this report. The company is undertaking a wide range of activities with ESG in mind throughout the entire product lifecycle, from product

development to upcycling, supporting stakeholders in various aspects from all walks of life, including local communities, shareholders, and the government. This report reflects the economic impact of such activities, providing stakeholders with information on a broader range of economic values than the general financial information disclosed to stakeholders and consequently helping stakeholders better understand the company's ESG commitments. We hope that LocknLock quantitatively reports the company's economic achievements through responsible management and transparent accounting, in accordance with the global guidelines.

Environment

LocknLock acknowledged the impact of business activities on the environment, society, and the economy, and published a sustainability report in line with global environmental trends. The company combined all environmental indicators and disclosed them as part of its corporate social responsibility. It also disclosed the indicators identified as material issues in accordance with the global guidelines in this report despite the fact that this is the first sustainability report published by the company. LocknLock's management of the indicators as such is praiseworthy, as it may lead to the reduction of environmental pollution and increase of social values. We recommend that LocknLock manage its sustainable supply chain and the indicators related to the environmental impacts of its products; and that it sets goals for each issue; and sets up a performance management system.

Society

LocknLock published its first sustainability report in 2022 to report on its economic, environmental, and social performance and the robustness of its governance; and to introduce its three strategies for ESG integration, namely: "measures to put climate change into action," "responsible

and safe business activities," and "a robust governance" — laying the foundation for ESG in business. In an effort to actively respond to ESG issues in the supply chain that are taken seriously these days, LocknLock set up an ESG management process for its subcontractors and distributed the ethical principles of LocknLock and the code of conduct for subcontractors, conducting an evaluation of subcontractors' ESG commitments, which is quite remarkable. It is also noteworthy that the company organized a relevant body in accordance with the tightened regulations on occupational safety, including the Serious Accidents Punishment Act; and expanded the occupational safety and health policy to include its subcontractors as well. We suggest that LocknLock take the safety and health business activity to the next level by building a world-class business management system — and obtain the occupational safety and health management system certification (ISO 45001) for each plant including the headquarters.

June 2022

Myung Soo Kang
 KSA Chairman & CEO



The Korean Standards Association (KSA), established as a special corporation in accordance with the Law for Industrial Standardization in 1962, serves as a knowledge service provider that distributes and disseminates such services as industrial standardization, quality management, sustainability management, KS certification and ISO certification. The KSA is committed to the sustainable development of Korean society as an ISO 26000 national secretary, certified GRI training partner, AA1000 assurance provider, KSI (Korea Sustainability Index) operator, and UN CDM DOE (development operational entity), and as an assurance provider of the Korean government's greenhouse gas energy target management system.

Awards History

Awards	Host Institution	Date of Award
2019 Korea Brand Power Index (K-BPI) (No.1)	Korea Management Association Consulting	Mar. 2019
2019 China Brand Power Index (C-BPI) Golden Brand Award	Chnbrand	Apr. 2019
2020 German Design Award (winner & special mention)	German Design Council	Aug. 2019
2019 Top 100 / Top 10 Reliable Brand for Vietnamese Consumers	Consumption Advisory Magazine	Nov. 2019
2019 World Class Product of Korea	Ministry of Trade, Industry and Energy	Dec. 2019
2020 iF Design Awards	iF International Forum GmbH	Feb. 2020
2020 German Red Dot Design Award (winner)	German Red Dot Design	Mar. 2020
2020 Korea Brand Power Index (K-BPI) (No.1)	Korea Management Association Consulting	Mar. 2020
2020 China Brand Power Index (C-BPI) Golden Brand Award	Chnbrand	Apr. 2020
2020 International Design Excellence Awards (winner)	Industrial Designers Society of America	Jun. 2020
2020 Korean Standard Well-Being & Environment Index (KS-WEI) (No.1 in the kitchen airtight container area)	Korean Standards Association	Jul. 2020
2021 German Design Award (Winner)	German Design Council	Aug. 2020
2020 World Class Product of Korea	Ministry of Trade, Industry and Energy, Korea Trade-Investment Promotion Agency	Dec. 2020
2020 Top 100 / Top 10 Reliable Brand for Vietnamese Consumers	Consumption Advisory Magazine	Dec. 2020
Progressive Housewares Award 2020	Progressive Housewares	Dec. 2020
2021 Korea Brand Power Index (K-BPI) (No.1)	Korea Management Association Consulting	Mar. 2021
2021 German Red Dot Design Award (winner)	German Red Dot Design	Mar. 2021
2021 iF Design Awards	iF International Forum GmbH	Apr. 2021
2021 Korean Standard Well-Being & Environment Index (KS-WEI) (No.1 in the kitchen airtight container area)	Korean Standards Association	Jun. 2021
2021 K-Design Award	DESIGNSORI CO.,LTD	Aug. 2021
2022 German Red Dot Design Award (winner & special mention)	German Design Council	Oct. 2021
2021 World Class Product of Korea	Ministry of Trade, Industry and Energy, Korea Trade-Investment Promotion Agency	Dec. 2021
2022 German Red Dot Design Award (winner)	German Red Dot Design	Mar. 2022
2022 Korea Brand Power Index (K-BPI) (No.1)	Korea Management Association Consulting	Mar. 2022
2022 iF Design Awards	iF International Forum GmbH	Apr. 2022
2022 Korean Standard Well-Being & Environment Index (KS-WEI)	Korean Standards Association	Jun. 2022

Membership Status

Korea Listed Companies Association
Korea Plastic Single Material Association
Korea Chamber of Commerce and Industry
Korea Fire Safety Institute
Korea Electric Engineers Association
Korea Mech. Cons. Contractors Association

LocknLock