

# ESG Report

**Environment**  
**Social**  
**Governance**

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## ESG Report | English Edition

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**Note:** *This brochure is based on the global 2023 ESG Report by our global Headquarters and has been visually revised and adapted for the European market.*

# Environmental Management

We operate a dedicated environmental management organization to analyze the environmental impact of our business activities, minimize environmental pollution, and improve our environmental performance. We also strive to build an environmental management system that is better than what it was the year prior, and rely on a number of methods to achieve this: the monitoring of our environmental management system, the management of our environmental performance and progress made regarding our goals, and regularly conducted environmental risk management (i.e. reflection of organizational performance in environmental management activities).

In addition, by complying with domestic and international environmental regulations and establishing our own environmental management system, which is even more stringent than the legal requirements, we are carrying out company-wide environmental management activities, managing energy consumption and complying with environmental laws and regulations that have been put in place due to serious consideration regarding the methods through which to ameliorate the impacts of climate change.

## GHG Emissions

Classification		Unit	2023	2022	2021
Greenhouse gas emissions	Total	tCO2-eq	11,770	10,303	10,237
	Scope.1		5	-	-
	Scope.2		11,765	10,303	10,237
Sales of Osstem Implant		KRW 100 mil.	7,774	7,310	5,681
GHG usage		tCO2-eq / KRW 100 mil.	1.51	1.41	1.80

## Waste Discharge

Item	Unit	2023	2022	2021
Waste acid	tons	151.9	138.9	124.1
Halogenated compounds		10.7	16.1	16.1
Organic solvents		2.1	11.9	5.8
Waste oil (liquid)		-	2.5	2.3
Waste oil (solid)		29.0	38.1	31.4
Waste toxic substances		4.6	4.6	3.9
Water-insoluble used cutting oil		18.9	13.9	13.7
Waste synthetic resin		45.2	19.1	15.8
<b>Total</b>			<b>262.4</b>	<b>245.0</b>

## Energy Usage

Classification		Unit	2023	2022	2021
Total energy usage	Total	TOE	5,456	4,970	4,895
	Scope.1		2	-	-
	Scope.2		5,454	4,970	4,895
Energy usage		TOE/KRW	0.70	0.68	0.86

## Renewable Energy

Item	Unit	2023	2022	2021
ESS charges	kWh	124,132	144,353	175,185
ESS discharges		112,031	130,699	159,067

## Water Usage and Reuse Rate

Classification	Unit	2023	2022	2021
Water usage	tons	103,334	93,606	116,798
Osstem Implant Sales	KRW 100 mil.	7,774	7,310	5,681
Water usage	ton/KRW 100 mil.	7.5	7.8	4.9
Amount of water reuse	tons	5,145	4,731	3,721
Rate of water reuse	%	5.0	5.1	3.2

## Society

We have established a management system according to strict standards to ensure that our executives and employees and those of our partner companies work in a healthy environment, as befitting to the continued growth rate of our company. We continuously provide training to all employees related to Osstem Implant inside and outside the company in order to identify risk factors through identifying key tasks every year, and to increase their understanding of the increasingly strict legal regulations and punishments for serious accidents.

In the future, in order to introduce an internationally recognized certification system related to health and safety and further achieve sustainable shared growth with its partners, we plan to take the lead in carrying out mutual cooperation activities, such as upgrading the existing health and safety management system and strengthening the capabilities of the personnel in charge.

## Talent Management

From the perspective of “cultivating Osstem talents who can grow together with the company,” we are doing our best to recruit and manage Osstem talents based on three core values: securing worldclass competitiveness, achieving sustainable growth, and fostering talents who can adapt to changes and innovations.

## Information Protection

With the growth of the company, at Osstem Implant we have established an information protection system and policy for the purpose of improving the efficiency and stability of information protection work. This includes an effective system for preventing, responding to, recovering from, and afterwards stably managing the kinds of security incidents that may occur on all information assets, including IT assets, infringements and leaks of stakeholder information by executives and employees and outsourced personnel who use such assets, and attempts to breach the security of company information using illegal and unauthorized programs originating from internal or external sources.

## Shared Growth (Supply Chain)

All of our business activities at Osstem Implant, including the manufacture of our products and the creation of our services, are closely linked to various supply chains. All the stakeholders involved in this process must be respected at all times and must never be subjected to inhumane treatment, whether mental or physical. The management of environmental and social impacts and risks that may occur throughout the entire process of creating our products and services, including the procurement of raw materials and subsidiary materials, transportation, manufacturing, and logistics, is an important factor not only for us at Osstem Implant but also for all the stakeholders, including our partner companies. We are making constant efforts to build a sustainable supply chain.

## Social Contribution

Under our company spirit of contributing to the improvement of human health by helping dentists provide better treatment, we are building a diverse network with domestic and foreign companies, organizations, and academia, and are striving to provide support for this purpose.

To put this into practice, we are doing our best to carry out non-profit activities with the goal of fulfilling our corporate social responsibilities and coexisting with our local communities through actions aimed for sustainable development, which encompasses social donations, support for education and academic events, and the pursuit of joint

development with the community.

## Employment Status

Classification		Unit	2023	2022	2021
Total no. of employees		persons	2,640	2,291	2,233
Average no. of years of service		years	4.8	4.4	4.1
Gender	Male	%	78.2	79.9	81.0
	Female		21.8	20.1	19.0
Type of employment	Full-time		95.5	95.2	94.3
	Fixed-term		4.5	4.8	5.7
Disabled employees			1.06	1.53	1.25

## Diversity

Classification	Unit	2023	2022	2021
Total no. and percentage of female members	persons (%)	575 (21.8)	461 (20.1)	424 (19.0)
No. and percentage of female executives		2 (3.0)	2 (4.2)	2 (4.3)
No. and percentage of female employees in management positions		26 (5.7)	26 (5.8)	22 (5.4)

## New Employment

Classification		Unit	2023	2022	2021
Total no. of new employees		persons	606	590	665
Gender	Male	%	84.0	76.8	80.3
	Female		16.0	23.2	19.7
Type of employment	Full-time		58.0	73.9	83.6
	Fixed-term		15.0	26.1	16.4

## Turnover and Retirement

Classification		Unit	2023	2022	2021
No. of employees changing jobs/retiring		persons (%)	333 (12.6)	354 (15.5)	274 (12.3)
Reason	Voluntary	%	94.0	94.6	94.5
	Involuntary		6.0	5.4	5.5
Gender	Male		82.9	80.8	83.8
	Female		17.1	19.2	16.2

## Maternity Leave and Parental Leave

Classification		Unit	2023	2022	2021
Maternity leave	User	persons	20	18	22
Parental leave user	Male		8	12	13
	Female		19	17	29
	No. of employees returning to work		25	28	32

## Remuneration

Classification		Unit	2023	2022	2021
Average salary per employee	Total	KRW 1 mil.	60	57	51
	Male		64	60	54
	Female		47	44	39
Executives Average Remuneration of executives	Registered		222	145	233
	Unregistered		130	121	116

## Safety Accident Status

Classification		Unit	2023	2022	2021
Executives and employees	Work-related accidents	cases	6	4	-
	Frequency rate	cases/million working hours	0.95	0.73	-
	Accident rate	%	0.23	0.17	-
	Serious accidents	cases	-	-	-

## Social Contribution

Classification		Unit	2023	2022	2021
Donation	Total	KRW 1 mil.	1,359	1,107	318
	Domestic		1,106	1,000	297
	Overseas		254	108	21

# Governance

Osstem Implant resolved and approved the stock merger and voluntary delisting at an extraordinary general meeting of shareholders on June 28, 2023. Additionally, it was delisted from the KOSDAQ market on August 14 of the same year.

As of December 31, 2023, the total number of issued shares stood at 1,557,648 (common stock). According to the Articles of Incorporation, the total number of shares that can be issued is 50,000,000 shares, and the par value per share is KRW 5,000. Osstem Implant corporate information is disclosed on the company's website and the Financial Supervisory Service's electronic disclosure website.

The basic information of Dentistry Investment Corporation, the largest shareholder of Osstem Implant, is as follows.

## Board- Management

We are doing our best to establish an advanced governance structure that creates checks and balances between the board of directors, our highest decision-making body, and management, and to enhance shareholder value. The appointment of directors is decided at the general shareholders' meeting after candidates have been recommended by the board of directors. Since the largest shareholder was changed to a private equity fund in March 2023, private equity fund personnel have participated in the board of directors as other non-executive directors and are directly involved in management, thereby overcoming the limitations of inherent asymmetry in management information.

As of the end of 2023, we have a total of seven directors, the percentage of external directors is approximately 29% (2 people), and CEO Haesung KIM is the current chairman of the board of directors. The directors' term of office is 1 to 3 years, but they can be re-appointed at a general shareholders' meeting. However, according to the Commercial Act, the term of office of an external director may not exceed six years.

## Ethical Management

To achieve the level of ethics we have designated as our goal, in December 2022, we have established the Ethics Charter, which stipulates the company's philosophy, values, and business direction for stakeholders.

The Ethics Charter applies to the company (including subsidiaries) and all our executives and employees, and we encourage all our stakeholders to understand this charter and put it into practice.

## Operational Status of the BOD

Classification		Unit	2023	2022	2021
No. of meetings	Total	sessions	10	21	14
Attendance rate	All	%	97	100	98
	Internal directors		100	100	100
	Other nonexecutive directors		86	-	-
	External directors		100	100	100
Approval rate	-		100	95	98
Composition of internal directors	All	persons	1	3	3
	Female		-	-	-
Composition of other nonexecutive directors	All		4	-	-
	Female		-	-	-
Composition of external directors	All		2	4	2
	Female		-	-	-
Percentage of external directors	-	%	29	57	40
Percentage of female directors	-		-	-	-

## Operational Status of Committees within the BOD

Classification		Unit	2023	2022	2021
Audit Committee	No. of meetings	sessions		4	4
	Percentage of external directors	%		67	100
	Attendance rate			100	100
Ethical management Operation of the Committee	No. of meetings	sessions		2	2
	Percentage of external directors	%		33	67
	Attendance rate			100	100
Investment Review Committee	No. of meetings	sessions		-	-
	Percentage of external directors	%		33	-
	Attendance rate			-	-

## Director's Remuneration

Classification		Unit	2023	2022	2021
Registered director	Total no. of directors	persons	3	3	3
	Total remuneration	KRW 1 mil.	1786	815	1325
	Average remuneration		595	272	442
External directors/auditors	Total no. of directors/auditors	persons	6	4	3
	Total remuneration	KRW 1 mil.	213	201	76
	Average remuneration		36	50	25

*Includes directors and auditors who have retired in the current period.*