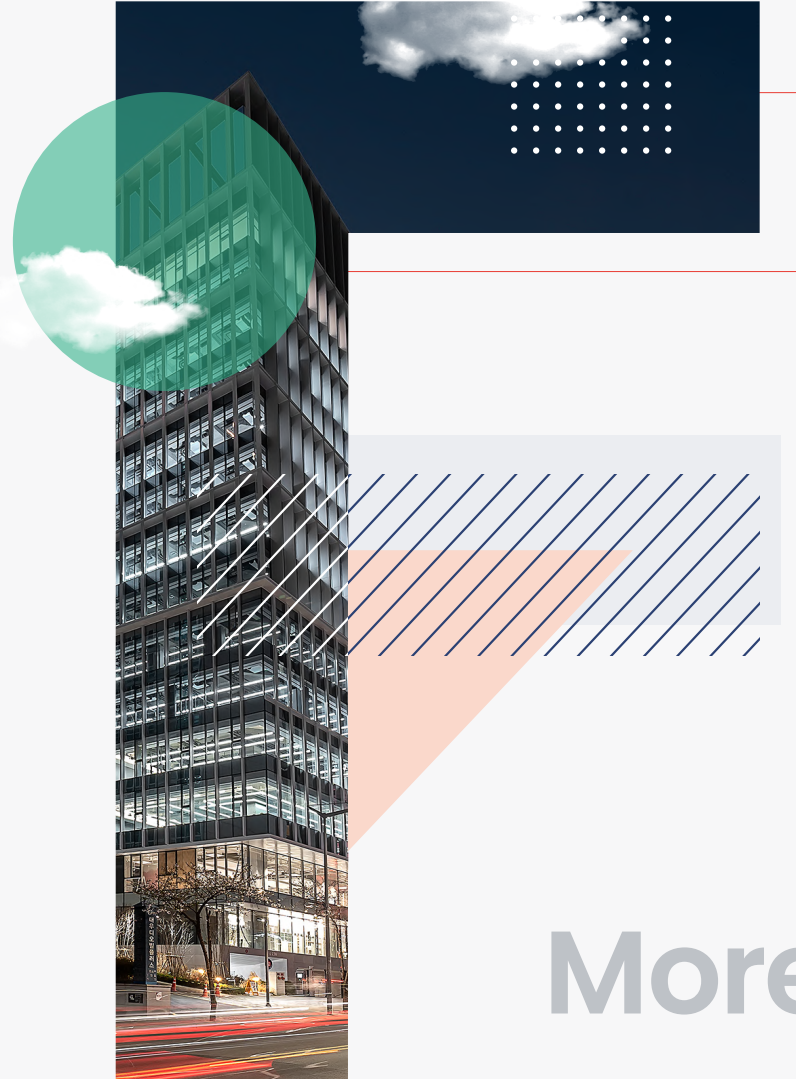


More **Attractive,**

F&F Sustainability Report
2025



More **Active in Life.**

Fashion & Forward

About this report

Overview

F&F Group practices sustainable management for sustainable value creation and growth and has been releasing annual sustainability reports since 2022 to transparently share the achievements with various stakeholders, including shareholders, customers, and employees. We will continue with our responsible management practices through consecutive communication with our stakeholders. The 2025 Sustainability Report was published on June 30, 2025.

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. Also, the report adheres to the Sustainability Accounting Standards Board (SASB) standards and UN SDGs (Sustainable Development Goals) for the disclosure of activities related to the main issues of the industry. The financial performance was reported based on the consolidated financial statements of 'F&F Holdings' and 'F&F', which comply with the Korean International Financial Reporting Standards (K-IFRS).

Reporting Period

This report covers sustainability management activities and financial performance from January 1, 2024, through December 31, 2024. For data requiring trend reporting, the report provides three years of data from 2022 to 2024, and includes some key information up to the first half of 2025.

Report Assurance

The financial and non-financial data in this report have been verified by a third-party organization to ensure the reliability and objectivity of the information, with verification results included on page 101.

Reporting Scope

This report covers the environmental, social, and economic performance of the domestic and international business sites of F&F Holdings Co., Ltd., F&F Co., Ltd., and their subsidiaries. However, it excludes certain indicators where data collection was limited. On May 1, 2021, F&F was spun into two entities: a newly created company called F&F and the surviving company, F&F Holdings. Consequently, there may be variations in some data, as collection started in May 2021. Changes in data have been marked separately.

Contact for Inquiry

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F&F Holdings Communications Team
Inquiries ymryu@fnfcorp.com,
sheep0203@fnfcorp.com
Website F&F Holdings (www.fnfholdings.com),
F&F (www.fnf.co.kr)



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CEO Message

Dear esteemed stakeholders,

F&F Group is a global fashion & culture company adding charm and positive energy to people's daily lives through business encompassing fashion and lifestyle, under the vision of a 'global leader that breathes passion and joy into life'. Like our mission, “More Attractive, More Active in Life”, it is our goal to deliver positive energy across all aspects of people's lifestyles. Based on this, our global business practices provide joy to the everyday lives of people and inspire not only fashion but the entire culture.

Since the establishment of F&F in 1992, we have achieved consistent growth by discovering and succeeding in innovative businesses. Despite challenges posed by global economic downturns, in 2024, we successfully achieved revenues of KRW 1,896 billion and an operating profit of KRW 450.7 billion. While MLB is sustaining steady growth in Asian markets, including China, DISCOVERY EXPEDITION has also started its overseas expansion, expanding to the global market.

MLB has positioned itself as an attention-drawing brand throughout the Asian market, expanding its stores up to 1,500 in markets including Korea and Mainland China, and is striving to leap by pursuing both brand value and customer experience through qualitative growth. DISCOVERY EXPEDITION has also officially expanded to the global market. Starting with the first store opening in China at the end of 2024, DISCOVERY EXPEDITION is accelerating its global presence.

With 30 years of experience and our extensive human and material resources, F&F Group is committed to fulfilling its duties and responsibilities as a contributing member of civil society. We have been outlining and implementing ESG management through our ESG committee, established in June 2022, and have also joined the United Nations Global Compact (UNGC), committing to uphold its Ten Principles of global sustainability and the United Nations Sustainable Development Goals (UN SDGs). Also, the diversified and consecutive efforts towards promoting responsible ESG management have resulted in outstanding performance in the S&P Global ESG evaluation, leading F&F to be included in the Dow Jones Sustainability Index Korea (DJSI Korea).

F&F Group is committed to engaging with various stakeholders to ensure that our sustainable management initiatives result in tangible actions, going beyond mere declarations.

We kindly ask for your continued interest and support as we work towards a sustainable future. Thank you.



F&F Holdings Board Chairman and
F&F CEO Chang-Soo Kim



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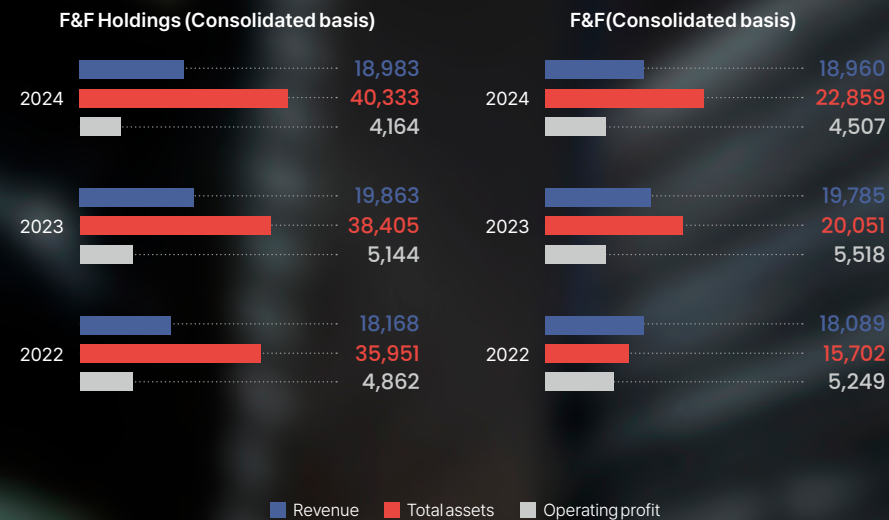
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2024-2025 Business Highlights

Business Performance

Business Performance Over the Last 3 Years

(Unit: KRW 100 million)

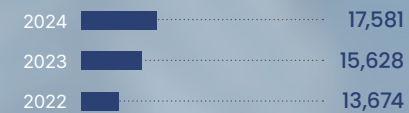


Dividend Performance

Total Dividend

(Unit: KRW 1 million)

F&F Holdings (Consolidated basis)



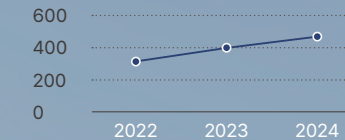
F&F(Consolidated basis)



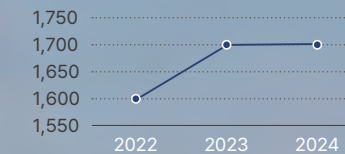
Dividend per Share

(Unit: KRW)

F&F Holdings (Consolidated basis)



F&F(Consolidated basis)

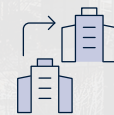


**F&F Chairman
Kim Chang soo,
wins EY Entrepreneur
Of The Year**



**F&F, Starting of the new
era in 'Teheran-ro'**

- Relocation of Headquarters to Gangnam (2025.04)



**DISCOVERY EXPEDITION's
official expansion into the
global market**



**F&F Recognized for
contributions to the
national economy**

- F&F, Awarded the 'Best employer in Korea'
- F&F, Received the 'Top Taxpayer Award'



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Group at a Glance

F&F Group is a global fashion leader driving innovation through digital transformation (DT). Since its inception in the fashion industry in 1992, F&F Group has been creating a new fashion culture through an innovative business model. By incorporating next-generation technologies through continuous adoption of the new trend-leading technologies and spirit of challenge, F&F will continue its journey of sustainable growth as a lifestyle-leader in the digital era, changing the world and creating new value in everyday life.

(As of 31st of December 2024)

Company name	F&F Holdings Co., Ltd.	F&F Co., Ltd.
CEO	Eui-Hun Park	Chang-Soo Kim
Business area	Holding company	Apparel and accessories manufacturing
Date of establishment	February 24, 1972	May 3, 2021
Date of listing	October 4, 1984 (KOSPI)	May 21, 2021 (KOSPI)
Revenue	KRW 1,898.3 billion	KRW 1,896 billion
No. of employees	Executives: 9 persons / employees: 8 persons	Executives: 25 persons / employees: 679 persons
HQ Location	8, Teheran-ro 8-gil, Gangnam-gu, Seoul, Republic of Korea	8, Teheran-ro 8-gil, Gangnam-gu, Seoul, Republic of Korea
Website	www.fnfhholdings.com	www.fnf.co.kr



Mission-Vision

F&F Group intends to grow as a 'global leader that adds passion and joy into life'. Based on respect for diverse cultures and values, F&F is establishing the new standards in the global market by K-fashion and K-culture driven businesses, blending both Eastern and Western sensibilities. F&F strives to offer not only the products, but meaningful experiences and touching moments to the everyday lives of our customers. Guided by such a mission, F&F Group is pursuing sustainable value based on creative design and excellent quality, maintaining the distinct identity of our brands. Furthermore, we are establishing our identity as a corporation that spreads joy through diverse business areas and helps people to live more beautiful and attractive lives.



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History



1990s

Global Brand Launch in Korea

1992.7	Introduced women's clothing brands such as BENETTON, SISLEY
1996.2	Launched RENOMA SPORTS, ELLE SPORTS brands
1997.6	Launched MLB brand

2000s

Diversification of Brand Portfolio

2000.2	Launched ABOUT, KUHO brands
2002.2	Launched ELLE GOLF brand Opened the COLLECTED in Jukjeon
2002.7	Changed the company name to F&F
2008.4	Relocated to F&F Yeoksam Tower





2010s

Strategic Focus

2010.2	Launched MLB KIDS line
2012.3	Launched DISCOVERY EXPEDITION brand
2014.3	Completed construction of the Icheon Logistics Center
2014.8	Launched DISCOVERY EXPEDITION KIDS line
2018.10	Acquired an Italian premium brand, DUVETICA
2019.5	Started overseas business operations
2019.9	Established DT (Digital Transformation) Headquarters





2020s

Digital & Global

2020.12	Established F&F Partners
2021.5	Spun off into: <ul style="list-style-type: none">• Holding company: F&F Holdings• Fashion company: F&F
2021.7	Participated as a strategic investor in a PEF to acquire the global golf brand, TaylorMade
2022.1	Launched SUPRA brand
2022.7	Acquired the global tennis brand SERGIO TACCHINI
2022.11	Established F&F Entertainment
2023.4	Relaunched the premium lifestyle sports brand, SERGIO TACCHINI
2024.3	Received the Top Taxpayer Award
2024.11	Overseas expansion of DISCOVERY EXPEDITION
2025.04	Relocated to Teheran-ro, Gangnam-Gu



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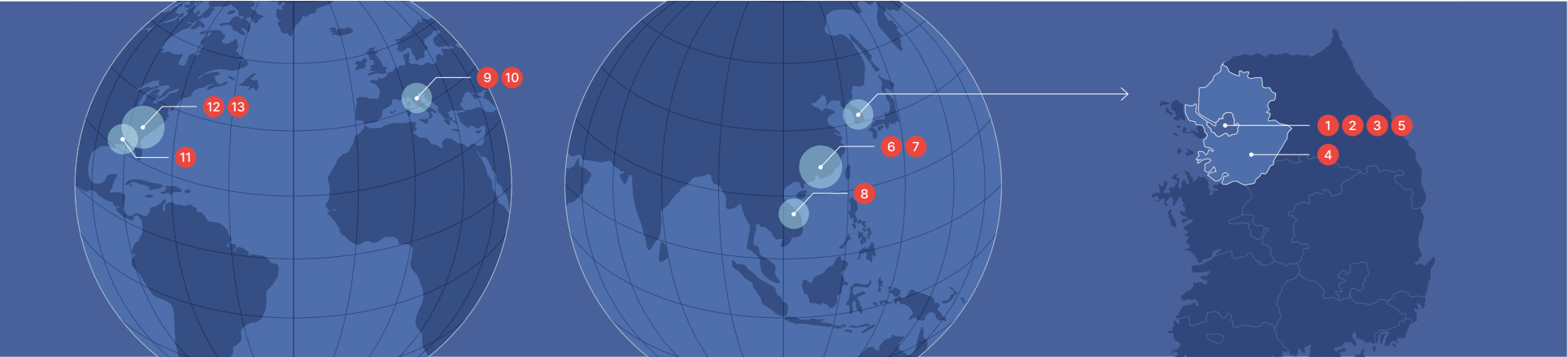
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Overview of Subsidiaries and Global Network

The F&F Group encompasses a range of entities within the fashion and content sectors, with F&F Holdings serving as the parent company and F&F operating as the main subsidiary. F&F Holdings steers the group's strategic direction for future growth and manages diverse investment activities across the fashion and content industries. The holding company oversees a portfolio of both national and international entities, including F&F, F&F Logistics, F&F Partners, and DUVETICA INTERNATIONAL S.R.L. F&F holds a leading position in global fashion markets, driven by top brands such as MLB and DISCOVERY EXPEDITION. In addition to its international subsidiaries—F&F CHINA, F&F HONGKONG, F&F VIETNAM, and SERGIO TACCHINI OPERATIONS, INC—the group extends its reach into entertainment sectors through entities like F&F Entertainment.



Key Overseas Subsidiaries

Company name	Location	Business area	Equity status
6. F&F CHINA	Shanghai, China	Apparel wholesale and retail	F&F 100%
7. F&F HONGKONG	Hong Kong, China	Sales of goods and products	F&F 100%
8. F&F VIETNAM	Ho Chi Minh, Vietnam	Apparel wholesale, import and export	F&F 100%
9. DUVETICA INTERNATIONAL S.R.L	Milan, Italy	Apparel wholesale, import and export	F&F Holdings 94.6%
10. DUVETICA S.R.L	Venice, Italy	Licensing	F&F Holdings 94.6%
11. F&F BRANDS GROUP INC	Delaware, USA	Licensing	F&F Holdings 100%
12. SERGIO TACCHINI IP HOLDINGS, INC	New York, USA	Licensing	F&F 100%
13. SERGIO TACCHINI OPERATIONS, INC	New York, USA	Licensing, apparel wholesale and retail, import and export	F&F 100%

Key Domestic Subsidiaries

Company name	Location	Business area	Equity status
1. F&F Holdings	Gangnam, Seoul	Holding company	-
2. F&F	Gangnam, Seoul	Apparel and accessories manufacturing	F&F Holdings 34.6%
3. F&F Partners	Gangnam, Seoul	Investment	F&F Holdings 100%
4. F&F Logistics	Icheon, Gyeonggi	Logistics outsourcing	F&F Holdings 100%
5. F&F Entertainment	Gangnam, Seoul	Entertainment management, record production, etc	F&F 100%



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Visit the brand website

Harmonizing Trend with Classic
Global NO.1 PREMIUM FASHION BRAND

MLB stands as a premium lifestyle fashion brand, embodying the 150-year heritage of Major League Baseball and the American sports lifestyle. Reborn as a Korean fashion brand, MLB modernizes the Eastern messages into the Western sports spirit and reinterprets them into fashion, driving global customer lifestyles and leading trends. MLB leads the fashion scene across Asia by connecting with global consumers—particularly in mainland China, Hong Kong, Taiwan, and Singapore—through sophisticated and detailed digital marketing. Furthermore, by expanding into markets such as India and the Middle East, MLB is emerging beyond Asia to become the Global No.1 Megabrand leading the globalization of K-fashion.







Visit the brand website

For Free-Spirited and Independent Kids
LIFESTYLE KIDS FASHION BRAND

MLB KIDS is a premium fashion brand for children who embrace a free spirited and independent lifestyle, drawing on MLB's 150-year heritage. Partnering with its official supporters, Superfankids, MLB KIDS presents unique and stylish kids lifestyle fashion every season. Together with MLB, MLB KIDS is leading the kids fashion scene and market trend by connecting with customers all around the world, emerging as the Global No.1 kids fashion brand.



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Visit the brand website

For discoverers finding joy of the world through curiosity
PREMIUM LIFESTYLE OUTDOOR BRAND

DISCOVERY EXPEDITION is a global premium lifestyle outdoor brand that supports discoverers' everyday life and outdoor expeditions as an 'outdoor beyond outdoor'. Under the slogan 'Life is full of joy', DISCOVERY EXPEDITION supports the trend-leading discoverers to explore and enjoy the diverse joy of life by presenting products with innovative functionality, activity, and stylish design.



DUVETICA



Visit the brand website

For the stylish and trend savvy,
ITALIAN PREMIUM LIFESTYLE BRAND

DUVETICA is an Italian premium lifestyle brand established in 2004 and first launched in Korea in 2019. Based on the Italian 'La Bella Vita' philosophy, the elegant silhouette of women is reinterpreted in a modern way, presenting delicate and sophisticated styles. Through the harmonious blending of soft curves and delicate design features, DUVETICA captures intricate details and refined sensibilities. DUVETICA is evolving beyond conventional women's fashion to become an active lifestyle wear, promoting premium and trendy lifestyle fashion. Under the uncompromising quality standards, DUVETICA offers high-quality style using only premium materials. Through classic and elegant silhouettes transcending seasons, DUVETICA continues to define its unique brand identity.



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Sergio Tacchini



Visit the brand website

The new standard of classic wear,
adding trendy senses to heritage
PREMIUM CLASSIC LIFESTYLE BRAND

SERGIO TACCHINI was founded in 1966 by Italian tennis champion SERGIO TACCHINI, who named the brand after himself. With the authentic tennis wear know-how from over 60 years of heritage and tradition, SERGIO TACCHINI harmonizes the trendy sensibility with modern functionality, creating a refined and classic mood. In 2025, SERGIO TACCHINI proposes the new classic styles. Being a premium classic wear with everlasting values, SERGIO TACCHINI offers elegant lifestyle apparel that combines freedom of movement and sophisticated design stemming from the Italian heritage.





SUPRA

A lifestyle blending the street culture with
a touch of vintage sensibility
PREMIUM STREET LIFESTYLE BRAND



Visit the brand website

SUPRA is a street lifestyle brand established based on the skate culture of California. Through a combination of unique styles and trendy sensibility, SUPRA offers a new lifestyle that encompasses fashion, music, art, skateboarding, and the overall street culture. With trend-leading designs and bold color expressions, SUPRA promotes the lifestyle that customers can relate to.



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Our Businesses For Future

F&F is leading the globalization of K-fashion by establishing a new milestone in both domestic and global fashion markets, based on its innovative business model. F&F is securing its future growth momentum by expanding the business area into entertainment sectors to support the development of diverse content industries utilizing the investment subsidiaries, which positions F&F to become a leading corporation of K-culture.

F&F Entertainment

F&F Entertainment is a comprehensive entertainment company established by F&F, operating various artists and content businesses based on creative content planning capability and strong global expandability. F&F Entertainment has launched the girl group 'UNIS' through the global audition program 'Universe Ticket', partnering with SBS. Right after the grand debut, UNIS gained a global fandom in global music charts, expanding the K-POP influence by engaging with fans around the world, including Japan and the Philippines. In 2024, F&F Entertainment launched the boy group audition program 'Universe League', preparing the grand debut of the promising boy group 'AHOF'. F&F Entertainment is actively expanding the broadcasting and advertising business with its strong line-up of actors, including Kim Kap-soo, Kim Gyu-ri, and Lee Yoon-ki, and is also accelerating in music content production and IP business to support the global debut of its artists. F&F Entertainment is focusing on discovering new talent and producing distinctive content for the global market to align with the global influence and expansion of K-contents, and is striving to continue with the steady growth in both domestic and global culture content industries.



F&F Partners

F&F Partners is an investment company established by F&F, strategically investing in content and companies in sustainability fields that align with the global expandability and lifestyle trends. The company seeks development towards a sustainable future beyond financial revenue, through social value creation deriving from content and culture business, and investments in sustainable environment companies. F&F Partners is contributing to K-content expansion, cultural diversity promotion, and vitalization of the digital content ecosystem through investments in content companies, including BY4M studio, Bound Entertainment, Whynot media, Bamboo Network, and is eagerly promoting international culture exchange by establishing a JV with leading Japanese IP corporation and global OTT content production. On the other hand, F&F Partners is committed to reducing environmental impact and fulfilling social responsibility in various fields, including alternative protein, eco-friendly pharmaceuticals, and health supplements for pets by expanding its investments into companies promoting eco-sustainability and health, such as Innohas, IBR Commerce, and Orum Therapeutics. F&F Partners will continue its efforts to discover the companies that contribute positively to society and the environment, nurturing them with valuable long-term growth.



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ESG Highlights 2024

ESG Assessment


Korea Institute of Corporate Governance and Sustainability (KCGS) A, A Rating

- F&F Holdings Integrated A Rating
- F&F Integrated A Rating




Inclusion in DJSI KOREA, 2 years in a row

- Ranked in the top 3% of companies in the textile, apparel, and luxury goods industry
- F&F S&P Integrated Score 67 point
- Listed in S&P Global Sustainability Yearbook – Nominated as Industry Mover




SUSTINVEST Integrated B Rating

- F&F Integrated B Rating



Korea ESG Research Institute Integrated A Rating

- F&F Integrated A Rating



Environmental

Enhancing Greenhouse Gas Management

- Third-party greenhouse gas verification.
- Disclosure of Scope 3 emissions
- Eco-friendly design and investment of new HQ building

Expanding Resource Circulation Projects

- Produced and donated recycled furniture from inventory clothes (three consecutive years)
- Partnered with DISCOVERY EXPEDITION, Jeju Province Development Corporation, and Hyosung TNC to produce recycled T-shirts
- Installation of clothing collection bins

Promoting Eco-Friendly Packaging

- Introduced FSC-certified paper bags
- Expanded eco-friendly accessories

Acquiring Green Certifications

- Acquired ISO 14001 certification
- Acquired RCS certification
- Acquired RDS certification

Social

Enhancing ESG Assessment System Across the Supply Chain

- Establishment of supply chain sustainable management policy
- Execution of supply chain ESG assessment using digital system

Supporting Local and Global Social Contribution Activities

- Engaged in the 'Dreaming Girl' campaign
- Initiated the 'Good Friend' campaign
- Initiated the 'F&F WITH YOU' campaign
- Overseas donations to countries including Türkiye and Laos

Strengthening Safety and Health Measures

- Acquired ISO 45001 certification
- Conducted risk assessment and improvement activities

Strengthening Information Security

- Acquired ISMS certification
- Acquired ISO 27001 certification

Governance

Strengthening Board Independence and Transparency

- Operation of the Independent Director Candidate Recommendation Committee
- F&F, new establishment and operation of the Audit Committee

Promoting Board Diversity and Expertise

- Appointed two additional female directors at F&F (one executive director, one independent director)
- Board composition with expertise in various fields including Management, Finance and Investment

Enhancing ESG Governance

- Operation of systematic ESG committee
- Conducted group-wide ESG education

Improving Shareholder-Oriented Policies

- Dividends and treasury stock purchasing based on medium- to long-term shareholder return policies



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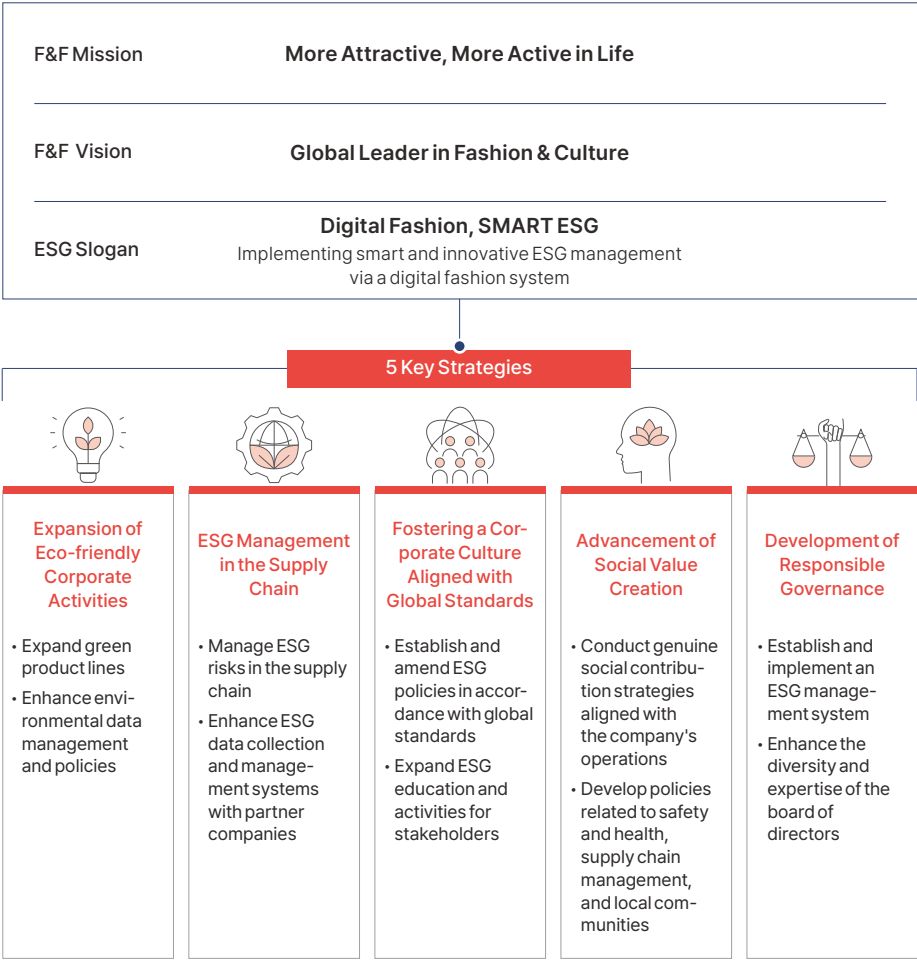
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ESG Framework

ESG Mission and Direction

F&F Group has embraced the ESG slogan 'Digital Fashion, SMART ESG' to implement smart and innovative ESG management practices. In order to enhance management effectiveness, we have developed 5 key strategies and 10 implementation tasks, systematically promoting sustainable management.



Expansion of Eco-friendly Corporate Activities

In pursuit of business sustainability, F&F Group aims to expand its eco-friendly business activities. We strive to establish a sustainable management system through environmental protection, enhancing energy efficiency, reducing carbon emissions, and utilizing renewable energy. F&F plans to further contribute to climate change response and environmental risk mitigation.

ESG Management in the Supply Chain

F&F Group recognizes potential ESG risks within the supply chain and is enhancing collaboration with its partners to actively address the risks. By introducing supply chain ESG management system, the group shares social and environmental responsibilities with its suppliers, fostering sustainable business relationships.

Establishment of a Global Standard Corporate Culture

F&F Group is systematizing its corporate culture to align with global standards. Through various policies, we aim to grow as a sustainable company by cultivating a healthy and responsible corporate culture, together with our stakeholders including customers and partners.

Advancement of Social Value Creation

F&F Group operates various activities to generate social value. We aspire to be recognized as a company that fulfills its social responsibilities by collaborating with local communities, supporting vulnerable social groups, ensuring employee safety and health, and providing educational opportunities. We will continue with our efforts on establishing a sustainable society where everyone can grow together.

Development of Responsible Governance

F&F Group endeavors to ensure transparent and effective decision-making and ethical corporate operations through establishing responsible governance. To achieve this, we have enhanced internal controls and audit systems to maintain the company's sound and reliable operation.



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ESG Governance

F&F Group has established a structured organizational framework to systematically and responsibly manage ESG initiatives.

ESG Committee

To enhance ESG-focused corporate governance, F&F Holdings and F&F have formed the ESG Committee within their respective board of directors. Each ESG Committee consists of one executive director and two independent directors, convening regular annual meetings and ad-hoc interim meetings as necessary. The ESG Committee deliberates and decides on critical matters related to ESG issues, including ESG policies and planning, the assessment of sustainable management performance, and the disclosure of ESG information. In 2024, two meetings in F&F holdings and three meetings in F&F were held to discuss and address various ESG issues such as climate change response, safety and health, human rights, and materiality issues.

ESG Committee Composition

Company	Name	Position
F&F Holdings	Eui-Hun Park	Executive Director (Chairperson)
	Sung-Deok Han	Independent Director
	Dong-Il Kim	Independent Director
F&F	Chang-Soo Kim	Executive Director (Chairperson)
	Joon-Keun Bae	Independent Director
	Young-Jin Lim	Independent Director

ESG Committee Operation Status

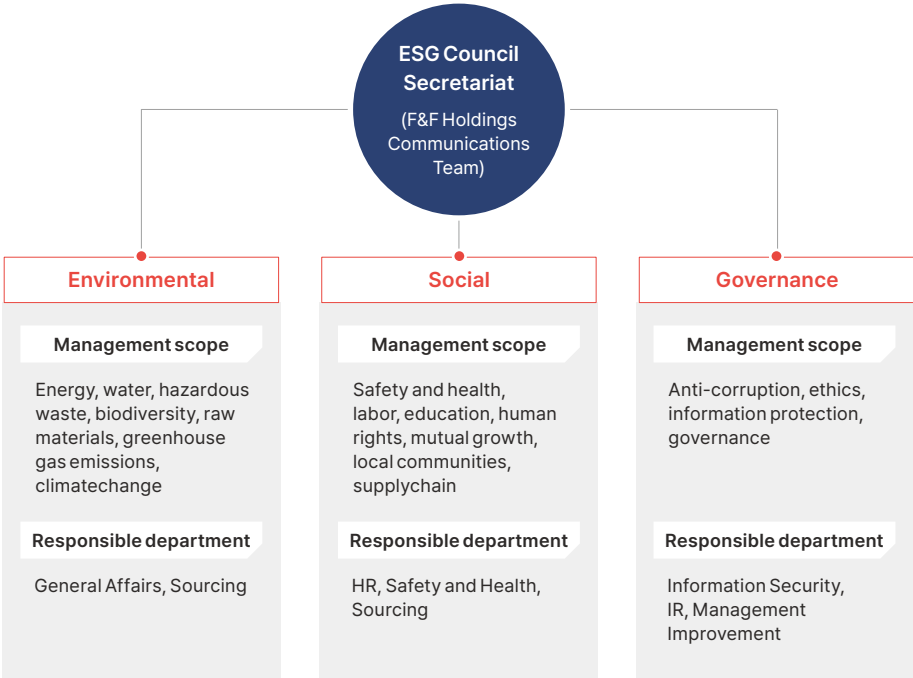
F&F Holdings		F&F	
Date of Meeting	Agenda	Date of Meeting	Agenda
2024.3.28	Reappointment of ESG Committee Chairperson	2024.3.28	F&F Group materiality assessment results
	2024 materiality assessment results		F&F Group ESG management activity plan
	2024 ESG management activity plan		Reappointment of ESG Committee Chairperson
2024.11.13	F&F Group 2024 ESG assessment results	2024.6.28	Amendment of ESG related policy
	Major ESG-related activities of F&F Group in 2024	2024.11.13	2024 ESG assessment results
	Establishment of supply chain sustainability management policy		Major ESG-related activities of F&F Group in 2024
	Amendment of ESG related policy		Establishment of supply chain sustainability management policy

ESG Council

In 2023, F&F Group established an ESG Council for effective implementation of ESG management strategies and initiatives. Led by executives, the ESG Council sets comprehensive corporate-level ESG strategic objectives and regularly reviews the progress and outcomes of ESG initiatives. The council enhances efficiency through regular meetings and communication with the ESG Working Council, performing the key role in the internalization of ESG management.

ESG Working Council

F&F Group has established an ESG Working Council to internalize ESG management. The ESG Working Council consists of specialists responsible for managing ESG tasks, participating in discussions on critical issues, and advancing practical initiatives. The Communications team is performing secretarial duties to supervise the operations of the Working Council, functioning as a key to enhance the collaboration between the organizations and improve execution.



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Stakeholder Communication

F&F Group recognizes stakeholder communication to be a key management factor for sustainable growth and social value creation. Identifying and managing our major stakeholders, including the customers, employees, shareholders, investors, partners, and the local community, we actively assess and address the major concerns and issues of our stakeholders. Through dedicated communication channels tailored to each group, F&F Group effectively captures and responds to the diverse demands and expectations of stakeholders, and insights gathered through these channels are reflected in the business operations under the oversight of relevant departments. Through these procedures, F&F Group continues its efforts to secure sustainability.

Stakeholders	Communication Channels	Communication Frequency	Key ESG Issues	Reflection in Management Activities (2024~2025)
<div>Customers</div> <div></div>	Company and brand websites	Ongoing	<div>• Customer satisfaction management activities</div> <div>• Brand value</div> <div>• Product and service quality</div>	<div>• Implemented KakaoTalk and ChannelTalk chatbot services to provide rapid responses and drive active after-sales service</div>
	Customer satisfaction survey	Once a month		
	Customer service (call center, chatbot service, Q&A board, etc.)	Ongoing		
	Social Media	Ongoing		
<div>Employees</div> <div></div>	Internal communication channels (MS Teams, JIRA)	Ongoing	<div>• Organizational culture</div> <div>• Career development</div> <div>• Evaluation and compensation</div> <div>• Welfare benefits</div> <div>• HR education (human rights education, safety and health education, etc.)</div>	<div>• Increased the volume of internal content on the intranet that includes organizational culture, management vision, philosophy, etc., to enhance communication among employees</div>
	Intranet internal content (F&F NEWS)	Ongoing		
	Education platform (Futube)	Regular/Occasional		
	Performance management application (OKR)	Regular/Occasional		
	Employee satisfaction survey	Annual		
<div>Shareholders and investors</div> <div></div>	General shareholders' meeting	Regular	<div>• Risk management</div> <div>• Disclosure of management information</div> <div>• Disclosure of business performance and plans</div> <div>• Protection of shareholders' interests</div>	<div>• Announcement of corporate value enhancement plan : Setting growth, profitability, shareholder return (Dividend, treasury stock) goals</div>
	Reports (Annual Report, Corporate Governance Report, Sustainability Report)	Regular		
	Website (disclosure of investor information)	Regular/Occasional		
	IR events	As needed		
<div>Partner companies</div> <div></div>	Ethics campaign	Biannual	<div>• Mutual growth</div> <div>• Fair trade</div>	<div>• Organized a global trade show for global retail partners</div> <div>• Conducted supply chain ESG</div>
	Regular surveys for partner companies	At least once a year		
	Meeting with partner companies (hotline system)	Ongoing		
	Cyber petition	Ongoing		
<div>Local communities</div> <div></div>	Meetings for collaborative business	As needed	<div>• Community engagement and donation activities</div> <div>• Ecosystem conservation</div>	<div>• F&F: Supported the 'Dreaming Girl' project for vulnerable young girls and shared the results in reports</div>
	Disclosure on project result reports	As needed		<div>• F&F Holdings: Donated eco-friendly furniture and shared the results in reports</div>



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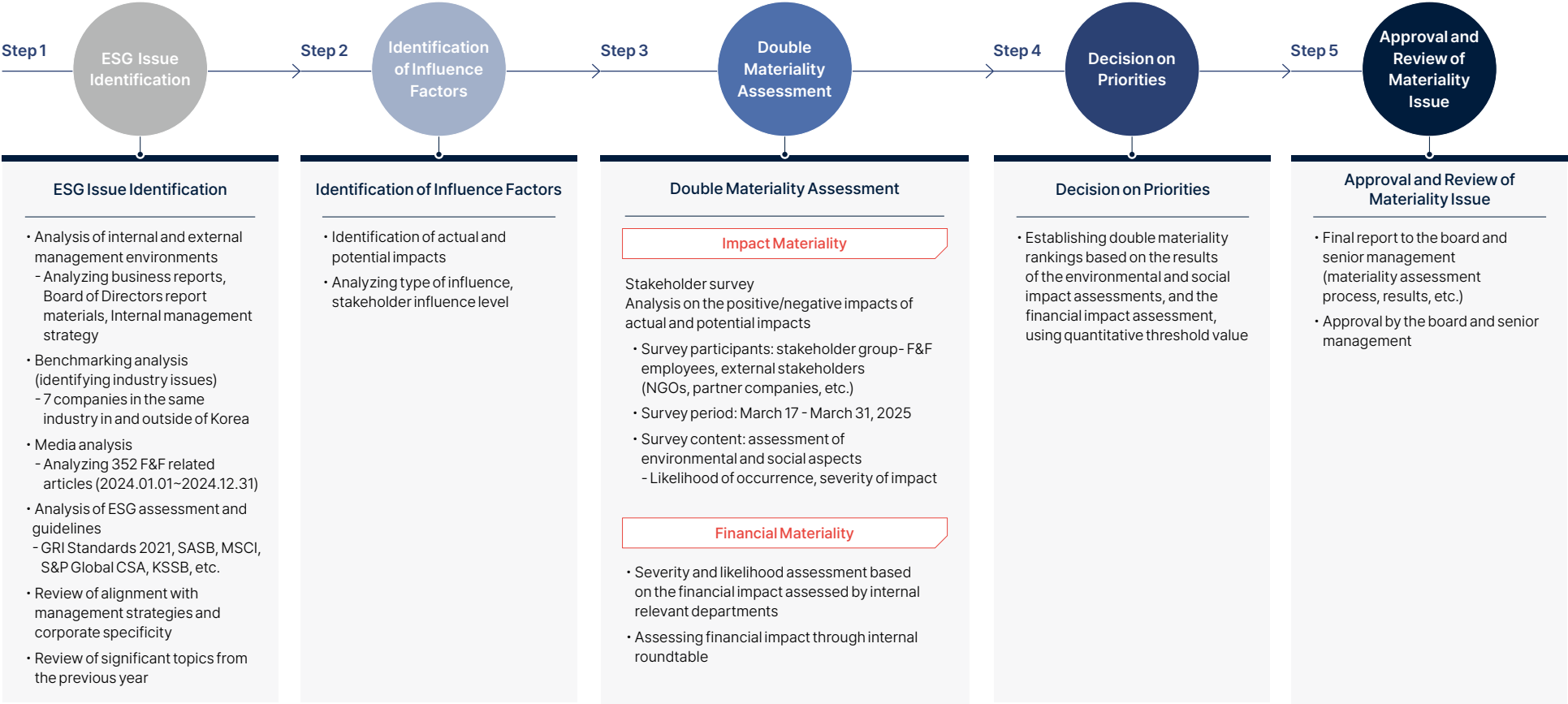
Double Materiality Assessment

Double Materiality Assessment

Since 2022, F&F has conducted an annual materiality assessment to identify key sustainability issues. Building on the previous year's initiatives, we implemented a double materiality assessment in 2025. This approach assesses not only the company's impact on external factors like the environment and society but also how external factors influence the company's financial standing. F&F integrates the key issues derived from the double materiality assessment into its ESG strategy, reflecting them in management activities, and transparently disclosing related performance.

Double Materiality Assessment Process

F&F adopted the concept of the European Sustainability Reporting Standards (ESRS) and conducted a double materiality assessment, evaluating social and environmental significance as well as the financial risk and opportunity. In 2025, 13 topics were selected for the double materiality assessment to evaluate the significance of impact and the financial importance. This year, the stakeholder roundtable was held for the first time to discuss the impacts on financial values, identifying and drawing the critical issues that require systematic management.



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Double Materiality Assessment

Double Materiality Assessment Results

As a result of the 2025 double materiality assessment, 5 issues, including brand value enhancement, responsible supply chain management, development of sustainable business model, digital transformation, and sustainable resource circulation, were selected to be the key materiality issues. There were no significant changes in the overall ranking of materiality issues compared to the previous year, except for the priorities of 'responsible supply chain management' and 'development of sustainable business model' having risen. This reflects the growing social attention on the complexity of global supply chains and ESG risks, which highlights the need for transparency in corporate supply chains and responsible management. Also, as the need to generate profits in a sustainable way and respond to future environmental changes gets intensified, securing the sustainability of the business model itself has been identified as a key materiality issue.

Financial Materiality



		Very High Impact High Impact Medium Impact Low Impact			
2025 Topic		Environmental and Social Impact	Financial Impact	Relative to 2024 Rankings	Reporting Page
1	Brand value enhancement	●	●	-	24-25
2	Responsible supply chain management	●	●	↑1	51-54
3	Sustainable business model development	●	●	↑2	16-17
4	Digital transformation	●	●	-	26-28
5	Sustainable resource circulation	●	●	↓3	38-40
6	Customer rights protection	●	●	-	57-59
7	Transparent management and ethical corporate operation	●	●	↑2	62-71
8	Organizational culture improvement and talent growth	●	○	-	42-44
9	Climate Change Mitigation and Adaptation	○	●	↓2	30-32
10	Social contribution and collaboration with local communities	○	●	New	54-56
11	Personal information protection and strengthened information security	●	○	↓1	60
12	Diversity and human rights protection	○	○	↑1	45-46
13	Reducing the environmental impact of products.	○	○	↓2	33-37



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Double Materiality Assessment

Strategic Management of Key Issues

F&F identifies the business strategy on the materiality issues selected through materiality assessment and establishes risk assessments and response strategies. F&F analyzes the issue and related key risks, sets specific goals, and regularly monitors the achievements and progress status. We intend to present the key risks, response goals, and the current achievement performance on the 'Responsible supply chain management', 'Sustainable resource circulation', and 'Climate Change Response' amongst issues identified in 2024.

Category	Responsible Supply Chain Management	Sustainable Resource Circulation	Climate Change Response
Issue Importance	Supply chain management is emerging as a core element in the sustainability evaluation of a company, transcending the traditional roles of resource procurement and product supply. This serves as a critical indicator of determining whether a company is fulfilling its ethical, societal, and environmental responsibilities throughout the supply chain, which is fundamental in securing long-term competitiveness and credibility. To meet these expectations, companies must establish systematic policies to ensure fairness and transparency in transactions with their partners and establish a management system to identify and address ESG risks from the partner selection stage through after contract signing. Also, supply chain recovery and sustainability can be improved by fostering overall ESG standards through collaborations with various stakeholders and expert organizations and creating an encouraging atmosphere for partner companies to volunteer proactively. Ultimately, supply chain management is perceived to be not only a cost-saving measure but a strategic task towards long-term value creation and sustainable growth. This empowers companies to proactively respond to supply chain management, regarding it as an essential task of company management rather than being optional.	The circular economy is a concept that redesigns the conventional one-way resource flow (Production-Consumption-Disposal), minimizing the environmental impact by encouraging the circulation of resources through reusing, recycling, and upcycling before the resource is disposed of. Throughout the entire product lifecycle, the operational strategies and designs of products must consider resource circulation, which is a critical factor in sustainable management. Proper maintenance and waste reduction are fundamental in realizing the circular economy. Waste includes all materials that are either directly disposed of by the company, intended to be disposed of, or requested for disposal by external parties. The impact on the environment and human body can differ depending on how it is managed. The influence of improper waste management will not be restricted to the area of disposal but will expand to local communities nearby and the overall ecosystem, resulting in long-term damage.	Climate change is an urgent global issue with continuously growing impacts that require global collective action. Extreme weather events, including heat waves and floods, pose significant financial risks to corporate assets and supply chains. Also, tightening carbon regulations and mandatory climate-related disclosures pose policy burdens on overall business operations. Climate change is no longer a simple environmental issue but a combined risk that impacts corporate sustainability and overall strategy. Therefore, companies must adopt proactive response measures such as establishing carbon neutrality strategies, developing new low-carbon business models, and expanding corporate sustainable business portfolios. The reduction of greenhouse gas emissions is the key response measure. Greenhouse gas consists of CO ₂ , CH ₄ , and N ₂ O, and are the primary contributors to the greenhouse effect, which traps heat in the atmosphere. The Intergovernmental Panel on Climate Change (IPCC) has identified human activities as the critical cause of global warming. Therefore, the company must conduct reduction measures by pursuing fuel transition, improving energy efficiency, and investing in low-carbon equipment and facilities.
Key Risks	<ul style="list-style-type: none">• Risk to brand reputation due to unethical practices of partner companies• Risk to operation due to environment policy violation of partner companies	<ul style="list-style-type: none">• Rising costs and restricted market access due to shifts in international regulations• Failure to meet consumer demand for eco-friendly products• Risk to brand reputation	<ul style="list-style-type: none">• Rising costs of raw materials and supply instability caused by abnormal weather conditions• Rising costs and restricted market access due to shifts in international regulations• Increasing costs associated with carbon emissions
Business Strategies	<ul style="list-style-type: none">• Establishment of supply chain risk management system• Supply chain ESG diagnosis and assessment• Quality and technical support on partner company, ESG support activities	<ul style="list-style-type: none">• Enhancing the use of eco-friendly raw materials and accessories through partnership• Launching projects to reduce and recycle clothing waste• Streamlining inventory management through digital innovations• Manufacturing recycled T-shirts from waste PET bottles	<ul style="list-style-type: none">• Establishing environmental management policies• Developing a mid- to long-term roadmap for greenhouse gas reduction• Managing Scope 3 greenhouse gas emissions across the supply chain
Targets and Progress	<ul style="list-style-type: none">• Mid- to long-term target : conduct supply chain ESG assessment more than once a year• Completion of ESG assessment on 94 partner companies continuing transactions	<ul style="list-style-type: none">• Mid- to long-term target : achieve a 50% reduction in waste emissions by 2040 compared to 2020 levels• Waste emissions in 2024: 939.83 ton (1,041.40 ton in 2023)	<ul style="list-style-type: none">• Mid- to long-term target: reduce greenhouse gas emissions by 50% by 2040 compared to 2020 levels• Greenhouse gas emissions (Scope 1+2) in 2024: 3,811.9tCO₂ eq (4,030.19 tCO₂ eq in 2023)



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Measuring the Impact on External Stakeholders

'Sustainable resource circulation' and 'Climate change response' are central themes garnering global focus in sustainable business practices. F&F acknowledges the global trend and has conducted assessments to gauge the environmental and external stakeholder impacts of the issues. Moving forward, F&F is dedicated to monitoring and addressing issues that may impact the environment and external stakeholders based on materiality assessments, with the goal of minimizing any negative effects.

Category	Sustainable Resource Circulation	Climate Change Mitigation and Adaptation
External Impact	Greenhouse gas emissions and pollutants generated during the handling of surplus clothing, used clothing, and waste negatively impact on the environment and health of nearby residents. F&F strives to minimize environmental impacts from waste and promote a circular economy. Specific efforts encompass recycling surplus clothing, integrating recycled plastics into clothing manufacturing, and advocating for paper recycling to deter the landfilling and incineration of waste materials, thereby actively engaging in resource circulation.	The climate crisis poses serious challenges across various aspects of daily life, including water scarcity, food crises, and economic losses. Globally, efforts are underway to reduce carbon emissions, a major cause of the climate crisis. F&F acknowledges the reduction of carbon emissions as a critical objective. While F&F does not directly manufacture products, its upstream and downstream activities contribute significantly to carbon emissions. Therefore, we are striving to reduce carbon emissions in the course of our business operations, and as part of this effort, we are encouraging the use of sustainable materials in packaging.
Materiality Metrics	<div>Output Metric</div> <div>Amount of landfill/incineration (ton) and disposal</div> <div>Impact Metric</div> <div>Performance improvement and reduced resource consumption by diversification of disposal processing</div>	<div>Output Metric</div> <div>Amount of carbon emission (tonCO₂e)</div> <div>Impact Metric</div> <div>Cost of reducing carbon emissions</div>
Impact Valuation	F&F recycles surplus clothing and inventory to produce furniture and donates it to welfare facilities, reducing carbon emissions and harmful substance emissions from clothing incineration and landfill. Through this activity, F&F reduced 1.47 tons of carbon emissions from processing 5 tons of clothing. Efforts are also made to recycle wastepaper generated during business operations to reduce environmental impacts and costs associated with incineration and landfill. The social cost savings from recycling 897 tons of wastepaper in 2024 are estimated at KRW 217,215,126.	F&F is transitioning to sustainable materials for packaging to reduce its carbon footprint. As part of these efforts, F&F purchases eco-friendly paper shopping bags certified by FSC. The carbon footprint of 3,699,838 eco-friendly shopping bags ordered for MLB in 2024 is estimated at approximately 485.5 tons. Assuming the equivalent in disposable plastic bags would generate an estimated 722.7 tons of carbon emissions, this transition is estimated to have avoided 237.2 tons of carbon emissions, translating to a social cost saving of KRW 10,803,441.



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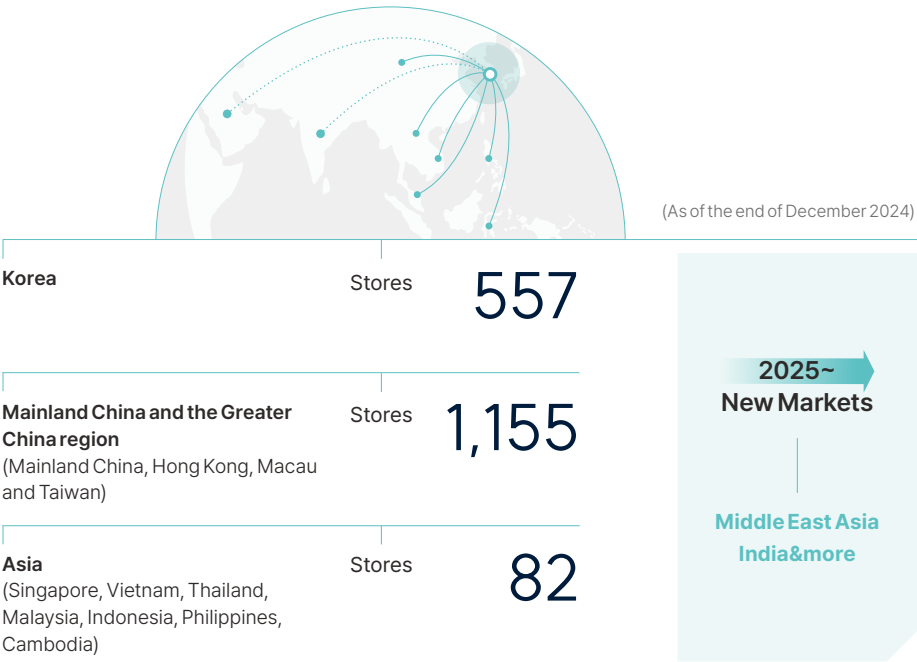
Brand Value Enhancement

MLB, Asia's No.1 brand sustaining growth

Brand power that captured global market

Reborn as a fashion brand in 1997 by F&F, MLB is a premium lifestyle fashion brand, embodying the 150-year heritage of Major League Baseball and the American sports lifestyle. MLB has grown beyond the Korean market to become one of Asia's most representative fashion brands, showcasing the brand power of K-fashion. MLB initially entered the Chinese market through its debut on prominent online shopping platforms, including Alibaba, becoming Asia's No.1 fashion brand in all of Asia, including Korea and China, operating more than 1500 stores. Despite the unexpected challenges posed by COVID-19 shortly after entering the Chinese market, F&F could successfully overcome the crisis through a proactively established digital transformation (DT) strategy. As the media usage surged during the pandemic, F&F conducted marketing communications focusing on Chinese social media. By exposing the MLB brand based on the lifestyles of Chinese customers, the brand recognition of MLB increased successfully, which led to purchasing power and remarkable growth in the market.

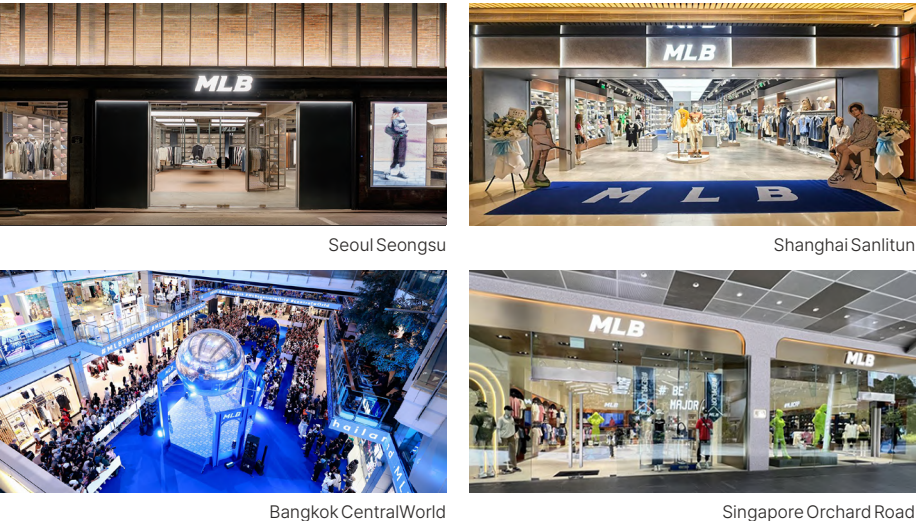
MLB's Global Expansion Status



The Leap Toward MLB 2.0

The popularity of MLB is expanding across Asia and beyond. As of end of 2024, MLB has expanded to Korea, Mainland China, the Greater China region (Hong Kong, Macau and Taiwan), and 7 South-east Asian countries (Singapore, Vietnam, Thailand, Malaysia, Indonesia, Philippines, Cambodia), strengthening its presence all around Asia by entering to major shopping malls. In the first half of 2025, F&F opened the first store in the Middle East, accelerating its global expansion. MLB has introduced the MLB 2.0 strategy to pursue both qualitative and external growth. MLB 2.0 aims to enhance brand experience at all consumer touchpoints, including products, distribution channels, and spaces. From a product perspective, MLB 2.0 focuses on designing products and strengthening a trendy and functional product line, targeting the lifestyles of Millennials and Gen Z. Advancement in distribution channels is also one of the key strategies. MLB is undergoing store renovations to express its brand identity clearly. Through a scaling strategy focusing on flagship stores with stylish interior designs, MLB offers an immersive brand experience to its customers. This allows MLB to deliver its brand philosophy and identity through physical spaces, establishing the foundation for sustainable branding. Through this strategy, F&F strives to enhance the brand value and lead the sustainable growth of MLB.

Global MLB stores



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Brand Value Enhancement

DISCOVERY EXPEDITION: Expanding to the global market

Paradigm shift in domestic outdoor market

As a 'premium lifestyle outdoor brand', DISCOVERY EXPEDITION has been delivering the value of adventure and challenge in the everyday lives of customers through products with activity and functionality. Unlike the performance-oriented outdoor market mainly focusing on hiking, DISCOVERY EXPEDITION has expanded its presence by introducing a new category of 'lifestyle outdoor' when it first launched in 2012. With its innovative approach, DISCOVERY EXPEDITION has become a game changer, transforming the domestic outdoor market trend, ranking 1st place in the market within just 5 years after the initial launch of the brand. Especially in 2017, DISCOVERY EXPEDITION created the 'Long-padding syndrome', selling 500,000 pieces of the long-padding (long down jacket) in a single year. DISCOVERY EXPEDITION has proven its brand influence of leading fashion trends beyond functionality, setting a new paradigm in the domestic fashion industry.

Countries with official DISCOVERY EXPEDITION licensing rights



Establishing a foundation for global growth through expansion into the Asian market

In July 2024, F&F secured the licensing rights for DISCOVERY EXPEDITION in key Asian markets, marking the beginning of its aggressive expansion strategy, which targets markets throughout Asia, including China, Japan, and Southeast Asia. Leveraging extensive global fashion business experience and production, logistics, distribution, and marketing capabilities from MLB, F&F is accelerating the market entry of DISCOVERY EXPEDITION into the Asian markets. As a result, DISCOVERY EXPEDITION opened its first store in China at the end of 2024 and has been rapidly expanding its stores across mainland China and Taiwan ever since.

Global expansion strategy

With the expansion of DISCOVERY EXPEDITION across Asia following the success of MLB, F&F's key brands are opening a new chapter of global growth. This meaningful expansion is not just a simple global expansion of a brand, but will become a meaningful opportunity to demonstrate the global competitiveness of the Korean fashion industry. F&F is committed to developing the DISCOVERY EXPEDITION as the next growth momentum following MLB to become a representative lifestyle outdoor brand of Asia.



1st DISCOVERY EXPEDITION store in Taiwan



DISCOVERY EXPEDITION store in Shanghai



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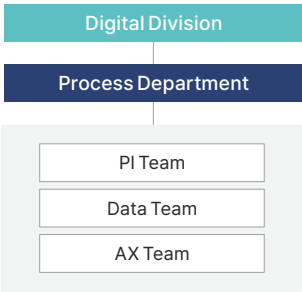
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Digital Transformation

'Digital Division', a control tower of digital transformation

Since 2017, F&F has been undergoing a comprehensive digital transformation across all business processes, establishing an innovative digital business ecosystem that is completely new in the traditional fashion industry. In 2019, F&F established a digital division, which is an organization solely responsible for digital transformation. The process department, including the PI team, data team, and AX team under the digital division, lead the digital transformation of F&F. Each team is responsible for planning and operating systems across the entire value chain, managing the data accumulated through these platforms, and executing advanced capabilities such as AI transformation. The DT framework developed by the Digital Division has been applied to major business divisions such as MLB and DISCOVERY EXPEDITION, resulting in an unprecedented digital fashion system becoming a critical foundation for enhancing F&F's market competitiveness.

Organization of Digital Division

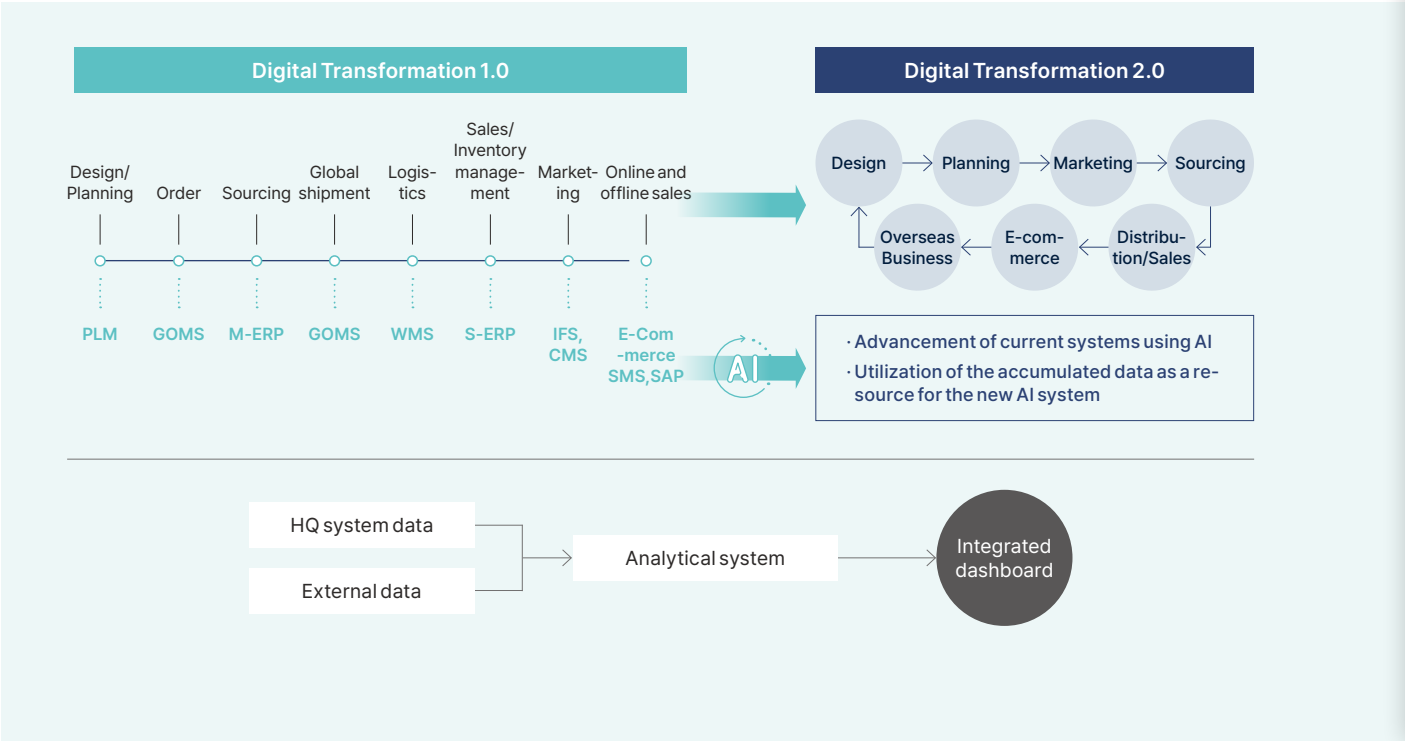


Business competitiveness enhancement through Digital Transformation

After adopting digital transformation, F&F has restructured the entire corporate value chain to be digital-focused. From planning to production, logistics, and sales, all business processes are connected digitally, establishing an efficient operating model based on real-time data. F&F has implemented the Product Lifecycle Management (PLM) system incorporating product planning and design data, Order Management System (OMS) managing global orders, Manufacturing ERP (M-ERP) controlling the entire production and sourcing processes, Global Order Management System (GOMS) tracking logistics status before warehouse reception and Sales ERP (S-ERP) controlling entire distribution and retail sales. In addition, the real-time dashboard that integrates the data from external sources (Instagram, etc) with internal data accumulated from each system is in operation, enabling easy access for employees to business-required data.

Digital fashion system evolving through AI

F&F has designated 2025 as a leaping year for transition from DT 1.0 to DT 2.0, targeting to establish a more advanced and sophisticated digital fashion system. The synergy is generated by integrating AI technology and data accumulated from DT 1.0, developing customized AI operation model designed specifically for the fashion business. Particularly, the data generated from actual fashion business operations is functioning not only as a valuable training resource for AI models but also as a critical source of strategic competitiveness. In addition, F&F is enhancing and systematizing the internal operational structure, Digital Conveyor System (DCS), to strengthen the organization's capability to flexibly and swiftly adapt to new digital systems. The DCS is a category-based and pipeline-driven workflow system that enables systematic connection and real-time seamless collaboration across key departments, including planning, marketing, sourcing, sales, e-commerce, overseas business, and design for work efficiency.



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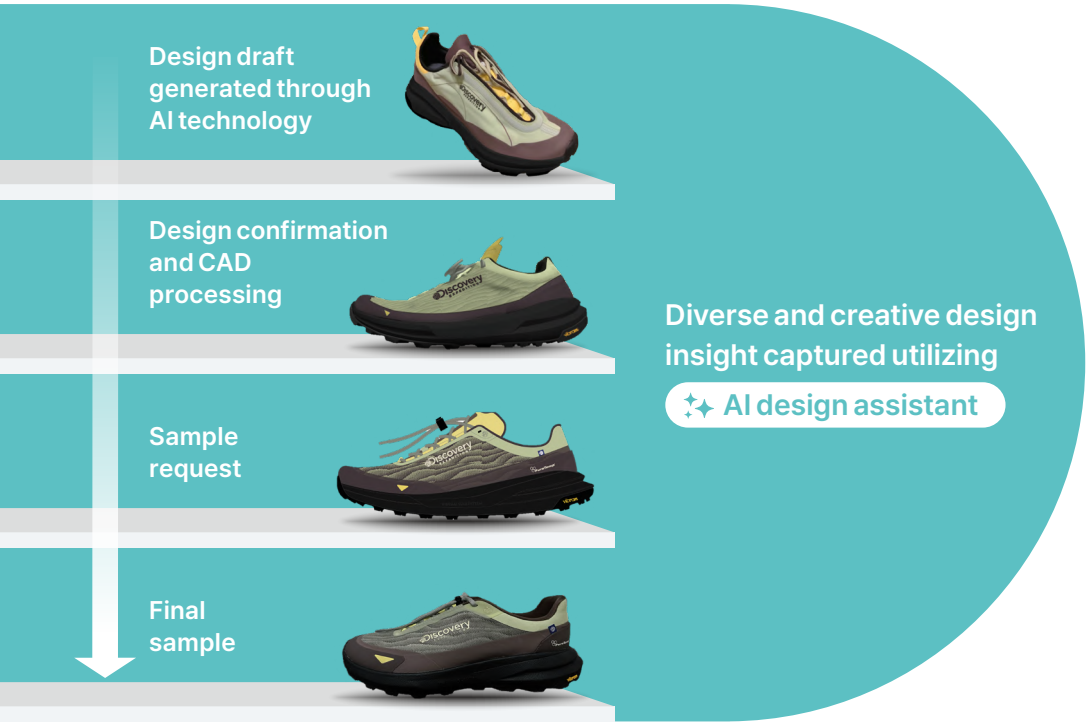
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Digital Transformation

01 | Establishing a sustainable digital creative infrastructure through AI systems

F&F utilizes generative AI to support the creativity enhancement of employees in key areas, including design and content marketing. Particularly through 'VARCO Art for F&F', the exclusive program optimally suited for F&F's fashion business, the efficient creation of more diverse and creative product designs has been achieved.

Product designing process utilizing AI



An AI-based design system minimizes time and resource consumption in planning by quickly visualizing the design draft in the early prototype development phase. This enables new trials on experimental and challenging ideas, improving work efficiency and creativity in the prototype sampling and reviewing processes.

Unique product development of F&F utilizing fashion design AI



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02 | Operation of training programs to internalize employee AI Capabilities

Since the second half of 2024, F&F has been operating a company-wide AI training program to integrate AI technologies into everyday business tasks. This is a part of a company's strategy to internalize AI as a practical partner that all employees can incorporate into their routine workflows. The training is formulated based on business tasks of different roles, designed to utilize AI technology in various ways, including document automation, proposal drafting, market analysis, and design simulation. Also, practical training is being implemented to help employees become more familiar with generative AI tools, encouraging expansion of successful AI utilization cases through internal contests and campaigns. Simple and repetitive routine tasks are being processed through AI-based automation toolkits, such as prompt templates, for increased efficiency and productivity. F&F plans to advance and systematize the training programs to meet the different tasks and levels of employees.

Detailed curriculum

Category		Contents
Job specific training	Product Planning	Market trend analysis utilizing AI, Strengthening product planning and sales prediction capability
	Design	Supporting design process efficiency and job capability through material, silhouette, color simulation and module board automation
	Marketing	Strengthening detailed customer analysis and efficient marketing strategy establishment
General Training	Staff	Efficiency and automatization of daily tasks such as excel automation, initial proposal drafting, text mining and visualization.
	Leader	Designing phase-specific strategies and team efficiency guidelines based on global business cases


03 | In preparation of shifting to AI based smart work and AI agents for global business

F&F is promoting the implementation of an AI-based work support system, the "AI Agent," tailored to the specific tasks and needs of each employee in line with the global business expansion. Based on a Large Language Model (LLM) trained on F&F's business data, the system is under preparation to automate repetitive and routine tasks of the employees so that they can focus on more creative and strategic tasks.


In April 2025, when F&F relocated to its new HQ in Teheran-ro, Gangnam, the LLM-based AI system was first applied as the FAQ chatbot. It provided quick and accurate responses to employees' inquiries on the office organization layout, location information, and facility details, proving the high usability, and is under preparation for AI Agent applications across all business functions within the company.

The establishment of an AI-based smart work environment is expected to not only enhance employee productivity and efficiency, but also maximize the strategic utilization of human resources, serving as a core infrastructure of establishing the sustainable work system.

Where is the new HQ building?



The F&F new headquarters is located at 8, Teheran-ro 8-gil, Gangnam-gu, Seoul. It is about a 5-minute walk from Exit 1 of Gangnam Station, making it highly accessible. Located at the intersection of Gangnam-daero and Teheran-ro, the location is also very convenient for public transportation. 😊😊😊



The new F&F headquarters is located at 8, Teheran-ro 8-gil, Gangnam-gu, Seoul. It is about a 3-minute walk at a fast pace or 5 minutes at a slow pace from Exit 1 of Gangnam Station.



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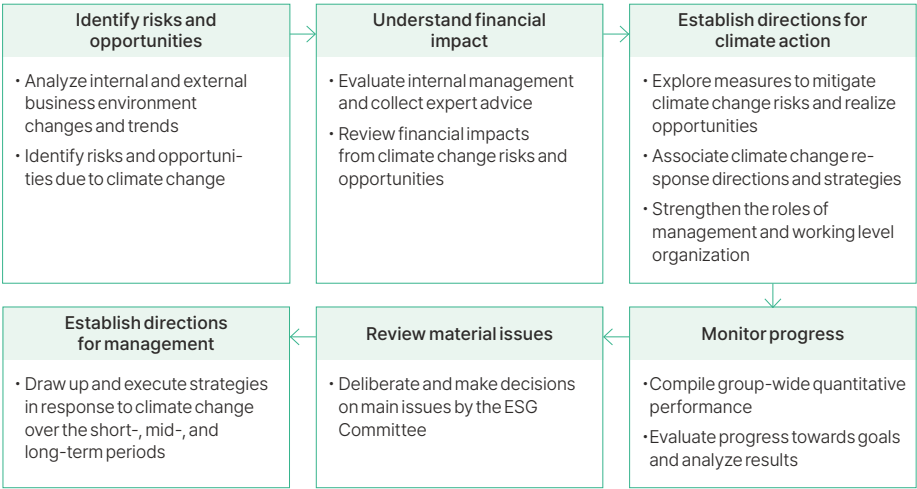
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Climate Change Response

Climate Change Management System

F&F established the climate change response system and integrated it into the internal risk management system to proactively and systematically address climate risks. Under the internal risk management system, we identify these risks, analyze their financial impacts, and incorporate them into our business strategies. Additionally, we assess environmental risks and impacts of our activities, products, and services, establishing the management criteria and process for risk management processes.

Climate Change Management and Response Process



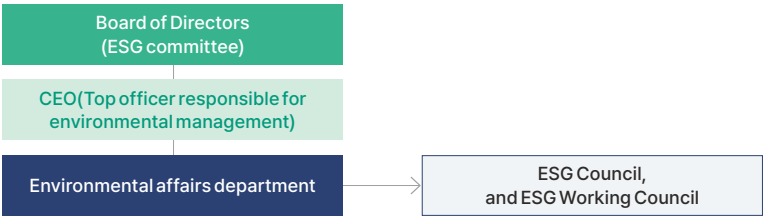
Risk Management Process

Risk Management Process	Tasks in detail	Execution Frequency	Responsible Party
Assessment and evaluation	<ul style="list-style-type: none">Conduct risk occurrence status assessment for organizations affected by environmental management strategyConduct climate change risk assessment and environment impact assessment on all business sitesIdentify and assess core environment issues and impacts	When an issue arises	ESG Committee
Risk mitigation measures	<ul style="list-style-type: none">Safety training for environmental risk preventionEstablishment of a response system including regular inspectionRisk monitoring	Occasional	Related departments

Climate Change Governance

F&F recognizes the severity of climate change and is establishing a climate change response decision-making framework to establish comprehensive response measures. The ESG Council proactively contemplates various strategies to address climate change, and the ESG committee serves as the final decision-making body, reviewing and approving these strategies. The CEO, as the top officer responsible for environmental management, evaluates and manages initiatives reviewed and advanced by the environmental affairs department, ESG Council, and ESG Working Council.

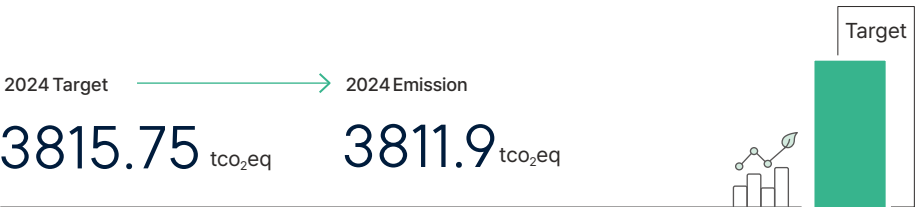
Climate Change Response Decision Making System



Mid- to Long-term Roadmap for Greenhouse Gas Reduction

F&F, a leader in eco-friendly fashion trends, acknowledges its responsibility towards climate change. To transition towards a carbon-neutral society, we have established and are implementing a mid- to long-term roadmap for reducing greenhouse gas (GHG) emissions. With our goal to achieve a 50% reduction in GHG emissions compared to 2020 by 2024, we established annual reduction targets, actively monitoring the progress, through regular assessments and managements.

GHG reduction progress and target



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Climate Change Response

Climate Change Response Activity

Facility investments in the new HQ building

In 2025, F&F relocated to a new headquarters to accommodate increased number of its employees from its increase in sales. The new building was designed with various eco-friendly facilities to reduce energy consumption and minimize negative environmental impacts generated from business operations. Furthermore, bicycle parking areas and electric vehicle charging stations were installed to promote green mobility. Also in 2025, four corporate electric vehicles are in operation for corporate in-house car-sharing program as part of employee welfare initiatives.

Eco-friendly facilities

A variety of eco-friendly facilities are currently in operation at the new F&F HQ building. These facilities are contributing to energy savings, resource circulation, and environmental protection.

Renewable energy facility (Fuel cell) High-efficiency eco-friendly facility that can simultaneously generate electricity and heat, contribute to energy savings and the GHG reduction.

Solar panel system (Fixed panel) On-site power generation is achieved through fixed solar panels installed on the building's rooftop, resulting in reduced electricity consumption

Rainwater storage tank Rainwater is collected and reused for landscaping and other purposes, contributing to water resource conservation.



Solar panels installed on the rooftop of the F&F building

Eco-friendly certification for the new HQ building

F&F has made efforts to minimize environmental impact and maximize energy efficiency from the design and construction stages of the new HQ building. Additionally, to reduce environmental impact during the construction process, the usage and leakage of asbestos and VOCs (volatile organic compounds) were strictly managed and supervised. As a result of efforts, the new HQ building has obtained various eco-friendly building certifications both domestically and internationally.

Green Building Certification Excellence (Green 2) Grade : A domestic eco-friendly building certification that certifies excellent overall environmental performance, including energy saving, GHG reduction, and indoor environmental quality.



LEED GOLD Certification: High-level eco-friendly building certification granted by the U.S. Green Building Council (USGBC), which comprehensively evaluates the efficiency and sustainability of a building's energy, water, and resource usage.



Energy Efficiency Grade 1+: High efficiency building certification granted by the Ministry of Trade, Industry and Energy of Korea, indicating that the building meets strict facility standards with significantly lower energy consumption compared to buildings of the same size.



Electric vehicle charging facility in F&F HQ building



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Climate Change Response

Climate Change Response Activity

Energy Reduction Activities in Daily Operations

We operate a partial (zoned) lighting system in common areas and the underground parking lot and strive to reduce unnecessary energy consumption by maintaining optimal cooling temperatures. In addition, motion sensors have been installed in all toilets to ensure lights operate only when in use to enhance energy-saving effects. During working hours, employees are encouraged to switch computer monitors to sleep mode or turn them off. During lunch breaks and after work, they are also advised to turn off their monitors. Additionally, in stores, operating with the doors open is prohibited during the summer to improve air-conditioning energy efficiency. Furthermore, the operating hours of air control units and circulation fans in the offices are shortened to reduce overall energy consumption.

Participating in Earth Hour Campaign

To promote an eco-friendly culture within the company, F&F operates GHG reduction campaigns. Continuing the efforts from 2024, F&F participated in the Earth Hour campaign in 2025 to raise awareness about the importance of the planet and to act toward environmental protection. Employees of F&F joined together in turning off all indoor and outdoor lights in the building for 10 minutes starting from 8:00 PM, expressing commitment to environmental protection and dedication towards the sustainable future.



Earth Hour Campaign

Integration of Employee Evaluation and Incentives

F&F operates an internal management system to ensure that environmental management performance, such as climate change response and resource conservation, is naturally integrated into organizational operations and decision-making processes. Our executive management establishes the key goals for building eco-friendly workplaces and regularly monitors the progress, and the departments responsible for environmental initiatives are annually evaluated based on quantitative and qualitative achievements, including efforts to reduce resource consumption, collection and disclosure of environmental data, and execution of environmental campaigns for employees. Also, outstanding activity cases are shared and recognized within the organization and are linked to performance evaluations and incentive systems.

Climate Change Response Activities linked to Core Business

Due to continued climate change and increase of average summer temperatures, the demand for comfort in everyday life and outdoor activities is increasing. DISCOVERY EXPEDITION, the premium outdoor brand of F&F, has developed 'Freshvent', a high-performance cooling fabric, as a response to the environmental changes. Freshvent is an eco-friendly cooling fabric designed to keep the wearer cool and comfortable in hot weather. The fabric was developed using a biodegradable yarn Sorona® Cool, with excellent resilience and shape and durability maintenance in high-temperature environments. Also, the environmental impact is minimized by reducing the usage of petroleum-based materials. By combining functionality with sustainability, the 'Freshvent' transcends the material innovation but functions as a practical response solution for energy conservation and climate change. F&F will continue to pursue proactive strategies to address environmental changes from the early stages of product development.



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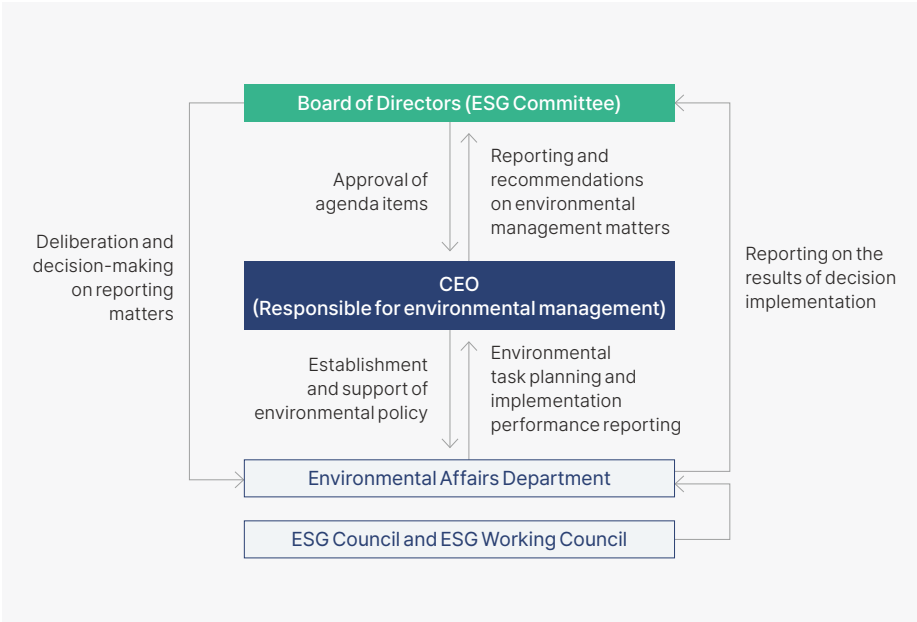
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Environmental Management

Environmental Management Governance

The F&F Board of Directors addresses a wide range of environmental issues, including climate change, biodiversity, and waste as key agenda items, reviewing the strategies and policies while overseeing environmental goals and performance. While the Board makes the final decisions on environmental strategies and policies of Directors, roles and responsibilities are assigned to the ESG Committee, the General Affairs Department (environmental affairs department), the ESG Council, and the ESG Working Council. The ESG Committee convenes regularly at least once a year to review and decide on various environmental issues. Our CEO is ultimately responsible for environmental management, while the General Affairs Team handles GHG reduction activities (energy usage management, waste disposal management, etc) and improving workplace environments (office enhancements, etc). Also, mid- to long-term environmental management, including carbon emission reduction plans and the establishment of greenhouse gas inventories, is executed together with the communication team (ESG organization).

Environmental Management Organization Chart

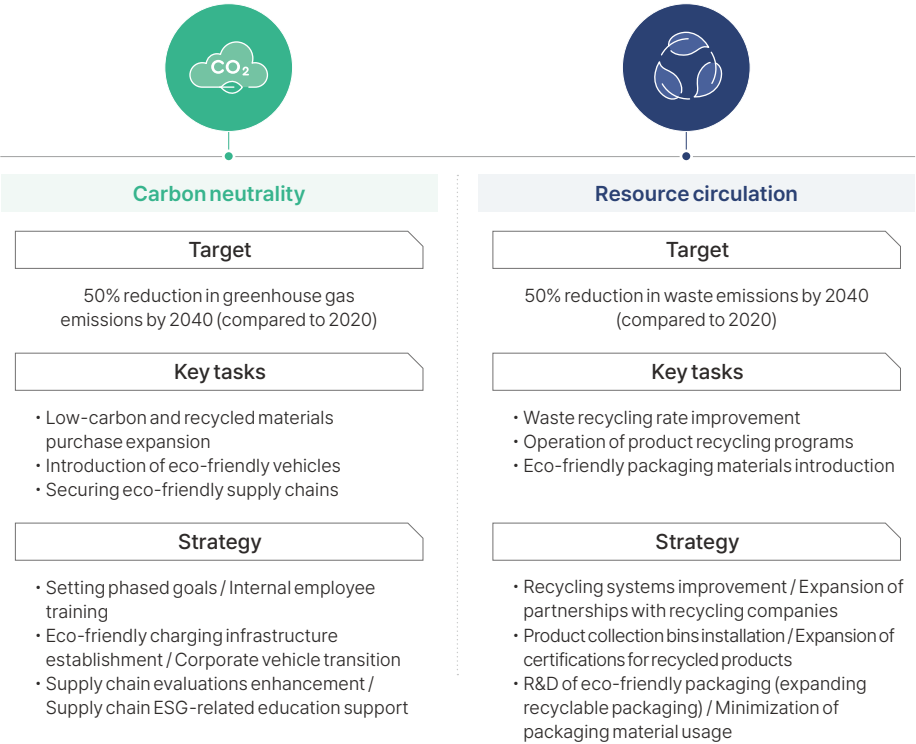


Environmental Policy

F&F recognizes the environment as 'natural capital borrowed from future generations' and strives to become company creating new eco-friendly fashion trends through green management. To enhance its management, F&F established an Environmental Policy in 2021 and reviews it at least once a year, incorporating domestic and international regulations and global initiatives into its revisions when required. This environmental policy is applied across the entire value chain including R&D, design, production, investment, and the processes of mergers and acquisitions both domestically and internationally. Furthermore, the supply chain and service providers, along with other key business partners including joint venture partners, licensees, and outsourcing partners, are included in the scope of application.

- Environmental Policy (F&F)
- Environmental Policy (F&F Holdings)

Mid- to Long-term Strategies and Key Priorities



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Environmental Management

Environmental Management Goals

Target

- Additional acquisition of **environment related certifications** by 2025
- Introduction of **eco-friendly polybags** in all brands by 2026
- Expanding the proportion of products using eco-friendly materials to **over 15%** by 2027

Environment Management Risk Mitigation

Environmental Management System Certification

F&F has established and operates an environmental management system aligned with international standards to minimize internal and external environmental risks and to effectively manage environmental performances. In November 2023, F&F obtained ISO 14001, the internationally recognized certification for environmental management systems, and is committed to maintaining this certification and continuously advancing the environmental management practices.



Employee ratio covered under the scope of ISO14001 certification:100%

Environmental Risk Assessment

F&F has established an environmental risk management process to regularly monitor and assess environmental risks. This assessment thoroughly analyzes the environmental impacts of the company's products and services on hazardousness, water, air, and soil pollution, and waste in multiple aspects. Additionally, F&F refines risk analysis from a business perspective including legal regulations, technological advancements, and economic factors. For identified significant risks, we develop prevention and mitigation measures, integrating them into our company-level risk response processes. The ESG Council monitors the status of risk occurrence and operates quick response measures when the issues arise.

Environmental Policy

Efforts to Reduce Hazardous Substances

F&F inspects and eliminates hazardous substances such as formaldehyde, nonylphenol, allergenic dyes, and arylamines during the product manufacturing process. Additionally, hazardous substances are monitored through testing and inspection of individual products, and management measures are being implemented to reduce their presence.

Green Procurement

F&F actively engages in green procurement activities to minimize energy and resource consumption. This approach extends to purchasing eco-friendly and recycled raw materials, accessories, packaging materials, and office supplies certified by trusted organizations. Also, FSC-certified materials are prioritized in purchasing accessories such as main tags, size stickers, desiccants, and tag pins. Packaging materials are also transitioning to eco-friendly alternatives, including FSC-certified shopping bags and recycled polybags, to ensure an environmentally sustainable packaging process. In addition, F&F uses environmentally friendly materials such as recycled paper for components, including shoe heels, shoe boxes, delivery boxes, and carton boxes. Additionally, within employees' office spaces, F&F prioritizes the purchase of Ministry of Environment-certified recycled products, including computer equipment and general consumables. Eco-friendly furniture and interior items made from recycled materials are also actively introduced, embedding sustainability across the entire work environment.

Expansion of Environmental Management

F&F conducts annual group-wide online ESG training for employees to promote eco-friendly values throughout the organization. The main contents include climate change, air pollution prevention, energy efficiency, water efficiency management, soil pollution prevention, waste reduction, chemical management, biodiversity conservation, and resource recycling activities.

Compliance with Environmental Laws and Regulations

F&F acknowledges the strengthening of environmental laws and regulations both domestically and internationally and proactively prepares for associated risks. F&F regularly monitors amendments and policy trends in environmental legislation to mitigate potential impacts on their operations proactively. In particular, F&F closely monitors issues related to the Extended Producer Responsibility (EPR) system, which is expected to have a significant impact on its business operations, establishing and applying internal standards beyond anticipated regulatory that are to be imposed in the future, demonstrating a proactive approach to compliance. Additionally, we undertake measures such as assessing the financial impact of potential risks associated with regulatory inclusion to effectively mitigate the environmental risks.

Expansion of Environmentally Friendly Vehicle Ratio

As of June 2025, F&F has expanded the ratio of environmentally friendly vehicles to 13.89%. Out of a total fleet of 36 vehicles, F&F owns five electric vehicles. We remain committed to increasing the proportion of environmentally friendly vehicles in our business, mindful of the greenhouse gas emissions from aged or fossil fuel-powered vehicles.



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Water Resource Management

Water Resource Management System

Key matters related to water resource management including usage, conservation, and pollution prevention are subject to final decision making by the Board of Directors (ESG Committee), and the ESG Committee deliberates and approves related agendas.

Water Resource Risk Management

Water Resource Risk Analysis

F&F conducts water risk assessments to understand the level of water risk and stress in the regions where our operations are located, and we develop response strategies accordingly. We integrate management techniques provided by organizations like WWF and WRI, considering both global standards and the specific characteristics of F&F's business. Our approach involves analyzing water risks, preparing mitigation strategies, and evaluating measures to mitigate potential impacts arising from these risks.

Company	Detailed Task	Region	Water stress
F&F Holdings, F&F	HQ (Yeoksam Headquarters) and annex	Seoul	Medium-High
F&F Holdings	Icheon Logistics Center	Icheon	Medium-High
F&F	Suji premium outlet	Yongin	Medium-High
F&F	Icheon Outlet	Icheon	Medium-High

Water Resource Management Target



- Achieving **over 50%** of Water Reclamation and Reusing system utilization

Water Resource Management Activity

Water Resource Reduction Activity

F&F, as a company that does not own or operate manufacturing factories, has restricted direct water usage. However, we are aware of the water consumption associated with clothing production and the severity of global water scarcity issues. Therefore, we are committed to promoting water usage reduction and expanding re-using of water resources throughout our entire business process. To ensure sustainable water resource management, F&F established plans and targets for water usage. Regular monitoring on water intake volumes and quality is taking place to respond to potential water-related risks. We also operate a water management program based on environmental policies. In particular, the installation of water-saving facilities and water reclamation and reusing systems in the headquarters building has significantly improved water use efficiency. These systems function to be a core infrastructure, supporting the water resource circulation and reuse system, enabling the effective utilization of reclaimed water generated in the building.



Supply Chain and Water Resource Risk Management

As a part of a sustainable water resource management strategy, F&F regularly assesses water resource-related risks within the company's key supply chains. This assessment is conducted focusing on the physical and regulatory risks reflecting methodologies provided by global organizations such as the World Wide Fund for Nature (WWF) and the World Resources Institute (WRI), and the related data is reported to the ESF Committee, used to establish company-wide response measures. Through systematic assessment, F&F aims to enhance water use efficiency and proactively identify environmental risks across its supply chain to ensure sustainable operations.



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Biodiversity Management

Biodiversity Management System

F&F manages and mitigates the biodiversity-related risks and makes decisions on the response measures through the ESG Committee, under the Board of Directors. With active participation from the executives, the ESG Council is responsible for identifying and addressing biodiversity-related risks and opportunities. Additionally, F&F has designated a department in charge of overseeing internal and external biodiversity-related activities, collaborating with stakeholders on conducting biodiversity training, and handling inquiries and grievance resolution related to biodiversity issues.

Biodiversity Management Strategy

Declaration of Biodiversity Commitment

F&F recognizes biodiversity conservation and preservation as crucial tasks for sustainable development. We have officially declared 'the Declaration of Biodiversity Commitment', aiming to minimize biodiversity destruction resulting from our business operations, and are continuing efforts to minimize negative biodiversity impacts throughout our business operations. According to the declaration, F&F continues its efforts to ensure a positive effect on ecosystems through restorative and colliding measures to biodiversity-related issues and will strictly comply with all relevant national and local legal requirements in business sites located in areas requiring land management or biodiversity protection, as well as regions subject to international environmental agreements.

* World Heritage areas, IUCN Category I-IV protected areas

 **Biodiversity Commitment (F&F)**

 **Biodiversity Commitment (F&F Holdings)**

Declaration of No Deforestation Commitment

F&F recognizes forests as vital resources for greenhouse gas absorption and biodiversity conservation within ecosystems. Understanding the risks associated with forest destruction related to our business operations, we strive to minimize these impacts. As a part of these efforts, F&F declared 'Declaration of No Deforestation Commitment', aiming to collaborate with suppliers within our supply chain to minimize the use of materials and resources that may contribute to forest degradation or deforestation risks.

 **Declaration of No Deforestation Commitment (F&F)**

 **Declaration of No Deforestation Commitment (F&F Holdings)**

Biodiversity Conservation Activities with Future Generations

In 2025, DISCOVERY EXPEDITION of F&F conducted a tree planting campaign for elementary school students through "Next Discoverer Crew" program. The campaign took place on Deokjeok Island in Incheon, in collaboration with Incheon Tourism Organization and external partners. The children planted 120 crape myrtle trees, experiencing the value of nature and Deokjeokdo's ecological and tourism resources were promoted through social media content created by children contributing to local community revitalization and biodiversity conservation.



Tree planting campaign in Deokjeok island, Incheon.

Biodiversity Management Goals

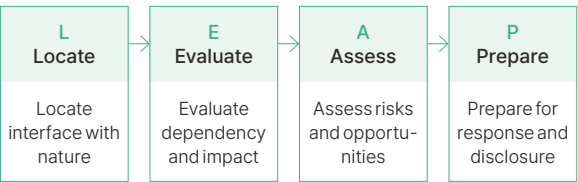
Target

- Enhancement of **Risk/ Opportunity** Assessment for Dependency Evaluation
- **Measurement of Impact** on Biodiversity Conservation Activities
- **Expansion of Scope for Dependency Evaluation**
➡ • Region • Business

Biodiversity Risk Management

F&F actively participates in addressing biodiversity challenges by conducting regional and business specific dependency assessments using TNFD's LEAP methodology for our headquarters and logistics centers in Korea and prioritized the response initiatives based on the assessment. To ensure alignment with global standards and local contexts, UNEP's 'Encore', WWF's 'Biodiversity Risk Filter' and national environmental data from the Ministry of Environment were applied into our evaluations. We plan to advance our biodiversity conservation efforts based on these assessments.

Development of Biodiversity Strategies Using the LEAP Methodology



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Biodiversity Management

Dependency Evaluation Results (Summary)

No.	Category	Region	Risk type	Main Category	Sub-Category	Apparel Industry Standard Assessment Indicator		Evaluation results	Whether it is a Major Risk	Remark
						Dependency	Impact			
1	Head-quarters	Seoul, Gangnam	Physical Risk	Resource	Forest generation and market accessibility	5		Very High	Major Risk	
					Restricted distribution of wild animal/plant resources	2		High		
				Regulation/Support functions – Fundamental forming factor	Climate condition	3		High	Major Risk	Climate condition regulation area
					Regulation functions – Alleviation factors	3		High		
					Biodiversity pressure		5	Very High	Major Risk	
			Reputational Risk	Environmental Factors	Regions subject to legal protection and perseverance		3	Moderate		
				Social/Financial Factors	Land under property or maintenance of local residents and community		3	Moderate		
				Others	Level of media and public scrutiny	3		High		
					Region under international scrutiny or regulation	2		High		
2	Logistics Center	Gyeonggi Province, Icheon	Physical Risk	Resource	Forest generation and market accessibility	5		High		
				Regulation/Support functions – Fundamental forming factor	Climate condition	3		High	Major Risk	Regions supplying and using low-sulfur_diesel
					Risk of Landslides	3		High		
				Regulation functions – Alleviation factors	Heat Waves	3		High		
					Tropical storms and extreme climate events	3		High		
			Reputational Risk	Biodiversity pressure	Environmental pollution		5	Very High	Major Risk	Designated clean zone under Emission Control Regulations
				Environmental Factors	Regions subject to legal protection and perseverance		3	High	Major Risk	Habitat of Level-II endangered species (Eurasian Eagle-Owl) near the business site
				Social/Financial Factors	Land under property or maintenance of local residents and community		3	Moderate		
					Resource scarcity risk of food/water resource/clean air		2	Moderate		
				Others	Level of media and public scrutiny	3		High		



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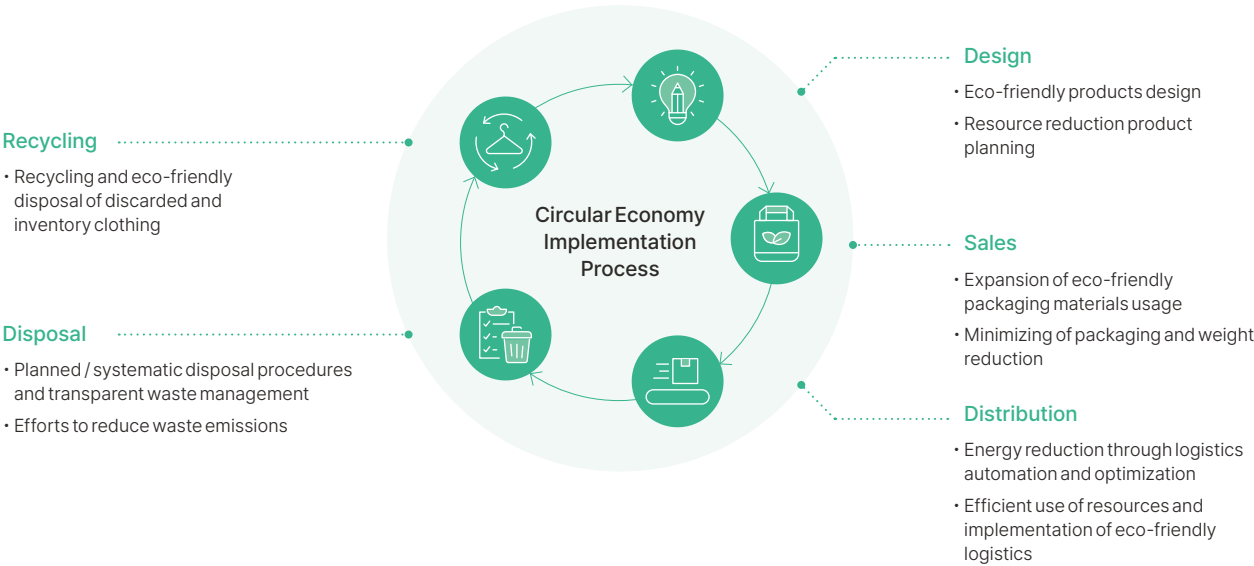
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Sustainable Resource Circulation

Circular Economy Management System

F&F is committed to minimizing the negative environmental impacts of its products and business operations at every stage of the value chain. In particular, the company strives to reduce the environmental impact generated from the waste in the apparel industry. We are transitioning to sustainable materials for our products and packaging and designing products with better repairability and recyclability to minimize clothing waste. Also, F&F is putting efforts into optimizing logistic efficiency and maximizing resource efficiency through logistic system automation.

Circular Economy Implementation Process



Waste Management

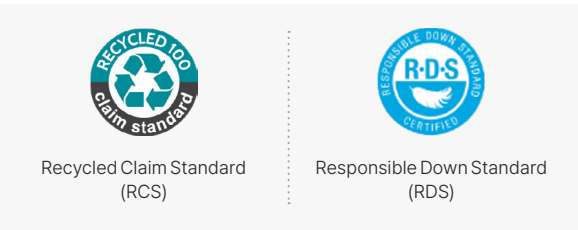
F&F manages and supervises waste through a systematic process: planning → collection → separation and storage → measurement → disposal by specialized waste management companies. This process is linked to the Korea Environment Corporation's Allbaro system to enhance transparency in waste management and ensure regulatory compliance.

Circular Economy Implementation Governance

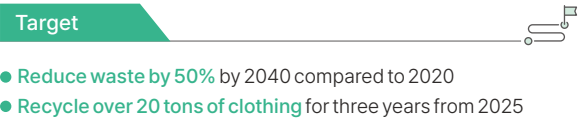
F&F aims to establish a circular economy and foster a sustainable environment through regular monitoring of environmental issues. To achieve this, key environmental issues such as resource usage, pollution reduction, and waste management are regularly reported to the ESG Committee for deliberation and resolution, at least once a year.

Sustainable Raw Material Certification

F&F is making continuous efforts to offer recyclable products. As part of these efforts, the company has obtained the international Recycled Claim Standard (RCS) certification. Additionally, we possess the RDS (Responsible Down Standard) certification, which ensures that our down products come from ducks and geese that are raised in hygienic and healthy environments and are not subjected to unnecessary harm from breeding to slaughter.



Waste Reduction Target



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Sustainable Resource Circulation

Waste Reduction strategy

Clothing Recycling

To minimize inventory and waste, F&F is digitizing demand forecasting, production level, and inventory management systems, simultaneously conducting R&D for waste reduction and recycling. Since 2022, the company has started a project to recycle clothes instead of disposing them and using fabric panels to make furniture for donation to children's welfare facilities and placing them in office areas. These practices in circular resource management have resulted in approximately 1.4 tons of carbon emissions reduction.

Designing and Producing Recycling Clothes

F&F operates a clothing line made of Regen, a sustainable recycled material, and is committed to expanding resource-circulating products. In 2024, the DISCOVERY EXPEDITION launched a Jeju recycled edition T-shirt using waste PET bottles collected from the Jeju coastline as raw materials, together with the Jeju Special Self-Governing Province Development Corporation and Hyosung TNC. This project has collected 2 tons of PET bottle waste, which were at risk of entering the ocean and harming marine ecosystems, and transformed them into yarn and reborn as clothing.

Efforts to Extend Product Lifespan

F&F is committed to reducing unnecessary consumption by creating durable and long-lasting products. We achieve this by collaborating with suppliers to develop new materials and production methods. Additionally, we provide consumers with proper care and maintenance instructions through product labeling to help them keep their purchased items in good condition. For products purchased within one year, we offer free after-sales service to ensure quality and extend product lifespan, providing customers with extra buttons and fabric so consumers can repair their products themselves.

Raw Material Program

F&F is expanding sustainable raw material usage to reduce environmental and social impacts during the raw material production phase. We have established a system capable of tracking and segregating raw materials from receipt to production and shipment and eco-friendly certified products using the recycled materials are identified through attaching labels stickers on the boxes.

Promoting Eco-Friendly Packaging

F&F is dedicated to reducing the environmental impact of packaging used in logistics and consumer convenience. We are actively transitioning to recyclable and reusable materials for our packaging solutions and reducing unnecessary packaging. In our nationwide stores and online platforms for brands such as MLB, MLB KIDS, and DISCOVERY EXPEDITION, we proudly offer shopping bags made from FSC-certified materials. Furthermore, through our in-house R&D initiatives, we have developed 'Recycled Poly bags' that have earned a commendable recycling rating in the packaging material structure evaluation conducted by the Korea Environmental Industry & Technology Institute. These poly bags are now used to package products across our diverse range of brands, including MLB, MLB KIDS, DISCOVERY EXPEDITION, SUPRA, and SERGIO TACCHINI.

Packaging Material

Raw materials and Packaging Materials

Category		Unit	2023	2024
Paper Fiber Packaging ²⁾	Total Weight ¹⁾	kg	2,269,416	2,418,076
	Percentage of Eco-certified Materials ¹⁾	%	9.64	11.35
	Sales Ratio	%	0.42	0.457
Plastic Packaging ³⁾	Total Weight	kg	152,573	185,977
	Percentage of Eco-certified Materials	%	99.56	99.19
	Sales Ratio	%	0.1	0.12

1) There are differences with last year's report due to data errors.

2) Certifications for Wood/Paper Fiber Packaging: FSC (Forest Stewardship Council)

3) Certifications for Plastic Packaging: K-eco (Packaging Material Evaluation and Structure Assessment System)



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Sustainable Resource Circulation

Resource Circulation Project

Production and donation of recycled furniture for three consecutive years

F&F is implementing a sustainable social contribution model that combines resource circulation with community sharing. Instead of disposing clothing inventory, the company produces furniture and donates it to welfare organizations and children's residential facilities. Prior to donation, F&F re-searched the actual needs of each institution, and the company design expert designs the furniture. The clothing inventories are reprocessed into fabric panels through partner companies and then transformed into furniture. Through this initiative, F&F promotes resource circulation and delivers meaningful value to local communities.

Category	Contents
2022	<ul style="list-style-type: none">- Producing 240 pieces of furniture including desks, bookshelves and cabinets- Donation to 23 facilities including welfare and residential facilities for underprivileged children
2023	<ul style="list-style-type: none">- Produced 226 bookshelves (2 types) and 54 stools (2 types)- Donation to 6 welfare and residential facilities for underprivileged children, Shared stools to employees
2024	<ul style="list-style-type: none">- Produced 70 shoe cabinets (3 types) and 140 small furnitures for book (3 types).- Donated shoe cabinets to 6 residential facilities supporting children affected by domestic , and shared small furnitures for book to employees.



A shoe rack made from recycled apparel stock

Step-by-step implementation of eco-friendly accessories

F&F is striving to minimize the environmental impact of various accessories used in its products. Notably, accessories such as main tags, size stickers, desiccants, and tag pins used in DISCOVERY EXPEDITION products have obtained certifications from the Forest Stewardship Council (FSC) and Control Union's Global Recycled Standard (GRS), and have been applied to all short-sleeve t-shirts released in the 2024 SS season, expanding to all DISCOVERY EXPEDITION products starting from the FW season.

Examples of eco-friendly accessory usage



Installation of clothing collection bins in major stores

In 2024, F&F installed clothing collection bins made from recycled materials at major brand stores. By encouraging consumers to easily return used clothing through these stores to pursue resource circulation, F&F aims to reduce clothing waste and increase the potential for their reuse as circular resources. The collected clothing waste will undergo sorting, reusing, and recycling processes. Through these consumer participation-based activities, F&F intends to spread sustainable consumption culture in everyday life and establish a responsible resource management culture within the fashion industry.



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Organizational Culture Improvement and Talent Growth

Talent Management

F&F has established four core values for challenging execution and proactive growth to become a 'Global Leader in Fashion & Culture' that adds passion and joy to people's everyday lives. The company continuously strives to create a happy and safe working environment so that every member can maximize their capabilities and discover new opportunities and possibilities based on these core values.

F&F Core Values

Mission	More Attractive, More Active in Life		
Vision	Global leader in Fashion & Culture		
Core Value			
Curiosity for the New World	Passion for the Excellence	Bold Execution	Proactive Growth
Always open to the change in this world created by newness	passionately focusing to pursue excellence	Bold execution regarding failure to be valuable data	Leading change and growth in a different way

Talent Recruitment

F&F seeks for talents that constantly challenge with diverse ideas beyond stereotypes with logical thinking and sound values. To secure outstanding talent, F&F employs various recruitment methods, including open recruitment, occasional hiring, experienced hires, and internal recruitment, operating a job and competency-based hiring strategy. The reliability and consistency of evaluations are improved through competency enhancement training for interviewers, and the relevant departments directly participate in evaluations for each recruitment stage to hire potential candidates focusing on job suitability. Furthermore F&F comprehensively evaluates candidates' competencies and job fitness through AI interviews, ensuring objectivity and fairness in the hiring process. Throughout the entire recruitment process, F&F strictly excludes discrimination based on factors unrelated to the position including gender, religion, or place of birth, practicing a fair and transparent recruitment culture.

Competency Development Programs for Employees

F&F operates numerous training support programs to help employees develop their career and competencies. Through the 'Level up program', we support employees on the expenses for job-related certification courses, language classes and book purchasing fees. We also provide unlimited access to educational content aimed at enhancing leadership and job-specific expertise via our online education platform, Futube, offering 46,000 contents in 20 different fields. As a pioneer of digital transformation in fashion industry, F&F also conducts tailored offline AI training sessions to strengthen digital capabilities and improve AI literacy. After the implementation of these AI training programs, the average number of sampling processes decreased by approximately 8.8% from 13, resulting in an estimated cost saving of around 8.45 million KRW. F&F also conducts an annual satisfaction survey among employees on the training programs, to continuously improve and enhances the training programs based on the feedback received.

Key Competency Development Programs

Category	Details
Generative AI training program	<ul style="list-style-type: none">• Training objective: Increased work efficiency through comprehensive understanding of generative AI tools and work application• Participants: All employees (voluntary basis, around 200 employees)
Aldea(AI+Idea) Project campaign	<ul style="list-style-type: none">• Operation objective: A company-wide participation program for discovering and implementing AI-based work innovation ideas• Participants: All employees (individual or team level participation available)
Leadership training	<ul style="list-style-type: none">• Training objective: Understanding of performance management system and feedback skill training for high-performance organization• Participants : Team leaders (around 60 employees)

Training Satisfaction (Entire training)

(2024)



Employee Influence Assessment

Employee Satisfaction

Since 2022, we have conducted annual surveys to assess employee satisfaction, with the goal of identifying factors that influence their work-life satisfaction and improving overall satisfaction levels. Key survey metrics encompass job satisfaction, goal setting and motivation, happiness derived from work, and stress levels.

Satisfaction Survey Results

Category		Unit	2022	2023	2024
Satisfaction (out of 5 points)	All Employees	Points	4.6	4.2	4.8



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Organizational Culture Improvement and Talent Growth

Human Resources Performance Measurement

F&F measures the Human Capital Return on Investment (HCROI) to evaluate the efficiency of its human capital resources. The HCROI for 2024 was recorded at 16.64.

Employee Satisfaction Survey Result

Category		Unit	2022	2023	2024
Human Capital	HCROI	%	18.54	14.64	16.64

* HCROI (Human Capital Return on Investment) = {Total revenue - (Operating expenses - Employee-related expenses)} / Employee-related expenses

* Employee-related expenses include salaries, retirement benefits, and employee welfare benefits

Fair Performance Evaluation and Compensation

F&F operates its own internal performance management systems, Finstagram and Work-tok to ensure fair performance evaluation. Through these systems, organizational and individual quarterly key objectives are set, and the performance is managed based on OKRs (Objectives and Key Results) to help employees achieve them effectively. In addition, all employees, including contract workers, can access the system to participate in regular multidimensional performance evaluations and freely exchange feedback.

To establish the culture of quality feedback, the HR team provides a feedback guide that includes criteria for evaluating performance levels and principles for effective feedback, and the employees who actively exchange positive feedback during each season are rewarded. Based on this fair performance evaluation system, F&F conducts comprehensive assessments on individual job performance, business department performance, and collaboration levels, compensating employees with incentives twice a year depending on the individual evaluation results, ensuring that employees are fairly compensated for their efforts.

F&F Variable Incentive Programs

Type		Criteria	Operating Cycle
Performance	Salary Increase	Job performance and skills, etc.	Annual
	Performance Incentive	Business unit management performance	Biannual (per season)
Collaboration	Viral Incentive	Peer recommendations and performance contributions	Biannual (per season)
	Compliment Award	Number of praises received (intranet)	Biannual (per season)

Welfare Benefits

F&F not only strives to create a work environment where employees can remain engaged pursuing growth, but also provides various forms of support for maintaining a healthy and active lifestyle. After the relocation to the new headquarters in 2025, the company has newly introduced various additional welfare and convenience facilities to support vibrant daily lives of employees.

Work-Life Balance

F&F implements various flexible working arrangements (staggered commuting and flexible hours) to create an adaptable and autonomous work environment for employees. We also offer various rewards based on years of service to support work-life balance of our employees. Employees receive meal vouchers after one year of service, and long-term employees of three years or more receive annual refresh leave (compensatory leave), domestic and international resort vouchers, and vacation subsidies. Recently, we introduced a quarter-day leave system (2-hour leave) to enhance the efficiency of working hours. We are also expanding the number of refreshes leave days to provide employees with more time for rejuvenation. We offer paid leave and celebratory funds for parents' 60th and 70th birthdays, extending this benefit to the 80th birthday to pursue a family-friendly welfare system.

Employee Health Care Support

F&F supports well-being of employees and family (including spouses or parents) by offering medical check-ups and one day leave (paid) for medical check-ups every year. The company also operates an in-house health management office with medical professionals to provide basic medications and emergency treatments as employee health support. Inside the HQ building, facilities such as a fitness center (FIT ROOM) for physical wellness and an in-house cafeteria (FRESH FARM) that provides well-balanced meals have been established, naturally promoting a healthier lifestyle environment. Furthermore, F&F recognizes the importance of mental health as well as physical health and includes stress tests in corporate medical check-up program, offering psychological counseling services through the Employee Assistance Program (EAP) to professionally support employees to manage stress from both work and personal life.



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Organizational Culture Improvement and Talent Growth

Maternity Protection Measures

F&F strictly adheres to maternity and parental leave laws while also providing additional support through various welfare programs to establish a family-friendly culture and protect maternity. When employees or their spouses are giving birth, F&F provides practical support through the “Happy Mom Service,” which includes “Mom Gifts,” designated parking spaces for expectant mothers, reduced working hours during early pregnancy, and support for prenatal checkups. F&F strongly encourages not only female employees, who are entitled to one year paid maternity leave per child, but also male employees on taking parental leave to support them in sharing the childcare responsibility. Also, dedicated rest areas were established to support employee health and recovery. A women's lounge provides a comfortable resting space during pregnancy or menstruation, and a male's lounge has also been established for a more inclusive environment for relaxation. Additionally, we support childcare expenses for nursery entrance, provide gifts for elementary, middle, and high school, and college tuition for up to two children to ensure that employees and their families have strong support and alleviate their burdens on childcare.



In-house fitness center



Rooftop rest area

Category	Welfare Service		Service Details
LEARNING PLATFORM	Level up Program		Support for obtaining job-related certifications, language course tuition assistance, and more
Programs for self development aimed at supporting employee growth	FuTube Program(Online)		Access to statutory education, leadership training, and job training content
	F& Library – Book Coupon		Support for purchasing a variety of books tailored to individual preferences
INSTAGRAMMABLE ACTIVITES	FLUNCH DAY		Extended lunch break twice a month
Support for various activities to foster fun and collaborative culture at F&F	Happy Hour		Sharing of fun culture through various events
	F&F Anniversary/YEAR END PARTY		Biannual celebrations, including a company anniversary and a year-end party
	Support for club activities		Monthly support for club activities
	Provision of corporate resorts		Access to national corporate resorts at member rates
FAMILY-CARE	Happy Mom Service		Provision of a Mom Gift and prenatal and postnatal care for employees and spouses
Family care services that connect the company, family, and employees	Support for childcare expenses for toddlers		Support for childcare fees for individual nurseries for children under five years old
	Support for school entrance gifts and educational funds		Gifts for kindergarten and primary, middle, and high school admissions, and college tuition support for up to two children
	Support for comprehensive medical check-ups		Annual comprehensive health check-ups for employees and their spouses
	Support for family events		Congratulatory and condolence money, leave, and goods support
	Long-term service awards		Support for refreshment leave based on length of service
EMPLOYEE CARE Services that attentively support employees throughout their careers at the company	Life settling support	Telecommunication expense support	Monthly telecommunication expense support for all employees
		Vehicle maintenance support	Fixed monthly vehicle maintenance allowance
		Group accident insurance enrollment	Coverage for various diseases and injuries
	Wellness support	EAP(Employee Assistant Program)	Professional psychological counseling services for employees
		Operation of a health management office	Provision of over-the-counter medications and basic medical care
			Operation of fitness center
	Everyday support program	Breakfast support	Daily provision of various breakfast options and morning coffee
		Dinner support	Free dinner support for employees working overtime
		Welcome gifts for new hires	Provision of a welcome kit for new employees
		Birthday gifts	Birthday gifts for employees and early dismissal from work on their birthdays
		Holiday gifts	Gifts provided for Lunar New Year and Korean Thanksgiving Day, twice a year
	Operation of various infra-structure facilities	Employee resting space	Dedicated rest areas for both male and female
		Employee lounge	Relaxation lounge for employees
		Employee cafeteria	Support for balanced nutrition
		Operating corporate vehicle	Commute support with corporate electric vehicle upon request



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Diversity and Human Rights Protection

Human Rights Management System

F&F fulfills the highest responsibility of respecting and protecting human rights in all regions of business operation by adhering to and supporting universal human rights principles outlined in internationally recognized standards and guidelines, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the OECD Due Diligence Guidance for Responsible Business Conduct.

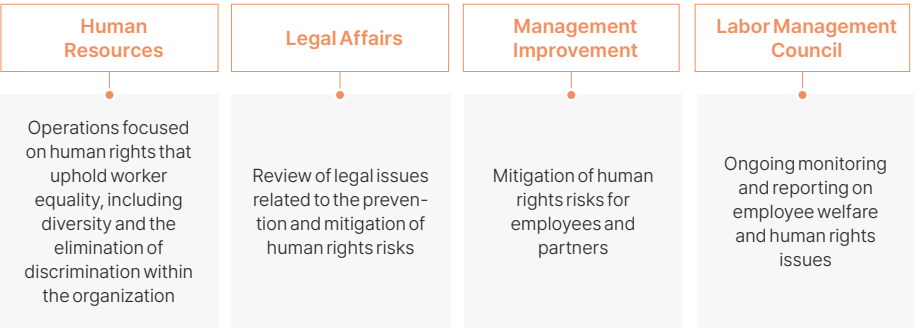
To this end, F&F has established its own human rights policy which applies not only to employees but also extends to stakeholders in business relationships, such as suppliers, partners, and joint ventures. The human rights policy of F&F is reviewed and updated annually to reflect changes in domestic legislation, international guidelines, and stakeholder feedback, ensuring advanced policies. In addition, F&F has established anti-sexual harassment and workplace bullying policies to ensure that all employees can work in a safe environment where their human rights are respected, clearly defining the procedures and raising awareness.

-  [Human rights policy \(F&F\)](#)
-  [Human rights policy \(F&F Holdings\)](#)

Human Rights Management Governance

F&F's human rights management efforts involve organic collaboration among relevant divisions to proactively prevent and mitigate human rights risks that may arise in business operations.

Human Rights Management Organization



Labor Management Council

F&F operates a Labor-Management Council consisting of three worker representatives and three management representatives to facilitate mutually cooperative communication between labor and management. Regular quarterly meetings are held to address employee welfare, grievance management and improvement of working conditions. Proposals must receive approval from more than two-thirds of the members present to be adopted.

Labor Management Council

Category		Unit	2022	2023	2024
Labor Management Council	% of employees represented	%	100	100	100
	No. of meetings held	Times	4	4	4

Labor Management Council Agenda

Number of meetings	Agenda	Approval
1 st meeting	1) Collecting opinions related to HQ relocation (e.g., In-house Cafeteria, etc.) 2) Other employee welfare benefits	Approved
2 nd meeting	1) Office environment improvement 2) System improvement	Approved
3 rd meeting	1) Office environment improvement 2) Safety improvement measures for facilities	Approved
4 th meeting	1) Enhancement of welfare benefits following new office relocation	Approved



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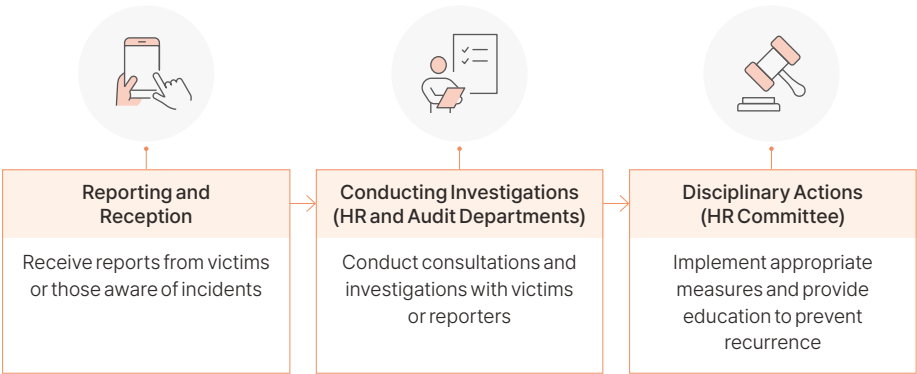
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Human Rights Violation Reporting Process

F&F has established and operates a human rights reporting process to promptly and appropriately address any violations. When a report is filed, the company conducts counseling on the victim and investigates the facts. Throughout this process, the anonymity of the victim and the whistleblower is strictly protected. F&F pays serious attention to ensure that victims or whistleblowers are not subject to any personal disadvantage, and implements appropriate protective measures, such as changing the workplace, adjusting work assignments, or granting paid leave when the protection is necessary or requested. Disciplinary actions including reprimands, suspensions and dismissals are imposed on the perpetrators, according to the internal disciplinary regulations of Personnel Disciplinary Committee, and related training is followed to prevent recurrence. F&F operates various reporting channels to encourage employees' recognition and reports on any human rights violations in the workplace, pursuing proactive prevention of human rights issues and minimization of related risks. Furthermore, the company conducts company-level annual training on the sexual harassment prevention and workplace bullying, striving to raise human rights awareness across the organization.



Business sites operating human rights reporting channels

Category		Unit	2024
Business site	Domestic	Number of sites	5
	International	Number of sites	4

Mid-to-long-term Human Rights Management Targets

Targets

- 40% increase in human rights training time by 2030
- Maintaining employee satisfaction over 4.5 points

Human Rights Management Activity

Grievance Handling Process

F&F operates the VOE (Voice of Employee) grievance system to receive real-time employee grievance reports, striving to promptly and systematically respond to human rights issues in the workplace and to proactively prevent potential human rights risks. To ensure the efficient operation of VOE, F&F has appointed grievance officers and designated Employee Relations (ER) and Organization Development (OD) personnel within the HR team. Employees can report issues such as personnel systems, organizational culture, bullying, and sexual harassment through VOE system, and swift and appropriate actions are taken on the reports received. The grievance handling process involves three stages: proposal → reception and processing → notification of results, and all reports are treated anonymously, ensuring that no personnel experience disadvantages or discrimination as a result of reporting. Grievances are prioritized based on urgency and importance, and feedback on the results and follow-up actions is promptly communicated.

Grievance Handling

Category		Unit	2022	2023	2024
Grievances received	Processing rate	%	100	100	100
	No. of grievances received	Cases	6	14	12
	No. of grievances handled	Cases	6	14	12

Human Rights Reporting

Category		Unit	2022	2023	2024
Human Rights Reporting	No. of human rights reports received	Cases	1	4	4
	No. of human rights reports handled	Cases	1	4	4



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Safety and Health

Safety and Health Management System

Safety and Health System

F&F recognizes safety and health as the highest priority and obligation in corporate management. Accordingly, the company has established a safety management system based on ISO 45001 and is currently working on its enhancement. In 2023, we enacted an OHS Policy applicable across our domestic and international business operations, employees, subsidiaries, suppliers, and contractors. This policy adheres to international OHS standards, regulations, and collective agreements, reviewed annually to proactively adapt to evolving safety and health challenges and industry regulations. Additionally, we have developed 17 detailed safety and health regulations and guidelines, including safety management regulations and safety guides for hazardous operations, to prevent risks that may arise during business operations.

-  [OHS Policy \(F&F\)](#)
-  [OHS Policy \(F&F Holdings\)](#)

Safety and Health Management Guidelines

At F&F, all employees actively engage in the following initiatives to foster a healthy and secure environment for workers, customers, and stakeholders. We uphold our safety and health management policy through proactive implementation and continuous improvement, rooted in principles of respect and trust.

- Establish and operate the safety and health management system aligned with our core values of CREATIVE and SMART.
- Strictly adhere to safety and health laws and regulations, continuously identifying and managing hazardous risks through the active participation of all employees, and promptly implementing effective risk mitigation measures.
- Sustain our safety and health management system through ongoing education and emergency response training, enhancing our readiness to address potential risks

Safety and Health Management Certification

F&F established a health and safety management system adhering to global standards and obtained certification for ISO 45001, the international standard for occupational health and safety management systems, in 2023.



ISO 45001 Certificate

Mid- to Long-Term Safety and Health Strategy



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Safety and Health Governance

Dedicated Safety and Health Organization

F&F is enhancing its corporate safety framework through an efficient management system guided by its mid-to-long-term safety and health strategy and DT (Digital Transformation) initiatives under the Safety and Health Team. The Safety and Health Team mainly focuses on solidifying the safety and health system, identifying and eliminating risk factors, and fostering a culture of safety and health across the organization. The team conducts semi-annual inspections in accordance with the Severe Accident Penalty Act, reporting compliance rates and improvement measures to the CEO. Key issues such as safety and health management goals and activity plans are presented to the Board of Directors for approval, with safety and health measures and workplace inspection findings shared weekly. In logistics centers, dedicated personnel are assigned to establish a comprehensive safety system throughout all work processes.



Occupational Safety and Health Committee

To gather employee feedback and discuss key health and safety issues, F&F has established and operates an Occupational Safety and Health Committee in accordance with Article 24 of the Occupational Safety and Health Act. The Committee comprises one management representative, two members from the safety and health team, and three representatives, convening quarterly meetings to deliberate and resolve the major safety and health issues. The key issues for resolution include occupational accident prevention plans, safety and health education, worker health management, and emergency evacuation training, and F&F strives to proactively respond to the potential safety risks that might occur to the employees.

Safety and Health Council

F&F operates monthly Safety and Health Council as a systematic initiative to settle company-wide safety culture and prevent occupational accidents. The council involves safety supervisors and key stakeholders to discuss significant safety matters such as occupational accident prevention plans and workplace environment enhancements. By sharing the latest topics in safety and health training and collecting various opinions suggested from the field, the council not only develops effective response measures but also contributes to building a field-oriented health and safety management system.

Key deliberation and resolution items of the Occupational Safety and Health Committee

- 01 | Matters related to the establishment of occupational accident prevention plans
- 02 | Preparation and amendment of safety and health management regulations
- 03 | Matters on safety and health training for employees
- 04 | Matters related to employee medical checkups and health management
- 05 | Investigation on the causes of severe accidents and establishment of recurrence prevention Measures
- 06 | Recording and maintenance of occupational accident statistics



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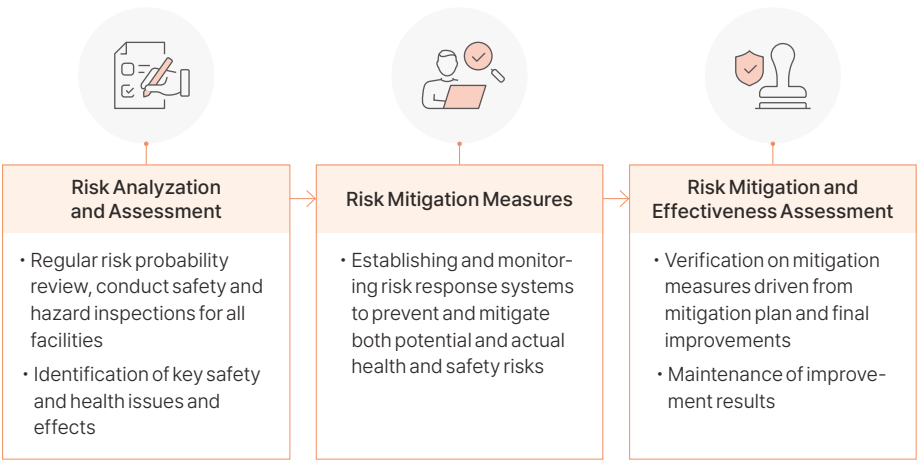
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Safety and Health Risk Management

Safety and Health Risk Management

F&F has established and operates a risk management system to proactively identify and analyze potential health and safety risks, preventing possible accidents and minimizing damage. The system is regularly managed through regular inspection, evaluation, and corrective action process, conducting annual risk assessments and work environment assessments. The risk factors identified from assessments are comprehensively managed, and the risk mitigation measures based on the assessment results are continuously applied that which leads to practical improvements. In the case of F&F's logistics center, risk factors are identified using internal risk assessment standards and safety management guidelines and conducting regular risk inspections by external professional firms. Furthermore, the risk management scope has expanded to include the partner companies as well, conducting joint safety inspections at least once every quarter. These inspections cover a wide range of items such as working conditions, fire prevention facilities, and equipment status, enabling systematic management of potential safety risks.

Risk Assessment Process



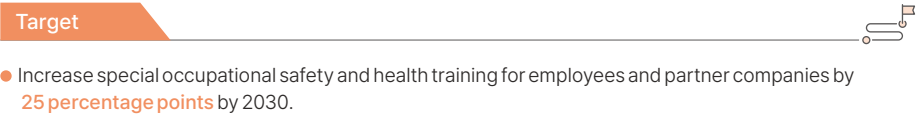
Safety and Health Evaluations of Partner Companies

F&F performs quarterly evaluations of its contracting partners' safety and health standards, assessing safety and health management systems, implementation levels, operational management, and occupational accident status.

Key Safety and Health Evaluation Criteria for Partner Companies

- 01 | Establishment and operation of safety and health systems
- 02 | Establishment of safety and health organization
- 03 | Safety and health training plans and record maintenance
- 04 | Operation of medical checkups
- 05 | Accident reporting status
- 06 | Compliance with personal protective equipment usage
- 07 | Operation of risk assessment risk factor inspection
- 08 | Unauthorized facility manipulation status
- 09 | Joint inspections and Safety and Health Council
- 10 | Corrective measures on identified issues

Safety and health management target



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Safety and Health Management Activity

Safety and Health Operation Support

F&F continuously implements everyday safety and health initiatives to ensure a safe and healthy work environment for its employees. We actively promote regular medical check ups for employees and their spouses and operate health maintenance office for employees to monitor their health status and receive emergency care. Additionally, we provide rest areas for both employees and partner staff to take breaks. As part of our efforts to prevent safety incidents, we installed non-slip tape on the stairs of the F&F office building and installed collision prevention sensors on emergency doors.

Occupational Safety and Health Management

Category		Unit	2022	2023	2024
Safety Accident Prevention and Man- agement	Risk assessment	Y/N	Y	Y	Y
	Physical Support	Y/N	Y	Y	Y
Health Support	Mental Support	Y/N	Y	Y	Y

Support for Strengthening Partner's Safety Management

F&F is gradually enhancing the partner management system to improve safety and health standards across the entire supply chain. To provide effective support, we have established 'safety and health management regulations' and 'laboratory safety management guidelines' to assist our partners in enhancing their safety management through education on safety and health, incident and accident reporting protocols, and initial risk assessments. Additionally, comprehensive safety guides are provided to partners, covering topics such as 'Safety Management Guide for Hazardous Work,' 'Distribution and Management Guide for Personal Protective Equipment,' and 'Safety Rules and Measures for Cleaning Building Exteriors', conducting regular safety education sessions and safety inspection to prevent accidents. F&F plans to implement a Digital Transformation (DT) system for safety management in the future to establish systematic risk management systems.

Partner Occupational Safety and Health Management

Category		Unit	2022	2023	2024
Safety Accident Pre- vention and Management	Partner safety prevention manage- ment	Y/N	Y	Y	Y

Safety and Health Education

F&F conducts quarterly safety and health education sessions totaling more than three hours for all employees to enhance employee safety and health capabilities and provides new hires with separate introductory training to emphasize the importance of safety. Also, regular safety and health education, specialized health education, and CPR training were conducted in affiliation with external professional firms, proceeding with employee evaluations to confirm the training effectiveness. CPR training, comprising both theoretical and practical sessions, is offered twice a year to employees who opt to participate, which involved a total of 95 employees in the previous session. Additionally, annual emergency evacuation drills are conducted to minimize potential damage to life and property during emergencies such as fire and earthquake. The fire training encompassing instruction on using fire suppression equipment, evacuation protocols during fires, and administering first aid for injuries are offered to the employees to enhance practical emergency response capabilities.



Safety and health training



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Supply Chain Management

Supply Chain Management System

F&F designs and operates the supply chain centered around the sourcing teams in each brand to enable the production of high-quality products reflecting each brand's unique identity. The ESG Committee under the Board of Directors regularly reviews and deliberates on key supply chain-related issues to ensure stable supply chain management, while also monitoring the implementation of supply chain ESG programs. Additionally, F&F enhances transparent and prompt communication with partners by utilizing the corporate digital systems, improving operational efficiency and risk response capabilities within the supply chain.

Supply Chain Management Strategy

F&F is pursuing a sustainable supply chain ecosystem through supply chain sustainability management policy. F&F conducts supply chain ESG management activities in key areas such as human rights, labor practices, safety and health, environmental protection, and business ethics, encouraging sustainable management practices to partners. When screening and selecting suppliers, we evaluate country-specific, industry-specific, and product-specific risks alongside ESG criteria. conducting assessments according to our partner management regulations to identify partners with high ESG risks, and the results of these evaluations are used to determine the contract ratio for the upcoming season, functioning as an incentive for the partners with outstanding results.

- 🔗 [Supply Chain Sustainability Management Policy \(F&F\)](#)
- 🔗 [Supply Chain Sustainability Management Policy \(F&F Holdings\)](#)
- 🔗 [Policy : Supplier Code Of Conduct \(F&F\)](#)
- 🔗 [Policy : Supplier Code Of Conduct \(F&F Holdings\)](#)

Supply Chain Risk Management

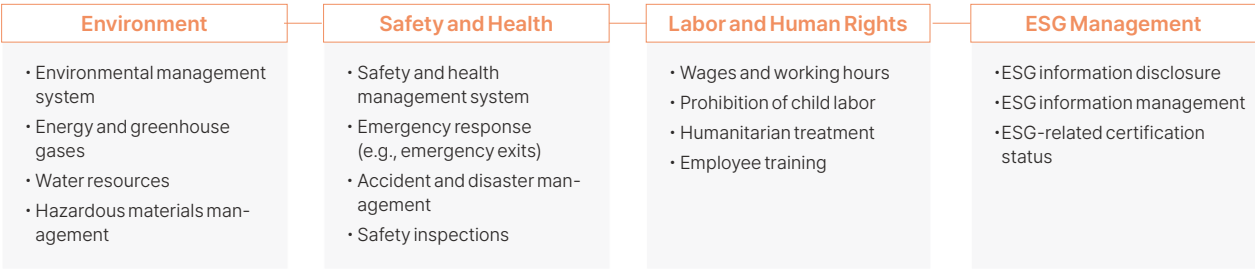
Establishment of Supply Chain Risk Management System

Supply Chain Risk Management In order to ensure business continuity and sustainability, F&F has implemented a supply chain risk management inspection system. We classify risks specific to the fashion textile industry and continuously develop strategies to mitigate these risks. The ESG dedicated department conducts training for the supply chain management department to prevent ESG risks within the supply chain and collaborates with them to provide ESG-related education to suppliers. Also, effective communication with suppliers through digital systems is maintained, regularly monitoring their ESG status. Additionally, through on-site inspections, we assess and request improvements in ESG practices, particularly concerning labor issues in overseas manufacturing production lines.

Supply Chain ESG Risk Assessment

F&F has implemented a 'Supply Chain ESG Risk Assessment Indicator' that aligns with industry specific characteristics to effectively manage ESG risks associated with our suppliers. Based on indicators consisting of environmental, safety and health, labor and human rights, and ESG management areas, we conduct evaluations and continue efforts to build a stable supply chain based on the collected results. To mitigate ESG risks stemming from the supply chain and their impact on our business, F&F will continuously enhance and advance the supply chain ESG risk assessment indicators.

Supply Chain ESG Risk Assessment Indicators



Supply Chain ESG Risk Management

Based on the results of the supply chain ESG assessment, F&F classifies and systematically manages its suppliers into three levels: 'Excellent,' 'Satisfactory,' and 'Needs Improvement.' Initially, we incentivize excellent suppliers during contract renewals for the upcoming season. For satisfactory suppliers, we promote enhanced ESG management through education and support initiatives. For suppliers needing improvement, we prioritize education targeting the highest priority areas identified in the assessment and strive to develop tailored support measures. F&F enhances the managements of high risk suppliers, enhancing product competitiveness and sustainability as well as alleviating the overall risks in the supply chain.



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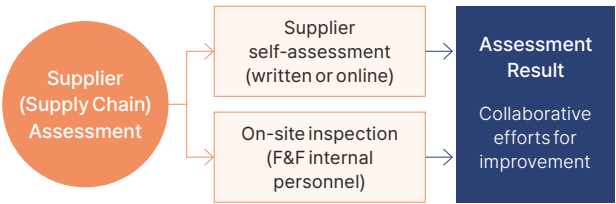
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Supply Chain Management

Supply Chain ESG Assessment

In its pursuit of a robust and responsible supply chain, F&F implements a range of management strategies, conducting annual supply chain ESG assessments as a key activity. This assessment aims to foster sustainable relationships and achieve mutual growth with our sourcing partners, which perform as our production base. F&F categorizes all its suppliers into two groups: 'Sourcing partners,' who manufacture products, and 'Staff partners,' who perform supportive roles. Within these groups, sourcing partners are defined as our key supply chain. They are further classified into Tier-1 and Tier-2 suppliers based on transaction methods, with significant suppliers identified and managed within each category. In the future, we plan to gradually expand the management scope to include suppliers beyond the Tier-2 suppliers. The supply chain ESG assessments are conducted based on the F&F's internal assessment criteria and system to assess risks in various areas including environmental impact, safety and health, and labor and human rights. ESG assessments were conducted on 94 suppliers(including 22 significant suppliers) with continuous business relationship among total 152 suppliers in 2024. Also, F&F is planning to enhance the supply chain ESG management level by improving participation, refining evaluation criteria, and strengthening supports for partners with high risks. Through these efforts, F&F strives to building a more sustainable and responsible supply chain ecosystem.

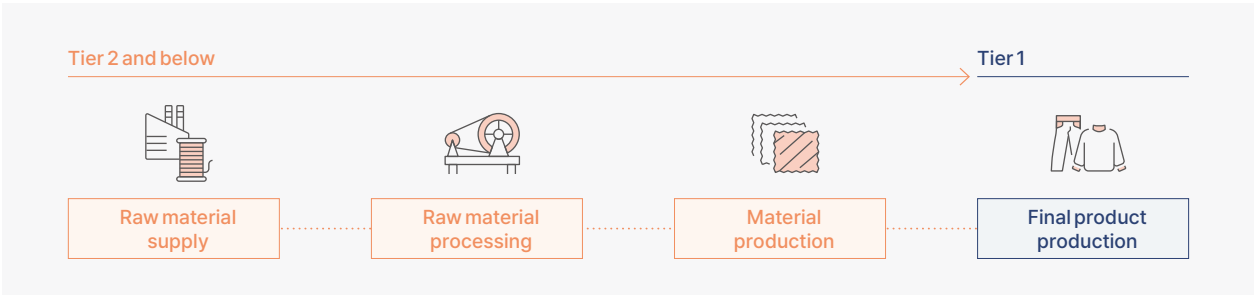
F&F Supply Chain Management Process



Key On-site Inspection Information for Suppliers

Category	
Business-Related	• Workflow/line layout
	• Production capacity, machinery, and other volume management infrastructure
ESG-Related	• Safety and health (working environment, cleanliness, etc.)
	• Level of digitalization
ESG-Related	• Human resources management
	• ESG-related certifications and details (ISO, Higg, Control Union certifications, etc.)
ESG-Related	• Assessment of potential ESG risks

Supply Chain Structure by Stage



Supply Chain Management Activity

Support Activities for Suppliers

For suppliers identified as high-risk during assessment, we implement various managerial and supportive activities aiming to foster mutual growth and development.

Category	
Quality and Technical Management Support	• Guidance on sewing techniques and quality control
	• Sample quality management and technical guidance for factory lines
Support for ESG Initiatives	• Quality inspection of received samples
	• Recommendations for sewing methods suitable for styles and fabrics
Support for ESG Initiatives	• Oversight of inspection agencies including FITI/ KOTTI/KATRI
	• Information and assistance with eco-friendly certification systems
Support for ESG Initiatives	• Guidance on ESG certification details (ISO, Higg, Control Union, etc.)

Supplier Selection Process

F&F utilizes a 'Competitive Evaluation' to transparently select suppliers aligned with our business directions and requirements. During the supplier selection process, we conduct fair evaluations based on criteria such as technology, quality, price, delivery, managerial capabilities, and finance status. Additionally, on-site inspections are carried out to review the suppliers' ESG management system and financial status, which are then reflected in the selection results, establishing a credible partnership.



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Supply Chain Management

Significant Supplier Management

F&F collectively considers the material importance, substitutability, global fashion business experience, revenue scale, and growth potential when selecting key partners. Based on these criteria, we identify and systematically manage partners with a strategic impact on our business. We will continue to select key partners that play an important role in our business operations using diverse evaluation standards, while strengthening systematic management and support to establish a more sustainable supply chain.

Number of Key Partners

2025 key partner		
Tier 1	Tier 2	Total
22	5	27

Key partners by category		
Apparel	Goods	Shoes
18	5	4

Fostering Win-Win Management

F&F actively practices win-win management to ensure fair trade and promote mutual growth. One key initiative is the regular supplier survey conducted annually, where we gather feedback on our ethical standards from sales-related firms, manufacturers, and other suppliers. This survey assesses criteria such as 'communication and trust,' 'work handling capability,' 'fairness,' 'integrity,' 'win-win management,' and 'improvements and suggestions', and the opinions collected through the survey are reflected in advancements and improvements in our ethical management practices. Another aspect of our win-win management approach is the hotline interview program conducted with partners in the supply chain including sourcing partners. This program allows us to proactively address potential issues that may arise during collaboration, ensuring early intervention. In 2024, we conducted regular surveys with 896 companies and conducted interviews with 30 of them for practical communication. F&F remains dedicated to strengthening mutual communication to build a more robust win-win system with our suppliers.

Status of Win-Win Management Survey Implementation *

Category	2023	2024
Number of suppliers participating in the win-win management survey	847 companies	896 companies
Number of suppliers participating in interviews	51 companies	30 companies

*Scope of suppliers
1) Regular survey: sales, production (sourcing), other suppliers
2) Hotline interviews: apparel and goods manufacturers among production (sourcing) companies

Supplier Grievance Handling

Category		Unit	2022	2023	2024
Supplier Grievance Handling Process	Handling of reports received in supplier communication channels	%	100	100	100



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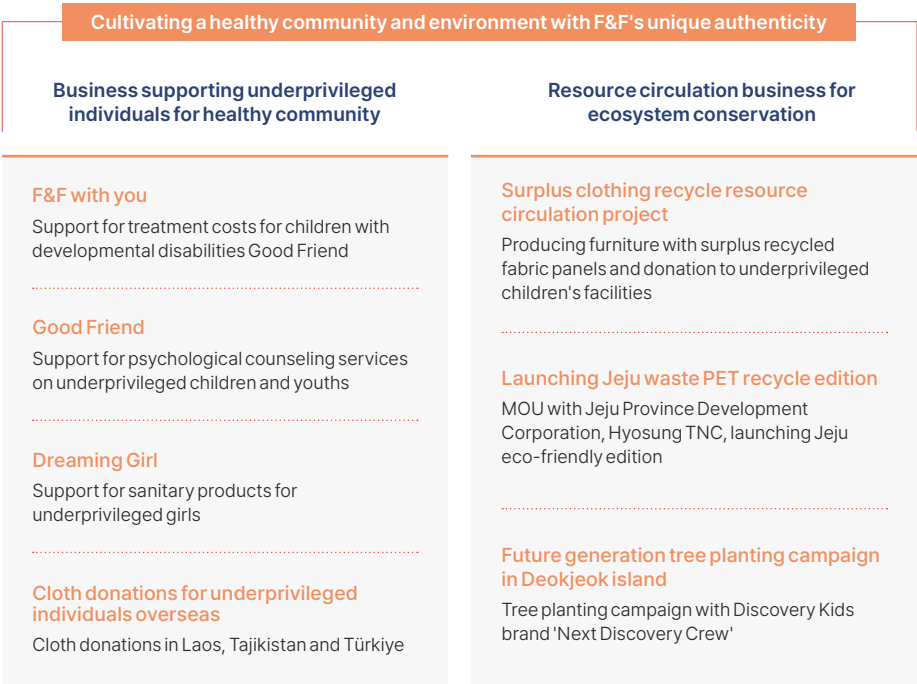
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Social Contribution System



Community Relations

Social Contribution Activity

Support for Medical Expenses of Vulnerable Groups

In 2024, F&F launched the 'F&F WITH YOU' campaign, embodying the motto 'Always With You,' aimed at promoting the well-being of vulnerable children and adolescents. As part of this initiative, a percentage of the sales revenue generated from the MLB KIDS Heart Collection at MLB KIDS stores nationwide and the official online shopping mall was contributed to Seoul Metropolitan Children's Hospital. This donation aimed to support medical expenses for children from vulnerable groups. The 'F&F WITH YOU' campaign, dedicated to supporting child patients, will continue in 2025 to share hope and support with more children.

Support for the Healthy Living of Underprivileged Girls

Female adolescents from low-income and vulnerable families often face challenges in acquiring accurate information about menstruation or accessing hygiene products. To alleviate these issues, F&F supports the healthy living of female adolescents from low-income and vulnerable families through the 'Dreaming Girl' campaign. In 2024, we produced support kits for girls consisting of essential items to address menstrual and hygiene issues, including organic sanitary pads, hot water bottles, hygienic underwear, basic skin care products, and informational brochures. A total of 312 female adolescents received these support kits. F&F will continue to realize social value by supporting vulnerable communities through meaningful and practical support measures.



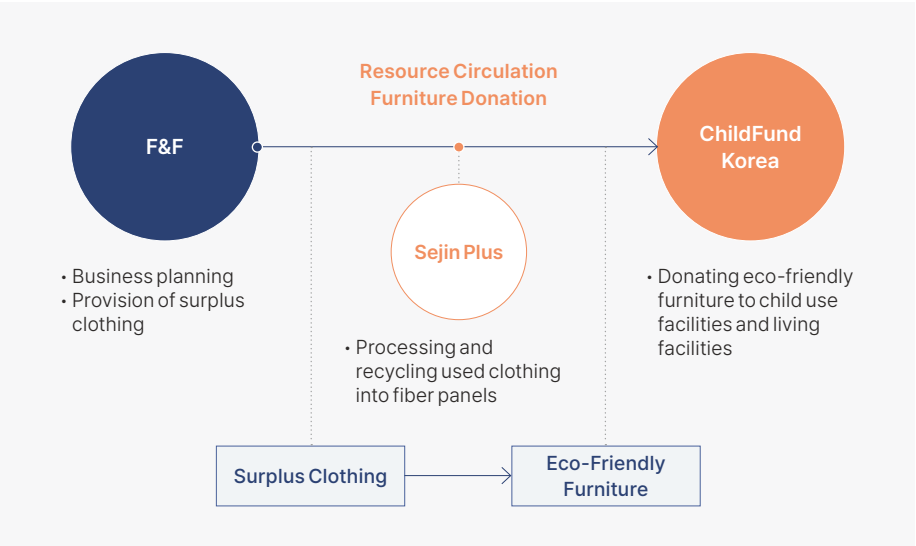
Supply kits provided through the "Dreaming Girls" campaign



Recycled lifestyle items made from clothes

Establishing and Operating the 'Resource Circulation & Donation' Model for Clothing

F&F recognizes that harmful substances such as dioxins and nitrogen oxides, produced during the incineration and landfill of textile waste, cause air, water, and soil pollution. To address this issue, in April 2022, we launched a project in collaboration with the ChildFund Korea and Sejin Plus to upcycle surplus clothing into eco-friendly furniture. In 2024, we continued supplying surplus clothing and funding to Sejin Plus, enabling the production of 70 eco-friendly shoe cabinets from recycled fabric panels which were distributed to 77 children, installed in residential facilities for vulnerable children. The Small furniture produced from leftover fabric panels were distributed free of charge to employees, with some being placed in office spaces. Through this 'Resource Circulation & Donation' model, F&F not only contributed to environmental protection but also contributed to improving the living conditions of underprivileged children pursuing social values.



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Support for the Mental Health of Children and Adolescents

Children and adolescents from vulnerable and abused back-grounds often face emotional challenges such as depression and anxiety. In order to enhance their psychological and emotional well-being, as well as promote social development, F&F has partnered with Good Neighbors to launch the 'Good Friend' mental health support program. Through this initiative, F&F facilitates psychological assessments and therapy for 95 vulnerable children and adolescents nationwide who are grap-pling with psychological and emotional difficulties, supporting healthy growth and mental recovery.

Support for Vulnerable Groups Overseas and Support for Disaster Relief and Recovery

F&F has consistently extended its support not only in Korea but also to people in need of help around the world. Following the donation of winter clothing in 2023 as emergency aid to sup-port recovery from the devastating earthquake in Türkiye, F&F continued its assistance by providing essential clothing to fam-ilies affected by the earthquake and vulnerable households, enabling them to return to normal life quickly. In 2024, F&F do-nated backpacks and clothing to support vulnerable youths in rural areas of Laos. This donation reduced the financial burden of youths and families, generating positive impacts in the edu-cational environments by increasing the attendance rate. F&F also donated winter clothes to vulnerable households living in rural areas of Tajikistan, where harsh winter pose a threat to the health and well-being of people, to prevent disease and health problems. Also, F&F extended their support to ethnic Koreans (Koryoin) who have been historically isolated, promoting the embracement and social integration of vulnerable and minority groups within the community.

Major Donation Activity Records

F&F is committed to fulfilling its corporate social responsibility and building a sustainable future by operating various donation activities. Donation recipients, methods, and partner organizations are carefully selected under the core values of 'Sustainability' and 'Social Solidarity' to fulfill its corporate social responsibility and build a sustainable future, engaging in donation activities.

Company	Donation/Collabora-tion Organization	Period	Expense	Details	Category
F&F Holdings	Samsung Seoul Hospital	June 2024	KRW 200 Million	Hospital development fund	Cash
	Good Neighbors	July 2024	KRW 100 Million	Psychological counseling for youths	Business
	ChildFund Korea	April 2024	KRW 55 Million	Resource circulation and furniture donation to facilities for vulnerable groups	In-kind
F&F	Red Cross Korea	April 2024	Approximately KRW 325 Million	Donation to Red Cross flea market	In-kind
	Seoul Metropolitan Children's Hospital	May 2024	KRW 100 Million	Medical treatment expenses for children with developmental disabilities	Cash
	Good Neighbors	September 2024	Approximately KRW 1.878 Billion	Donation to earthquake in Türkiye	In-kind
	Good Neighbors	September 2024	Approximately KRW 32 Million	Support for underprivileged girls	Business
	Good Neighbors	November 2024	Approximately KRW 372 Million	Support for vulnerable groups in Laos	In-kind
	Good Neighbors	November 2024	Approximately KRW 449 Million	Support for vulnerable groups in Tajikistan	In-kind

Major Association Fees and Contributions

In 2023, F&F allocated a total of KRW 19,730,000 on major association fees. In the following year, 2024, this expenditure increased to KRW 18,630,000. F&F adheres strictly to do-mestic political funding and anti-bribery laws, which prohibit corporate donations to political funds. The company has not engaged in any form of political campaign donations, lobbying, or other related expenditures within the past three years.

Major Association Fees

Category	Unit	2024
UNGC	KRW	8,000,000
Korea Listed Companies Association	KRW	5,780,000
Korea Fashion Industry Association	KRW	2,500,000
The Institute of Internal Auditors Korea	KRW	2,200,000
Korea International Trade Association	KRW	150,000



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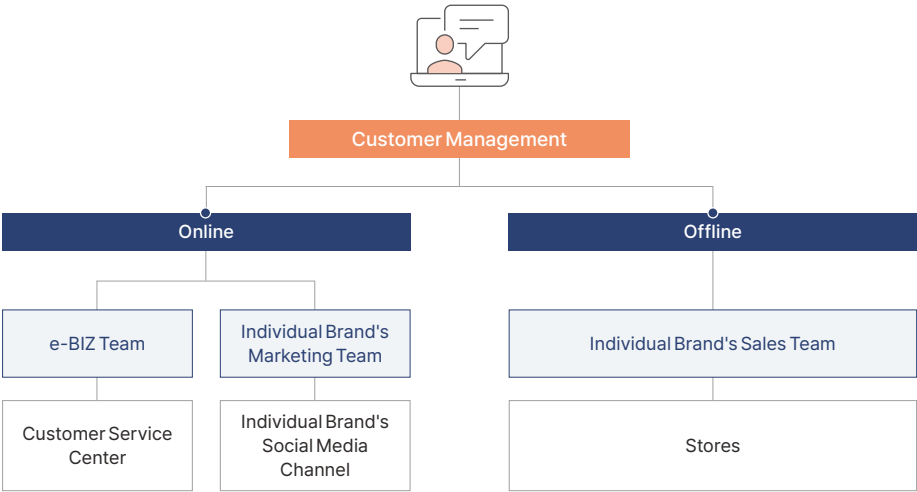
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Customer Management System

To ensure customer satisfaction and trust, F&F has established and operates both online and offline customer management systems. The e-BIZ team oversees online customer management through a centralized 'Customer Consultation Center' that integrates and oversees VOC (Voice of the Customer) initiatives throughout the company. We systematically analyze customer complaints, suggestions, and inquiries to implement practical improvement measures in collaboration with relevant departments. Each brand's marketing team also conducts two-way communication with consumers through official social media channels. These channels are used to actively share brand news and campaigns, while also listening to customer feedback to establish strong customer trust. Additionally, each brand's sales team collaborates closely with store owners and operational staffs to listen and respond to offline customer feedback, and the collected real-time feedback is shared with HQ immediately, contributing to improved customer experience. F&F strives to expand customer communication on various channels, fostering communication targeting for customer-focused management.



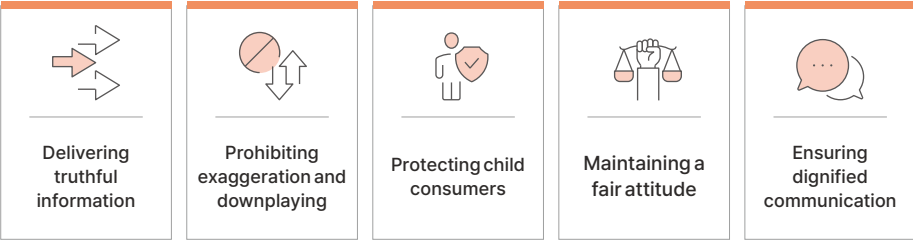
Customer Management Strategy

Advertising and Marketing Ethics Policy

F&F endeavors to provide precise and transparent product information to encourage customers to make informed purchasing decisions. Through this effort, the company intends to support rational choices of customers and contribute to establishing a fair market environment. To safeguard customer rights, we have established an Advertising and Marketing Ethics Policy and uphold responsible marketing communications by the principles outlined in the policy. All advertisements are delivered honestly based on facts, with customer trust being the top priority.

- Advertising and Marketing Ethics Policy(F&F)
- Advertising and Marketing Ethics Policy(F&F Holdings)

Summary of Advertising and Marketing Ethics Policy



Consumer Rights Protection Policy

F&F is committed to quality control, ensuring that customers can use our products with confidence. When there are product defects, we provide repairs, exchanges, or refunds. According to our internal policy, customers can change products with defects for the same item at the same price or exchange them for other products. F&F is committed to advancing a consumer rights protection system to ensure high-quality products and services are provided to valued customers.

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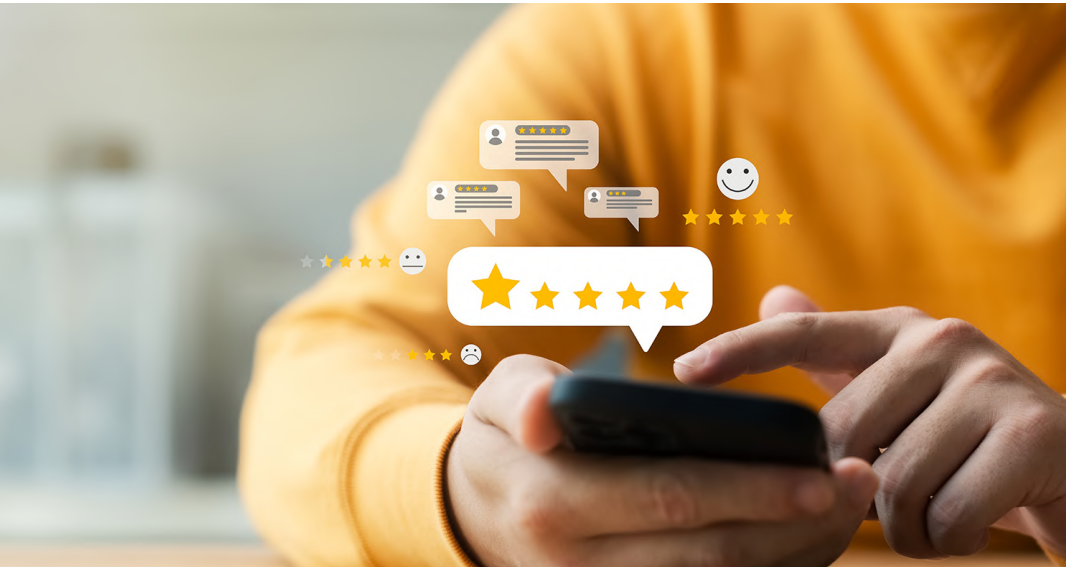
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Customer Risk Management

F&F conducts monthly customer satisfaction surveys to identify customer needs and areas where they may be dissatisfied and continuously improve service quality. The feedback collected through these surveys serves as valuable data for product improvements and service enhancements. As a result of continuous efforts to increase customer satisfaction, over 90% of customers who purchased products reported high levels of satisfaction. We will continue to analyze customer satisfaction, address areas of concern, and strive to maximize customer satisfaction.

Category		Unit	2022	2023	2024
Customer satisfaction	Percentage of satisfied customers compared to survey respondents	%	91	92	90
	Percentage of respondents compared to total customers	%	13	12	10



Customer Management Target

Target

● Maintain a rate of 90% or higher in customers responding 'satisfied' in customer satisfaction surveys by 2030

Customer Management Activity

VOC Management and Response Initiatives

F&F continuously strengthens its Voice of Customer (VOC) activities to enhance customer satisfaction. Under our recognition that customer opinions and demands are the starting point of service enhancement, we gather customer feedback and requests through various communication channels, including call centers, mobile applications, and the customer service section on our website. Customers can access announcements and manage transactions such as exchanges, returns, deliveries, cancellations, and refunds through brand-specific customer centers linked to our mobile app and the F&F website. F&F also offers customer-tailored communication utilizing digital technology. MLB and DISCOVERY EXPEDITION offer KakaoTalk chatbot services, while SERGIO TACCHINI, DUVETICA, and SUPRA utilize Channel Talk chatbot services in the F&F online-mall for enhanced 1:1 real-time communication with the customers to assist them in resolving inquiries and accessing to required information. Requests received through these channels are processed within 24 hours as our standard practice for promptness and convenience. Daily and monthly customer inquiry reports from the call center and website customer service section are forwarded to the HQ, and the relevant departments identify improvement tasks and incorporate them into enhancements for products, quality, and services. The Operations Support Team and Service Planning Team, responsible for ensuring customer satisfaction, analyze VOC data to pinpoint root causes and discuss preventive measures for addressing underlying VOC issues over the long term.



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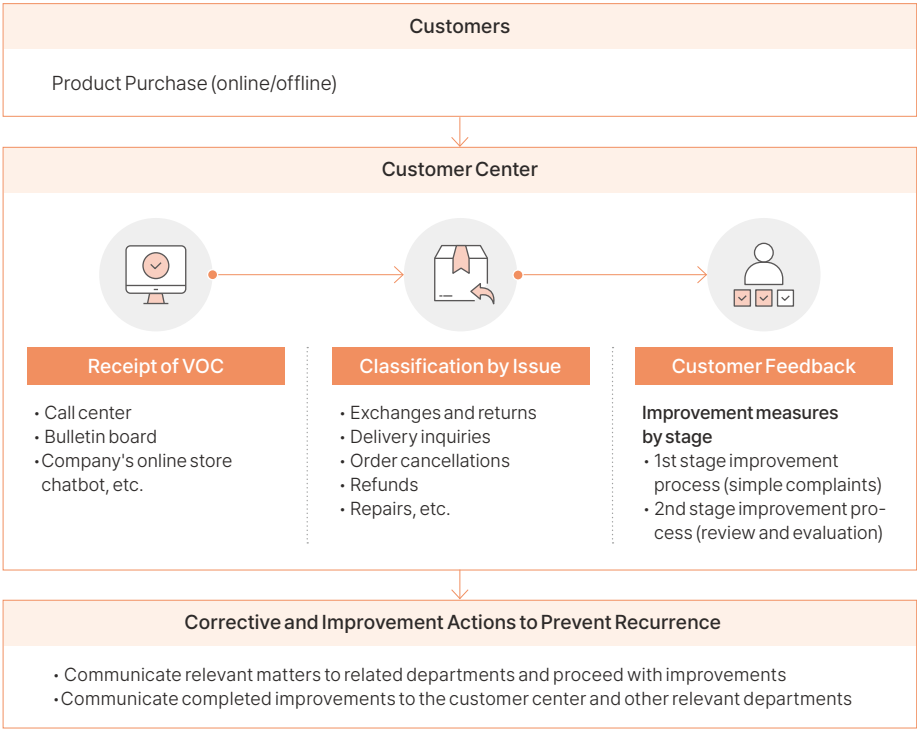
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VOC Handling Procedures



Number of Inquiries and Complaints Handled

Category		Unit	2023	2024
Number of Inquiries and Complaints Handled*	No. of Inquiries	Cases	68,452	203,015
	No. of Cases Handled	Cases	64,824	199,002
	Handling Rate	%	0.95	0.99

*The 2023 data reflect only phone inquiries, whereas the 2024 data include inquiries via phone, bulletin boards, affiliate pages, and chat services.

Consumer Compensation Handling

F&F has established consumer compensation standards to protect customer rights by addressing feedback regarding product defects, design dissatisfaction, and other concerns, ensuring compensation for any losses incurred by consumers. Moreover, we maintain exchange and refund policies aimed at enhancing consumer convenience by prompt and accurate execution to minimize customer inconvenience. The exchange and refund procedures are designed to be as straightforward as possible to maximize consumer satisfaction. F&F will fulfill its responsibility as a customer-trusted brand by operating a customer-centered service operation.

Consumer Compensation Standards

Fabric, Accessory, and Sewing Defects	Incorrect Size, Design or Color Dissatisfaction	Exchanges and Refunds
<ul style="list-style-type: none">Products purchased within one year are eligible for free repairs, exchanges, or refunds at the purchase priceSewing defects are eligible for free repair even after one year	<ul style="list-style-type: none">Requests for exchange of undamaged products must be made within 7 days of purchase, and follow the principle of exchanging for the same product at the same price	<ul style="list-style-type: none">Compensation decisions and details will be communicated within 7 days of the request dateCompensation actions will be taken within 14 days from the notification dateDamage due to consumer negligence, improper washing, or quality issues beyond the one-year warranty period are not covered. Repair services may be offered if feasible, with charges applicable

Online Sales Status

Category		Unit	2022	2023	2024
Online Service	Number of customers using online services	Persons	23,424,226	21,645,965	22,382,762
	Ratio of online sales	%	8	11.6	12.2

* No. of customers using official online services of F&F



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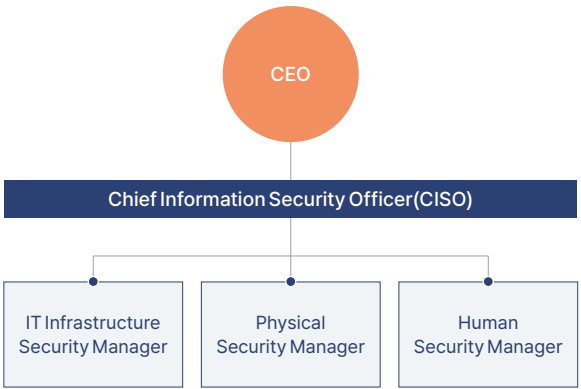
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Information Security System

The information security responsibility and response capability improvements are becoming more important, due to the digitalization of the fashion industry, shifts in service methods, and the increased information leakage risks. Led by the Information Security Team as the central department, F&F has implemented comprehensive security procedures and systems integrating IT infrastructure, physical security, and personnel security to enhance our security management system. F&F has appointed a Chief Information Security Officer (CISO) with over 15 years of experience in information security and IT, who regularly reports to the CEO regularly to ensure clear accountability and drive continuous improvement and responsiveness in information protection. Additionally, an Information Security Council has been established to share key information security matters, with executive decisions made at least once a year to secure strategic directions and execution. Through this system, F&F is consecutively improving the security level and cyber threat response capabilities.



Information Security Management Organization



Information Security Strategy

F&F adheres to the Personal Information Protection Act and related regulations to uphold the freedoms and rights of individuals regarding their information. We review and update our personal information protection policy and internal management plan at least once a year. To safeguard both customer information and information assets, F&F has implemented a range of security measures, including NAC*, DLP**, server/DB access control, and DB encryption. We also monitor our systems using a 24-hour firewall security monitoring service. Furthermore, we conduct an annual mock virus email drill to prepare for incident response and promote awareness through information security training, improving the information sensitivity and responsiveness of the company. Also, we perform annual third-party vulnerability analysis on our infrastructure assets and conduct simulated hacker attacks on our web pages to analyze security risks and identify areas for improvement, actively implementing necessary measures.

*NAC (Network Access Control): A solution for controlling network access
**DLP (Data Loss Prevention): A solution for preventing data loss

-  Privacy Policy: Systems/Procedures (F&F)
-  Privacy Policy: Systems/Procedures (F&F Holdings)

Information Security Activity

Obtaining Information Security Certification

F&F conducts an independent external audit each year to assess its information protection management system, while internally preventing compliance risks through inspections of personal information processing systems. We have continuously proven our information security capability by maintaining the Information Security Management System (ISMS) certification and the international standard ISO 27001 certification, and have also conducted in-depth evaluations of the security systems and AWS through the ISMS certification follow-up audit. F&F plans to collaborate closely with security specialists in each area to enhance security levels and maintain certifications, improving the company's information security capabilities.

Strengthening Information Security Infrastructure

F&F continuously strengthens information security by recruiting additional personnel and systematizing and refining the roles and responsibilities (R&R) within the organization. Based on these efforts, the upgraded security systems, such as NAC and DLP were implemented and upgraded, and the security risks of launching new systems were minimized through a pre-security review process. To foster employee awareness of information security, we implement an annual training plan focused on personal information protection, conducting sessions annually under the supervision of the security officer. Training is delivered via our in-house online education platform, supplemented by external professional organizations as needed. For companies entrusted with handling personal information, we conduct annual inspections and training sessions on personal data security. Additionally, we identify and address areas for improvement in our websites accessed by customers. As a result of these initiatives, we have maintained a 0% information security incident rate over the past three years. We remain committed to safeguarding customer information through continuous protection activities.



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Board of Directors

Ethics and Compliance

Responsible Governance

F&F Group recognizes the importance of governance in advancing sustainable management practices and strives to achieve balanced economic, environmental, and social performance. Governance is the foundation of strategic decision-making to fulfill company objectives and is a critical component in ensuring sustainable growth and enhancing shareholder value. We are committed to upholding fairness, transparency, and independence within our governance framework. In line with this, in 2022, we established the Corporate Governance Charter to lay a solid foundation for transparent and robust governance practices. The Charter outlines the composition, qualifications, appointment, and recommendation processes, duties, and responsibilities of the Board of Directors (BOD), audit mechanisms, and stakeholder rights, strengthening the responsible decision-making and management transparency of the company.

Policy on Board Diversity Criteria

F&F Group regards the enhancement of board diversity as a key principle of corporate governance and has established and is operating diversity policy for the BOD. Our approach emphasizes diversity across gender, religion, country of origin, and nationality, of the board, actively seeking candidates who can bring new perspectives to the Board. We prioritize the inclusion of qualified individuals from diverse professional backgrounds to avoid any bias towards specific fields or industries. Presently, our BOD offers a well-rounded representation encompassing expertise in various areas, including accounting, finance, law, and digital for balanced decision making and professional discussions.

[Diversity Policy for the BOD \(F&F\)](#) [Diversity Policy for the BOD \(F&F Holdings\)](#)

Policy on Internal Transactions and Self-Dealing Control

F&F has enacted an Internal Transactions and Self-Dealing Control Policy to safeguard against conflicts of interest during BOD decisions. This policy ensures strict compliance with relevant regulations such as the Commercial Act and mandates that transactions between the company and directors or major shareholders require BOD approval. Also, such transactions are also transparently disclosed in our Corporate Governance Report, maintaining a fair and responsible decision-making system.

[Corporate Governance Report \(F&F\)](#) [Corporate Governance Report \(F&F Holdings\)](#)

CEO Succession Policy

F&F Holdings and F&F define the appointment of the CEO as the authority of the BOD according to the respective Articles of Incorporation and BOD regulations, and the matters related to establishment of succession policy and its operational entity are systematically managed through the CEO succession regulations. The HR team is responsible for the CEO succession tasks, with HR executives and personnel officers overseeing the management, development, verification, and evaluation of CEO candidates. Should the need for succession procedure arise, it is reported to the CEO and coordinated with the department in charge of the BOD. In cases of CEO incapacity or emergencies, succession follows the hierarchy stipulated in the Articles of Incorporation: Chairman, President, Vice President, Senior Director, and Managing Director. CEO candidates are selected based on their ability to execute visions and strategies that align with company and shareholder interests, supported by extensive knowledge, experience, and strong leadership qualities. F&F Holdings and F&F offer diverse training programs aimed at enhancing leadership, vision, strategic proposal, and risk management skills for potential CEO candidates and executives.

Board of Directors Operational Target

Target

- Increased ratio of independent directors (mid-to-long-term, F&F Holdings/F&F)
- Appointment of **more than 1 female** independent directors (mid-to-long-term, F&F Holdings)



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Composition of the Board of Directors

The Board of Directors (BOD) of F&F Holdings and F&F is composed of executive and independent directors with no more than nine members, in accordance with Article 27 of the Articles of Incorporation. As the company's highest permanent decision-making body, the BOD holds authority delegated by the general meeting of shareholders, including overseeing management and the execution of company affairs, as well as the appointment and dismissal of the CEO. The Board of Directors (BOD) guarantees the term of office for directors during their tenure to maintain expertise and independence, alongside the check-and-balance role over management. The term of office for executive directors is set at three years, while independent directors are limited to a maximum six-year term in accordance with the Commercial Act.

F&F Holdings

As of the end of March 2025, F&F Holdings' Board consists of a total of seven directors: four executive directors and three independent directors

BOD Composition (As of the end of March 2025)					
Category	Name	Gender	Position	Career Background	Term Expiration Date
Executive Director	Chang-Soo Kim	Male	Chairman of the Board	• CEO of F&F • Executive officer of F&F	2028.3.26
	Eui-Hun Park	Male	CEO	• CEO of F&F Holdings • Former CEO of Meritz Financial Group	2027.3.28
	Seung Bum Kim	Male	Managing Director	• Director of the Digital Division at F&F • CEO of F&Co	2028.3.26
	Jung-Man Ma	Male	Senior Director	• Finance Director of F&F Holdings • Former Managing Director of CJ CheilJedang	2027.3.28
Independent Director	Sung Deok Han	Male	Audit Committee Chairperson	• CEO of U Ace Tax & Consulting • Former Independent Director and Audit	2028.3.26
	Dong-Il Kim	Male	Audit Committee Member	• CEO of DK Value Solution • Former CEO of Franklin Templeton Investments	2027.3.28
	Jong-Mun Kim	Male	Audit Committee Member	• Representative Attorney at Damheon Law Firm • Former Representative Attorney at Jiwoo Law Firm	2028.3.26

F&F

As of the end of March 2025, F&F's Board comprises seven directors: four executive directors and three independent directors. The average tenure of the Board members is 7.79 years.

BOD Composition (As of the end of March 2025)					
Category	Name	Gender	Position	Career Background	Term Expiration Date
Executive Director	Chang Soo Kim	Male	CEO, Chairman of the Board	• CEO of F&F • Executive officer of F&F	2027.3.28
	Jung Man Ma	Male	Senior Director	• Finance Director of F&F Holdings • ormer Managing Director of CJ CheilJedang	2027.3.28
	Il-Chan Hwang	Male	Managing Director	• Planning Director of F&F • Former Managing Director of BYN Black Yak	2028.3.26
	Su-Jeong Jeong	Female	Senior Director	• Director of Business Operations Support at F& • Former CEO of E-Land World	2027.3.28
	Jong Won Yoon	Female	Audit Committee Chairperson	• Accountant at Grant Thornton Daejo	2027.3.28
Independent Director	Joon Keun Bae	Male	Audit Committee Member	• Former Managing Director of Hanwha Investment & Securities	2028.3.26
	Young Jin Lim	Male	Audit Committee Member	• Former Vice President of Shinhan Financial Group • Former CEO and President of Shinhan Card	2027.3.28



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BOD Transparency and Independence

To ensure the transparency of BOD operations, major BOD regulations and activities are disclosed on the company web-site and in the corporate governance report. Furthermore, our substantial representation of independent outside directors fosters an environment in which the oversight functions of the BOD and management are effectively carried out. In 2025, the assessment on independent directors was carried out for the first time.

BOD Independence

Category		Unit	2022	2023	2024
F&F Holdings	Ratio of in-dependent directors	%	42.9	42.9	42.9
F&F	Ratio of in-dependent directors	%	40	42.9	42.9



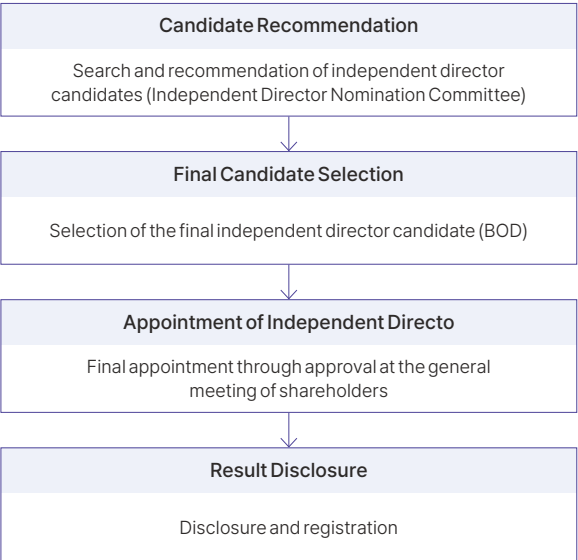
BOD Expertise, Diversity, and Efficiency

F&F Holdings and F&F strategically structure their BODs with a focus on expertise and diversity. This approach enables the BOD to consider the needs of various stakeholders comprehensively and to respond effectively to the evolving business environment when making critical decisions. In March 2024, F&F further enhanced BOD diversity and expertise by appointing one female executive director and one female independent director. The company has set a minimum meeting attendance rate of 85% for BOD members to encourage their participation. In 2024, the BOD members of both companies achieved a 100% meeting attendance rate. Additionally, the number of other positions that independent directors can hold is limited to one, ensuring they can perform their duties diligently.

Procedure for Appointing Independent Directors

F&F Holdings and F&F have established an Independent Director Nomination Committee to ensure the fair and transparent selection of independent directors. Comprising solely of independent directors, the Committee enhances fairness and independence in the selection process. The Committee reviews the qualifications of candidates according to relevant laws and regulations and the suitability of candidates based on their experience, expertise, diversity, etc, then recommends candidates for independent director positions. Directors are appointed following a resolution by the general meeting of shareholders, and all directors, including independent directors, are elected individually.

Procedure for Appointing Independent Directors



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F&F Holdings

Board Skills Matrix

Category	Executive Director				Independent Director		
	Chang-Soo Kim (Male)	Eui-Hun Park (Male)	Jung-Man Ma (Male)	Seung Bum Kim (Male)	Sung Deok Han (Male)	Dong-II Kim (Male)	Jong-Mun Kim (Male)
Management	●	●		●			
Finance		●	●		●	●	
Risk Management		●	●				
Investment	●	●	●			●	
Accounting, Audit			●		●		
Law							●
Digital				●			
Industry Experience	●	●					

Expertise, Diversity, and Efficiency

Category		Unit	2022	2023	2024
Expertise	Ratio of directors with industry experience	%	28.6	28.6	28.6
	No. of financial experts	Persons	4	4	4
	No. of risk management experts	Persons	2	2	2
Diversity	BOD diversity policy	Y/N	Y	Y	Y
	Ratio of female directors	%	0	0	0
Efficiency	No. of BOD meetings held	Times	7	7	4
	BOD meeting attendance rate	%	100	100	100
	No. of reports and resolutions at BOD meetings	Items	12	14	11
	Limitation on the number of other positions held by independent directors	Positions	1	1	1

F&F

Board Skills Matrix

Category	Executive Director				Independent Director		
	Chang-Soo Kim (Male)	Jung-Man Ma (Male)	Il-Chan Hwang (Male)	Su-Jeong Jeong (Female)	Joon-Keun Bae (Male)	Jong Won Yoon (Female)	Young Jin Lim (Male)
Management	●		●	●			●
Finance		●			●	●	●
Risk Management		●					
Investment	●	●	●		●		●
Accounting, Audit		●				●	
Law							
Industry Experience	●		●	●			

Expertise, Diversity, and Efficiency

Category		Unit	2022	2023	2024
Expertise	Ratio of directors with industry experience	%	20	20	28.6
	No. of financial experts	Persons	2	2	4
	No. of risk management experts	Persons	1	1	1
Diversity	BOD diversity policy	Y/N	Y	Y	Y
	Ratio of female directors	%	0	0	28.6
Efficiency	No. of BOD meetings held	Times	17	8	6
	BOD meeting attendance rate	%	100	100	100
	No. of reports and resolutions at BOD meetings	Items	14	21	20
	Limitation on the number of other positions held by independent directors	Positions	1	1	1



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Committees

F&F Holdings and F&F have established and manage committees within the BOD for systematic and efficient decision-making and operations. Each committee functions according to its specific regulations, which are detailed and disclosed in the corporate governance report every May.

F&F Holdings

Committee Composition (As of end of March 2025)

Committee	Composition	Chairperson	Major Functions and Roles
Audit Committee	3 Independent directors	Sung-Deok Han	1. Supervision of the work of directors and management 2. Approval of the selection of external auditors 3. Other matters related to audit work as stipulated by the Articles of Incorporation or internal regulations
Investment Review Committee	Executive directors	Chang-Soo Kim	1. Establishment of basic policies and strategies for investment 2. Determination of the level of investment risk the company can bear
ESG Committee	1 Executive director 2 Independent	Eui-Hun Park	1. Establishment of ESG policies and plans 2. Formation of an ESG support organization 3. Evaluation of ESG activities and setting of improvement measures
Independent Director Nomination Committee	3 Independent directors	Dong-Il Kim	1. Recommendation of independent director candidates to the general meeting of shareholders 2. Management and verification of independent director candidates

Committee Activities

Committee	Details	Unit	2022	2023	2024
Audit Committee	Ratio of independent directors	%	100	100	100
	Financial expertise of the chairperson	Y/N	Y	Y	Y
	No. of financial experts	Persons	2	2	2
	No. of meetings held	Times	2	4	4
	Attendance rate	%	100	100	100
	No. of reports and resolutions	Items	3	4	7
Investment Review Committee	No. of meetings held	Times	6	0	0
	Attendance rate	%	100	0	0
	No. of reports and resolutions	Items	6	0	0
ESG Committee	No. of meetings held	Times	2	3	2
	Attendance rate	%	100	100	100
	No. of reports and resolutions	Items	4	6	7
Independent Director Nomination Committee	Ratio of independent directors	%	100	100	100
	No. of meetings held	Times	1	0	2
	Attendance rate	%	100	0	100
	No. of reports and resolutions	Items	1	0	2

F&F

Committee Composition (As of end of March 2025)

Committee	Composition	Chairperson	Major Functions and Roles
Audit Committee	3 Independent directors	Jong-Won Yoon	1. Supervision of the work of directors and management 2. Approval of the selection of external auditors 3. Other matters related to audit work as stipulated by the Articles of Incorporation or internal regulations
ESG Committee	1 Executive director 2 Independent directors	Chang-Soo Kim	1. Establishment of ESG policies and plans 2. Formation of an ESG support organization 3. Evaluation of ESG activities and setting of improvement measures
Independent Director Nomination Committee	3 Independent directors	Young-Jin Lim	1. Recommendation of independent director candidates to the general meeting of shareholders 2. Management and verification of independent director candidates

Committee Activities

Committee	Details	Unit	2022	2023	2024
Audit Committee	Ratio of independent directors	%	N/A	N/A	100
	Financial expertise of the chairperson	Y/N	N/A	N/A	Y
	No. of financial experts	Persons	N/A	N/A	2
	No. of meetings held	Times	N/A	N/A	4
	Attendance rate	%	N/A	N/A	100
	No. of reports and resolutions	Items	N/A	N/A	7
ESG Committee	No. of meetings held	Times	1	3	3
	Attendance rate	%	100	100	100
	No. of reports and resolutions	Items	1	6	7
Independent Director Nomination Committee	Ratio of independent directors	%	66.7	66.7	100
	No. of meetings held	Times	1	1	2
	Attendance rate	%	100	100	100
	No. of reports and resolutions	Items	1	1	2



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Committee Operation Activities

Education and Professional Advisory Support for Independent Directors

F&F Holdings and F&F have established various institutional foundations to support the independent and faithful performance of independent directors. Independent directors are entitled to request the required information from the CEO and, if necessary, can seek education and assistance from external experts at the company's expense. Also, the company offers tailored education programs to enhance the expertise and capabilities of independent directors, ensuring they can perform their duties effectively in the rapidly transforming managerial environment.

Company	Education Date	Conducting Entity	Participated Independent Directors	Main Education Content
F&F Holdings	2024.07.04	Samjong KPMG	Sung-Deok Han, Dong-Il Kim, Jong-Mun Kim	The 10 th ACI Seminar
	2024.12.27	Samjong KPMG	Sung-Deok Han	Embezzlement and internal accounting control system
F&F	2024.05.21	Samjong KPMG	Young Jin Lim	The 11 th AAP
	2024.07.04	Samjong KPMG	Joon-Keun Bae	The 10 th ACI Seminar
	2024.12.27	Samjong KPMG	Jong-Won Yoon	Embezzlement and internal accounting control system

Evaluation and Compensation

F&F Holdings and F&F conduct an annual evaluation on the entire Board of Directors. In February 2025, related regulations were established to clarify the evaluation criteria, and the Board evaluation has been regularized at the beginning of each year accordingly. The Board evaluation is conducted as a self-assessment involving all Board members, and covers five areas of roles and responsibilities, structure, operation, committee activities, and reflection of evaluation results, comprising 30 items evaluated on a 5-point scale. The evaluation results are reported to the Board, and the related information is transparently disclosed externally through public announcements.

In addition, F&F conducts multidimensional assessments on the performances of independent directors based on the company's internal standards, reviewing various aspects of role responsibilities. The evaluation is conducted using both quantitative and qualitative methods, combining mutual evaluations of independent directors and assessments from supporting departments. Key evaluation criteria include Board attendance rate, independence, expertise, and contribution to Board activities. In the future, the results of these self-assessments will be directly reflected in the reappointment decisions of independent directors, and the institutional improvement points will be continuously assessed. Compensation for independent directors is not linked to their performance evaluations. To maintain their independence, the compensation level is determined within the limits approved at the general shareholders' meeting, based on a comprehensive consideration of contribution levels and benchmarking against other companies.



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Enhancing Shareholder Rights

F&F Holdings and F&F have introduced electronic voting systems to safeguard shareholder rights and encourage participation, alongside establishing and transparently disclosing their medium-to-long-term dividend policy. Shareholders are notified of meeting agendas and dates four weeks in advance through written or electronic notifications to support them participate in decision making with sufficient information.

Shareholder Value

Category		Unit	2022	2023	2024
Shareholder Engagement	Introduction of proxy voting	Y/N	Y	Y	N
	Introduction of electronic voting	Y/N	Y	Y	Y
	Introduction of cumulative voting	Y/N	N	N	N
	Encouragement of voting rights delegation for all shareholders	Y/N	Y	Y	Y
	Advance notice of agenda items	Y/N	Y	Y	Y
Dividends	Establishment and disclosure of medium- to long-term dividend policy	Y/N	Y	Y	Y

Status of Major Shareholders

Category		Unit	2023	2024
F&F Holdings	Director and CEO Shareholdings	%	71.1	69.5
	Government Shareholdings	%	0	0
	Founder and Family Shareholdings	%	88.5	86.9
	Controlling Shareholder Shareholdings	%	64.4	62.8
F&F	Director and CEO Shareholdings	%	24.5	24.5
	Government Shareholdings	%	7	7.05
	Founder and Family Shareholdings	%	28.9	28.8
	Controlling Shareholder Shareholdings	%	31.7	34

* As of the end of December, each year
* Shareholding ratio to total issued shares

Audit

The internal audit organization within the F&F Group conducts audit tasks independently from the management and controlling shareholders, striving to achieve internal control capabilities and enhanced transparency. F&F Holdings established an Audit Committee through a resolution at the general meeting of shareholders on March 25, 2022, and the Audit Committee is composed of three members in accordance with the Commercial Act and the company's Articles of Incorporation, all of whom are independent directors. One of the Audit Committee members is appointed as an expert in accounting or finance, and the audit committee member adheres to the same compensation policy as other independent directors. F&F also established an Audit Committee to ensure the independence of the internal audit organization and enhance internal control functions, thereby increasing transparency. The Audit Committee reviews report on 'Codes of Conduct Violations and Actions Taken,' and assesses the appropriateness of actions taken. Additionally, the committee may receive reports on business matters from the company and access management information if necessary. The F&F Group ensures the objectivity, reliability, and transparency of accounting information through regular audits conducted by an independent external auditor, who attends the general meeting of shareholders to respond to shareholders' inquiries and enhances the reliability of audits.

Composition of the Internal Audit Organization

Company	Internal Audit Organization	Member	Position	Audit-Related Experience and Qualifications
F&F Holdings	Audit Committee	Sung-Deok Han (Independent director)	Audit Committee Chairperson	• CEO of U Ace Tax & Consulting (Certified public accountant) • Former Independent Director and Audit Committee Member of Halla Corporation
		Dong-II Kim (Independent director)	Audit Committee Member	• CEO of DK Value Solution • Former CEO of Franklin Templeton Investments
		Jong-Mun Kim (Independent director)	Audit Committee Member	• Representative Attorney at Damdeok Law Firm • Auditor at Voim Technologies
F&F	Audit Committee	Jong-Won Yoon (Independent director)	Audit Committee Chairperson	• Accountant at Grant Thornton Daejoo
		Joon-Keun Bae (Independent director)	Audit Committee Member	• Former Managing Director of Hanwha Investment & Securities
		Young-Jin Lim (Independent director)	Audit Committee Member	• Former CEO and President of Shinhan Card • Former President of Shinhan Financial Group

*Experience in financial institutions, government, or securities-related institutions as specified in Article 37, Paragraph 2, Item 4 of the Enforcement Decree of the Commercial Act (Type 4)



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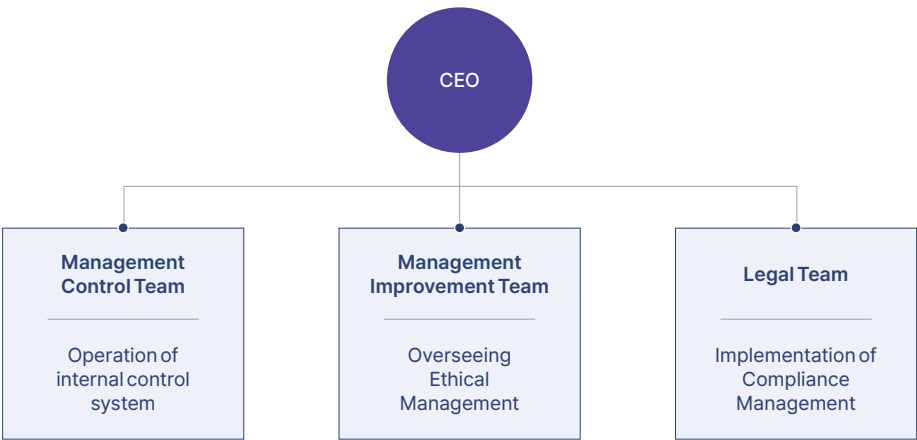
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Ethics and Compliance

Ethical Management System

Ethical Management Governance

F&F has established a systematic compliance and ethical management operation system and operates its organization centered around the Management control team, Management improvement team, and Legal team to ensure effective management. The Management Improvement Team conducts continuous monitoring for violations of the Code of Conduct. When a violation occurs, the team conducts timely investigation and handles violations, establishing measures to prevent recurrence and streamline processes. Reports are made to executives and the board of directors to foster a culture of ethical compliance throughout the organization, and various activities are also implemented to enhance employees' ethical conduct awareness. Additionally, within the Management Control Team's Internal Accounting Management division, they enforce internal accounting management regulations to bolster the reliability of disclosed accounting information. Each year, they evaluate the operation of the internal accounting management system of each company, with the CEO and internal accounting manager presenting findings to the BOD and shareholders at the annual general meeting. The Legal Team, which supports the Compliance Officer appointed by the BOD, aids in overseeing compliance activities across departments. The Legal Team provides preemptive compliance education and training to employees. Its efforts not only uphold business competitiveness but also ensure field-oriented compliance management and strengthen comprehensive compliance management throughout the organization.



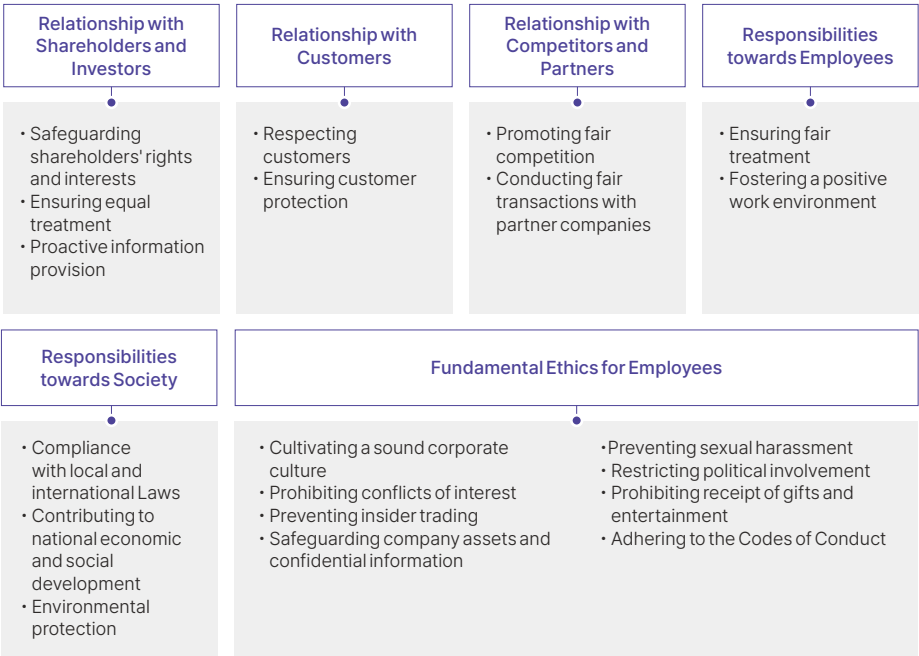
Ethical Management Strategy

Codes of Conduct

F&F established and operates the 'Codes of Conduct' for employees to ensure transparent and ethical management grounded in ethics and trust. The Code of Conduct outlines the fundamental principles and practical guidelines necessary for transparent decision-making and responsible behavior, providing direction for ethical judgment and conduct of employees. The Code of Conduct applies to all employees, including regular, contract, and dispatched employees, and all members are obliged to uphold the Code of Conduct faithfully. The violations are led to disciplinary measures according to the related policies, and compliance with the Codes of Conduct is reflected in the performance evaluation and compensation systems to encourage the internalization of ethics and proactive participation.

- Employee Code of Conduct (F&F)
- Employee Code of Conduct (F&F Holdings)

Key Contents of the Codes of Conduct



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Ethics and Compliance

Ethical Management Target

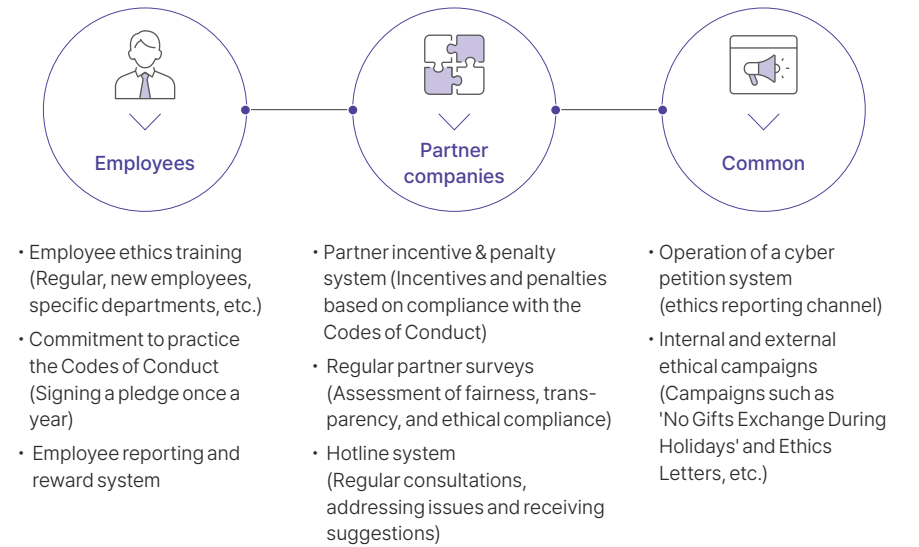
Target

- Maintain 100% response rate to stakeholder reports
- Maintain 100% commitment rate to the Codes of Conduct by employees

Ethical Management Initiatives

To establish an ethical culture, F&F implements a range of ethical management initiatives for employees and partner companies. These initiatives encompass regular employee ethics training to ensure adherence to the Codes of Conduct, and the establishment of a reporting and reward system to encourage internal reports. For partner companies, we implement an Incentive & Penalty system, conduct regular surveys, and maintain a hotline system to identify the ethics level. Moreover, we enhance our company-wide ethical management framework effectiveness through a cyber petition system that anyone can use to report on violation cases, as well as regular internal and external ethical campaigns.

Detailed Ethical Management Initiatives



Publication of Ethics Letters

In our efforts to promote ethical management and foster greater ethical awareness, we distribute Ethics Letters. Every year, the letters are sent to all employees during the Lunar New Year and Korean Thanksgiving Day, fostering internal communication for ethical culture expansion. Additionally, similar letters were sent to our sourcing and purchasing teams to share the ethics standard and highlight the importance of ethical business practices in establishing a transparent and healthy network with our partner companies.

Ethics and Compliance Training

F&F provides mandatory legal ethics training (sexual harassment prevention, disability awareness improvement, and personal information protection), as well as integrity education and occupational safety and health training to all employees. In October 2024, we invited a lawyer from outside to conduct subcontracting law education. Employees from various levels participated in the program, and a 100% completion rate was achieved across all education sessions.

Status of Ethics and Compliance Training

Category		Unit	2022	2023	2024
Ethics Training	Ethics training hours per employee	Hours	1	1.2	1
	Percentage of employees who received ethics training	%	100	100	100
	Percentage of part-time and contract employees	%	4	3	3
Compliance Training	Fair trade/Anti-corruption training for employees - Training content: Subcontracting Law, Agency Law, etc	Hours	1	6	2

* Compliance training is conducted for selected employees who are relevant to the job (100% completion rate)



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Ethics and Compliance

Cyber Petition

F&F operates a 'Cyber Petition' system enabling employees and stakeholders to safely report on illegal and unethical activities. Stakeholders can use this system to report unethical conduct experienced during business interactions, such as unfair demands, bribery, or sexual harassment, via internet, email, phone, or mail. All reports are handled confidentially, and strict protection measures are implemented to protect reporters from any disadvantages.

Ethics Audit

	Category	Unit	2022	2023	2024
Ethics Audit	Audit on reporting and disciplinary actions	Y/N	Y	Y	Y

Compliance Management

Establishment and Operation of Company-Wide Compliance Control Standards

At the end of 2023, F&F established 'Compliance Control Standards' to promote responsible management based on legal compliance. The standard clearly sets out the control standards and operational principles that the company and its employees must abide by, and the company operates a company-wide compliance support system led by the legal team. In particular, the potential legal risks in major business areas are preemptively identified, and the legal stability is secured through consecutive inspections and prevention-centered response measures.

Legal risk assessment and operation of the digital legal system (E-LAW)

F&F systematically assesses legal risks through corporate's in-house lawyer under legal team, to support executives and employees to comply with relevant laws and regulations. In addition, key legal tasks including legal consultation, contract review, and lawsuit management are managed through the E-LAW system, which enhances both the accuracy of decision-making and the efficiency of legal tasks.

Compliance Review and Follow-up Measures based on the Key Laws and Regulations

F&F identifies laws related to the company's key business activities and conducts regular compliance assessments to improve company-wide compliance management. In 2024, the Subcontracting Act was selected as a major risk, and in-depth assessments were conducted on relevant departments, including sourcing teams from five brands. The results of both written and interview-based assessments on 17 items implied that the overall legal compliance level was achieved. However, a possible lack of understanding in certain areas was identified, and additional training and distribution of guidelines were conducted as a response. The assessment results were reported to the Board of Directors, and F&F plans to gradually expand the scope of compliance assessments in the future to additional legal areas.

Legal Violations

	Category	Unit	2022	2023	2024
Legal Violations	No. of non-monetary sanctions related to anti-corruption	Cases	0	0	0
	Fines and settlement amounts for anti-trust and anti-competitive practices	KRW 100 million	0	0	0



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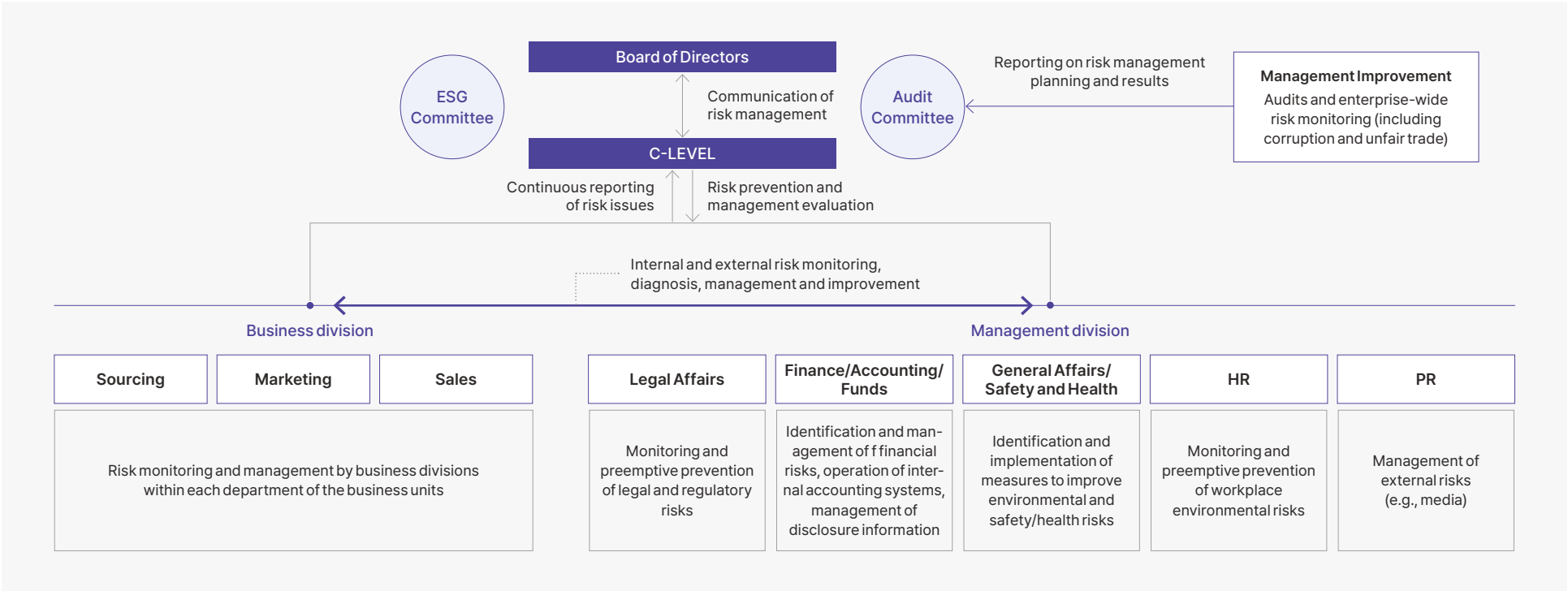
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Risk Management System

F&F proactively identifies and addresses risk and opportunity factors stemming from various uncertainties affecting corporate operations, integrating them comprehensively into management practices. The company strengthens company-wide risk management and applies it across all areas of business activities. All employees acknowledge the significance of risk management, and the risk types identified across business areas are systematically managed. Each risk factor is evaluated and controlled appropriately through regular monitoring to minimize the impact on corporate value.

F&F manages and responds to risks across the organization. Departments such as finance, internal accounting management, disclosure information management, legal, and health and safety are involved in identifying and responding to the risks. These departments operate dedicated risk management systems led by their respective department and business unit heads, ensuring oversight and management of potential risks within the organization and establishing response measures, contributing to the practical alleviation of risks. Through this system, various possible risks in the organization are prevented and responded to promptly.

The related departments conduct monitoring processes to proactively identify risks, and the results are reported to the executives and the Board of Directors regularly. In particular, the issues identified as critical risk are reported to the executive on a real-time basis, enabling prompt and effective response.



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Risk Management

F&F aims to settle an effective risk management culture throughout the organization. We categorize the risk management areas into 'Finance, Internal Accounting Management, Disclosure Information Management, Legal, Safety and Health, Business, Environment, Labor, and Human Rights', and conduct systematic assessments and management of each type of risk by evaluating both the likelihood and the scale of potential impacts.

Financial Risks Financial risk refers to the risk of possible changes in the fair value of financial instruments due to fluctuations in market prices, affecting future cash flows. F&F systematically manages three types of market risk factors: exchange rate risk, interest rate risk, and other price risks. Exchange rate risk is the risk that the value of financial instruments will fluctuate due to changes in exchange rates. F&F is exposed to exchange rate risk in overseas sales and purchase activities. The company minimizes this risk by regularly monitoring exchange rate fluctuations of KRW and managing exchange rate volatility. Interest rate risk refers to potential variations in the fair value or future cash flows of financial instruments due to changes in market interest rates. F&F is exposed to market interest rate fluctuation risks related to variable interest rate borrowings and is operating a response system system to minimize fluctuations in the value of financial instruments resulting from interest rate changes.

Financial Risks	
Category	Related Activities
Liquidity	- Establishing short-term and mid-to long-term fund management plans
	- Continuous analysis of cash flow
	- Portfolio management including financial liabilities and financial assets
Exchange rate	- Regular monitoring of exchange rate risks
	- Managing exchange rate volatility
Interest rate	- Predicting interest expenses due to interest rate fluctuations
	- Monitoring costs by funding institutions
	- Appropriate composition and management of fixed and variable interest rates
Price risk	- Monitoring and predicting price increase factors such as raw materials, logistics costs, and labor costs
	- Maintaining and managing brand value
Taxes	- Managing tax expenditures associated with corporate activities such as corporate tax, value added tax, etc., and ensuring compliance with tax laws
Accounting standards	- Compliance with International Financial Reporting Standards (K-IFRS) and responding to external audits
Internal Accounting Management	- Prevention and inspection of factors that undermine the reliability of the preparation and disclosure of accounting information
	- Prevention of incidents and management of corporate credit through the design of control activities
Disclosure Information Management	- Education to comply with the Capital Markets Act, securities management regulations, etc.



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Risk Management

Non-Financial Risks F&F monitors and identifies a range of non-financial risks, encompassing environmental, safety and health risks, alongside financial risks. In particular, the company has selected labor and climate change related risks to be major risks. F&F is actively minimizing the potential impact of these risks on corporate sustainability,

Non-Financial Risks

Risk Area	Category	Related Activities
Environment	Environmental laws and regulations	- Responding to international environmental laws and regulations such as plastic regulations and carbon border taxes
	Climate change	- Managing the financial impacts and other risks and opportunities related to climate change
	Water resources	- Managing risks related to water use and pollution
	Resource circulation	- Establishing processes for the disposal and recycling
	Biodiversity	- Monitoring the impact of business operations on biodiversity
Labor / Human Rights Risks	Labor practices	- Managing risks related to labor practices such as long working hours, workplace safety and health, freedom of association, collective bargaining rights, and equal pay
	Human rights violations	- Monitoring risks of human rights violations such as forced labor, human trafficking, child labor, and discrimination (based on gender, region, employment type, etc.)
	Management of human rights in the supply chain	- Implementing human rights risk management programs at the supply chain level
	Compliance Activity	- Operation of organizations and processes to prevent legal risks related to litigation, contracts, etc.
Legal Affairs	Patents and trademarks	- Strengthening the competitiveness of patents and trademarks - Preventing infringement of rights
	Personal information protection	- Monitoring domestic and international personal information protection policies and complying with related regulations - Maintaining and managing security systems for information protection

Risk Area	Category	Related Activities
Safety and Health	Safety management	- Activities to prevent safety incidents through education and inspections - Compliance with the Occupational Safety and Health Act, Serious Accidents Punishment Act, and other relevant laws and regulations
	Fire and disaster	- Education on fire and disaster prevention - Checking safety gears - Building infrastructure to prevent damage
	Employee health	- Implementing integrated programs to promote employee health, such as operating health management offices
	Domestic and international economy	- Establishing a communication system to monitor real-time trends in domestic and overseas business operations
	Consumer Situation	- Diversifying channels to respond to changes in consumer trends, such as offline, online, mobile consumption
Business	Government policies and regulations	- Monitoring consumer market policies - Building cooperative labor-management relations - Expanding shared growth with partner companies - Complying with the Fair Trade Act
	Brand value	- Establishing response processes for company-wide issues related to production, quality, marketing, distribution, and customers
	Ethical awareness	- Providing education to establish ethical awareness among employees - Expressing the commitment to ethical management by executives



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Risk Management

Types of Risks and Management Activities

Emerging Risks F&F identifies emerging risks that present new threats to the company and is actively preparing strategies to mitigate these risks.

Category	Risk Definition and Description	Potential Business Impact	Risk Response Activities
Geopolitical Risk	The global trading environment has been undergoing rapid changes due to the strengthening protectionism and escalating geopolitical tensions. In particular, high tariff policies led by the United States and trade sanctions targeting manufacturing countries such as China and Southeast Asia have emerged as a new risk factor due to the supply chain reconstruction of companies.	In the process of relocating and diversifying the production bases, there might be a lack of environmental regulations or labor and human rights problems in certain regions, which might lead to difficulties in securing the sustainable supply chain of a company. Also, rising costs due to tariffs may lead to reductions in budgets allocated to ESG-related initiatives including investments in eco-friendly facilities or social contribution activities, causing negative impact on the company's overall ESG performance.	<ul style="list-style-type: none">• Strengthening management system and collaboration with suppliers• Continuous monitoring of geopolitical risks and scenario-based responses.
Global Regulatory Risks for Promoting Circular Economy	Recently, regulations on product circularity are tightening globally. The application ranges of related initiatives such as Extended Producer Responsibility (EPR) are gaining prominence especially in areas such as the EU. The EU has introduced regulations such as the Ecodesign for Sustainable Products Regulation (ESPR) and the Digital Product Passport (DPP), bolstering sustainability standards for market products.	As regulations and compliance requirements related to the circular economy continue to increase, a lack of proactive response might hinder the company's entrance to the global market, leading to damage in brand credibility and competitiveness. In addition, violations of relevant regulations may result in financial penalties or administrative sanctions.	<ul style="list-style-type: none">• Expansion of recycled material usage• Monitoring international trends in circular economy regulations



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Tax Management

Tax Policy

F&F faithfully fulfills tax reporting and payment obligations in accordance with the tax laws. To systematically manage potential tax risks that may arise in business activities, the company has established a policy and is committed to maintaining transparent tax operations. We strictly comply with national tax laws and uphold an ethical taxation culture that aligns with the objective of the tax law. F&F Group does not partake in improper income shifting or tax avoidance by leveraging differences in tax laws across countries, exploiting international tax system loopholes, or using tax havens and ensures that taxable income is lawfully allocated based on the value and commercial substance created in each country where we operate. Additionally, we promptly submit legitimate information to tax authorities through our tax accounting system upon request, and the related data is clearly disclosed. All internal and external transactions are managed according to Korean International Financial Reporting Standards (K-IFRS), and transactions with overseas subsidiaries adhere to the arm's length principle in accordance with the OECD Transfer Pricing Guidelines and the tax laws of each respective country. Transfer pricing reports for transactions with overseas related parties are prepared with input from external experts, and corporate taxes and other taxes are calculated and paid accurately according to the aforementioned principles and tax regulations.

 [Tax Policy \(F&F\)](#)  [Tax Policy \(F&F Holdings\)](#)

Tax Governance

F&F Group meticulously manages tax risks across the organization by consulting with the finance department in advance regarding compliance with accounting standards and tax laws during business operations, preventing tax risks. Additionally, in accordance with corporate tax regulations, revenue and expenses are reported and paid through tax adjustments, with related documentation registered in the internal electronic system to ensure transparent management of accounting and tax information.

Tax Assessment

Subsidiaries within the F&F Group undergo annual tax evaluations through third-party verification by accounting and tax firms. This tax-related information is transparently disclosed in Auditor's Reports and sustainability reports.

'Top Taxpayer Award'

F&F recognizes social contribution and responsible management through tax payment as a crucial factor of sustainable management. F&F is contributing to national finance stability and the promotion of a tax compliance culture, paying over KRW 100 billion in national taxes every year since 2022. In recognition of these efforts, F&F was awarded the presidential 'Top Taxpayer Award' at the 58th Taxpayer's Day Ceremony in March 2024. F&F will continue to fulfill tax obligations faithfully, remaining committed to contributing not only to national finances but also to the sustainable development of society as a responsible company.



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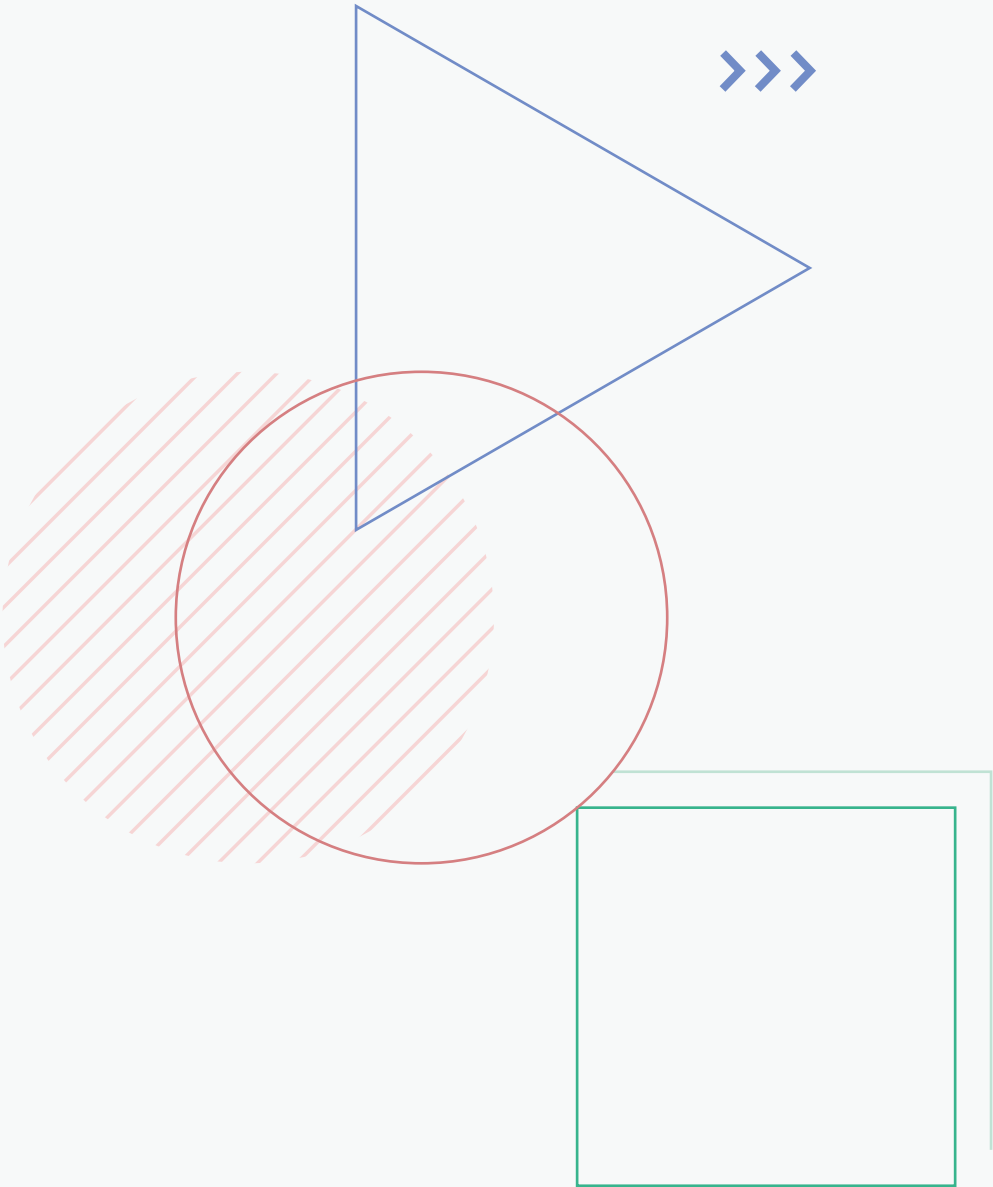
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Financial Performance

F&F Holdings

Reporting scope of the financial information is on a consolidated basis of F&F Holdings

Condensed Consolidated Statement of Financial Position

Category	Unit	2022	2023	2024
Current assets	KRW million	705,797	838,491	677,653
Cash and cash equivalents	KRW million	146,749	278,014	159,183
Short-term financial instruments	KRW million	60,395	53,894	8,388
Short-term investment securities	KRW million	8,807	353	38
Trade receivables and other current receivables	KRW million	170,240	150,629	165,630
Other current assets	KRW million	20,682	15,206	17,841
Inventories	KRW million	298,924	340,394	326,573
Non-current assets	KRW million	2,889,321	3,002,034	3,355,600
Long-term financial instruments	KRW million	553	654	121
Long-term investment securities	KRW million	95,360	110,478	98,996
Investments in associates	KRW million	671,708	676,411	696,051
Other non-current receivables	KRW million	14,014	23,137	22,441
Investment properties	KRW million	73	0	0
Tangible assets	KRW million	233,187	288,421	651,244
Intangible assets	KRW million	1,813,788	1,788,674	1,782,066
Right-of-use assets	KRW million	50,828	109,564	104,650
Defined benefit assets	KRW million	681,316,428	876,781,458	482,353,671
Other non-current assets	KRW million	6,523	4,671	0
Deferred income tax assets	KRW million	3,288	25	31
Total assets	KRW million	3,595,118	3,840,525	4,033,253
Current liabilities	KRW million	582,271	493,721	517,708
Non-current liabilities	KRW million	123,816	151,747	145,646
Total liabilities	KRW million	706,086	645,468	663,354
Capital stock	KRW million	19,557	19,557	19,557
Other capital components	KRW million	(551,836)	(574,930)	(594,521)
Retained earnings	KRW million	2,583,177	2,691,263	2,783,188
Non-controlling interests	KRW million	838,134	1,059,166	1,161,675
Total equity	KRW million	2,889,032	3,195,056	3,369,900
Non-controlling interests	KRW million	838,134	1,059,166	1,161,675
Total equity	KRW million	2,889,032	3,195,056	3,369,900

Condensed Consolidated Statement of Income

Category	Unit	2022	2023	2024
Revenue	KRW million	1,816,815	1,986,297	1,898,302
Operating profit	KRW million	486,232	514,392	416,367
Net income from continuing operations	KRW million	417,456	393,578	321,989
Income from discontinued operations	KRW million	104	25	0
Net income	KRW million	417,560	393,603	321,989
Net income attributable to controlling interest	KRW million	132,198	122,294	106,956
Net income attributable to non-controlling interests	KRW million	285,362	271,309	215,033
Other comprehensive income	KRW million	(2,771)	2,974	15,086
Total comprehensive income	KRW million	414,789	396,577	337,076
Basic earnings per share (KRW)	KRW	3,384	3,130	2,738
Basic earnings per share from continuing operations (KRW)	KRW	3,381	3,129	2,738
Number of companies included in consolidation	entities	18	18	17

Economic value creation and distribution

Category	Unit	2022	2023	2024
Government (Corporate tax)	KRW million	N/A	3,248	5,471
Employees (Employee salary)	KRW million	N/A	721	773
Shareholders and investors (Total dividends paid)	KRW million	N/A	15,627	17,581
Local communities (Donation)	KRW million	N/A	401	310



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F&F

Reporting scope of the financial information is on a consolidated basis of F&F

Condensed Consolidated Statement of Financial Position

Category	Unit	2022	2023	2024
Current assets	KRW million	601,205	745,614	636,794
Cash and cash equivalents	KRW million	101,981	219,990	119,833
Short-term financial instruments	KRW million	16,395	21,077	6,388
Trade receivables and other current receivables	KRW million	165,713	149,097	163,889
Other current assets	KRW million	19,638	14,378	21,692
Inventories	KRW million	297,478	341,072	324,992
Non-current assets	KRW million	968,974	1,259,484	1,649,111
Long-term financial instruments	KRW million	434	536	3
Long-term investment securities	KRW million	8,283	19,639	13,088
Other non-current receivables	KRW million	635,973	633,927	652,474
Investment in subsidiaries	KRW million	16,821	25,299	24,635
Tangible assets	KRW million	77,194	135,168	501,307
Right-of-use assets	KRW million	61,654	225,390	207,683
Goodwill	KRW million	132,876	177,692	213,689
Defined benefit assets	KRW million	360	0	68
Other non-current assets	KRW million	5,743	4,565	0
Deferred income tax assets	KRW million	29,636	37,267	36,164
Total assets	KRW million	1,570,179	2,005,098	2,285,905
Current liabilities	KRW million	575,926	486,850	522,109
Non-current liabilities	KRW million	51,081	200,506	186,497
Total liabilities	KRW million	627,007	687,357	708,607
Capital stock	KRW million	3,831	3,831	3,831
Other capital components	KRW million	292,287	298,909	275,015
Retained earnings	KRW million	625,362	987,776	1,283,355
Non-controlling interests	KRW million	21,692	27,226	15,098
Total equity	KRW million	943,172	1,317,741	1,577,298

Condensed Consolidated Statement of Income

Category	Unit	2022	2023	2024
Revenue	KRW million	1,808,895	1,978,496	1,896,010
Operating profit	KRW million	524,883	551,835	450,737
Net income	KRW million	442,665	425,018	355,960
Net income attributable to controlling interest	KRW million	441,758	425,074	360,375
Net income attributable to non-controlling interests	KRW million	906	(56)	(4,416)
Other comprehensive income	KRW million	(4,100)	(727)	13,932
Total comprehensive income	KRW million	438,564	424,290	369,891
Basic earnings per share (KRW)	KRW	11,571	11,144	9,504
Number of companies included in consolidation	entities	8	8	7

Economic value creation and distribution

Category	Unit	2022	2023	2024
Government (Corporate tax)	KRW million	N/A	126,116	103,187
Employees (Employee salary)	KRW million	N/A	48,260	56,859
Shareholders and investors (Total dividends paid)	KRW million	N/A	64,842	63,893
Local communities (Donation)	KRW million	N/A	360	3,165



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Economic value creation and distribution

Category		Unit	2022	2023	2024
Republic of Korea	Number of employees	Persons	N/A	758	759
	Revenue	KRW million	N/A	1,773,081	1,602,171
	Profit before tax	KRW million	N/A	566,444	437,864
	Corporate tax	KRW million	N/A	129,380	107,114
	Calculated tax amount	KRW million	N/A	133,664	106,555
	Unpaid corporate tax	KRW million	N/A	84,835	69,801
China	Number of employees	Persons	N/A	245	248
	Revenue	KRW million	N/A	813,256	857,840
	Profit before tax	KRW million	N/A	30,748	33,744
	Corporate tax	KRW million	N/A	7,008	8,522
	Calculated tax amount	KRW million	N/A	14,079	13,048
	Unpaid corporate tax	KRW million	N/A	5,648	(2,400)
Taiwan	Number of employees	Persons	N/A	13	77
	Revenue	KRW million	N/A	22,812	24,932
	Profit before tax	KRW million	N/A	2,687	2,274
	Corporate tax	KRW million	N/A	538	455
	Calculated tax amount	KRW million	N/A	509	455
	Unpaid corporate tax	KRW million	N/A	510	508
Hong Kong	Number of employees	Persons	N/A	12	179
	Revenue	KRW million	N/A	46,941	43,524
	Profit before tax	KRW million	N/A	(1,173)	(1,774)
	Corporate tax	KRW million	N/A	(199)	(94)
	Calculated tax amount	KRW million	N/A	0	0
	Unpaid corporate tax	KRW million	N/A	0	0

Category		Unit	2022	2023	2024
Italy	Number of employees	Persons	N/A	11	0
	Revenue	KRW million	N/A	42,327	6,222
	Profit before tax	KRW million	N/A	24,949	(3,923)
	Corporate tax	KRW million	N/A	2,230	(76)
	Calculated tax amount	KRW million	N/A	0	113
	Unpaid corporate tax	KRW million	N/A	2,232	114
The United States of America	Number of employees	Persons	N/A	25	24
	Revenue	KRW million	N/A	25,109	30,154
	Profit before tax	KRW million	N/A	(1,094)	(3,571)
	Corporate tax	KRW million	N/A	(1,314)	28
	Calculated tax amount	KRW million	N/A	0	0
	Unpaid corporate tax	KRW million	N/A	(163)	0
Others (England, Macau, Vietnam, etc.)	Number of employees	Persons	N/A	0	0
	Revenue	KRW million	N/A	25,577	24,153
	Profit before tax	KRW million	N/A	2,261	2,293
	Corporate tax	KRW million	N/A	(63)	233
	Calculated tax amount	KRW million	N/A	0	175
	Unpaid corporate tax	KRW million	N/A	518	755

* Reporting scope : based on the entire group
* The final reporting period could differ depending on the country, thus the data may be subject to change
* The number of employees in Hong Kong and Taiwan in 2024 includes direct store hires.



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Greenhouse Gas Emissions

Category		Unit	2022	2023	2024
SCOPE 1+2	Total emissions	tCO ₂ eq	4,074.90	4,030.19	3,811.90
	SCOPE 1 total emission	tCO ₂ eq	352.30	438.80	336.51
	- LNG	tCO ₂ eq	212.90	210.20	188.02
	- Gasoline	tCO ₂ eq	113.60	198.20	127.80
	- Diesel	tCO ₂ eq	25.80	30.40	20.69
	SCOPE 2 total emission	tCO ₂ eq	3,722.60	3,591.39	3,475.39
	- Electricity	tCO ₂ eq	3,722.60	3,591.39	3,475.39
GHG emission intensity (Scope 1+2)		tCO ₂ eq /KRW 100 million	22.43	20.29	20.08
SCOPE 3	Total emissions	tCO ₂ eq	N/A	N/A	303,922.34
	- Purchased goods and services	tCO ₂ eq	N/A	N/A	204,474.22
	- Capital goods	tCO ₂ eq	N/A	N/A	4.00
	- Fuel and energy related activities	tCO ₂ eq	N/A	N/A	3,759.69
	- Upstream transportation and distribution	tCO ₂ eq	N/A	N/A	90,533.09
	- Waste generated in business site	tCO ₂ eq	N/A	N/A	27.61
	- Commuting	tCO ₂ eq	N/A	N/A	297.54
	- Downstream transportation and distribution	tCO ₂ eq	N/A	N/A	4,826.19

* Reporting scope: Assets owned by F&F and F&F Holdings (headquarters building, Yongin/Icheon shopping malls, Icheon logistics center)
* Calculated by applying the IPCC (2006) emission coefficient and calorific value.
* Scope 3 emission calculation standard has been changed to USEPA and Korean Environmental Product Declaration (EPD) emission factors.
* Some Scope 3 categories have been calculated based on reliable partial data, rather than the entire dataset
* Data differs from last year's report due to adjustments in GHG emission coefficient.
* Base year(2020) (Scope1 : 486.8 / Scope 2 : 3,752.9 / Scope 1+2 : 4,239.7)

Energy Usage

Category		Unit	2022	2023	2024
Total energy	total energy usage	TJ	82.84	80.88	78.65
	Energy intensity (per unit of revenue)	TJ/KRW 10 billion	0.46	0.41	0.41
	Renewable energy usage ratio	%	0.00	0.00	0.00
Non-renewable energy	Total energy usage	TJ	82.69	80.75	78.52
	• Total direct energy usage	TJ	4.90	5.70	5.90
	- LNG	TJ	3.40	3.40	3.70
	- Gasoline	TJ	1.20	2.00	1.90
	- Diesel	TJ	0.30	0.40	0.30
	• Total non-direct energy usage	TJ	77.79	75.05	72.62
	- Electricity	TJ	77.79	75.05	72.62
Renewable energy	Total usage	TJ	0.15	0.13	0.13
	- Solar power	TJ	0.15	0.13	0.13
	Total generation	TJ	0.15	0.13	0.13
	- Solar power	TJ	0.15	0.13	0.13

* Reporting scope: Assets owned by F&F and F&F Holdings (headquarters building, Yongin/Icheon shopping malls, Icheon logistics center)
* Energy consumption was calculated based on the Energy Calorie Conversion Standard of the Enforcement Rules of the Energy Act [Appendix 1]
* The total non-renewable energy consumption target for 2024 is 74.51TJ



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Environmental

Water withdrawal and consumption

Business site	Category	Unit	2023	2024
Domestic business site	Water withdrawal	ton	19,412	20,863
	Water consumption	ton	1,073	1,230
	Water discharge	ton	18,339	19,633
-Yeoksam Headquarters	Water withdrawal (water supply)	ton	13,325	15,162
	Water consumption	ton	538	767
	Water discharge	ton	12,787	14,395
- Icheon Logistics Center	Water withdrawal (water supply)	ton	3,835	3,028
	Water consumption	ton	381	301
	Water discharge	ton	3,454	2,727
- Suji Collected	Water withdrawal (water supply)	ton	2,042	2,556
	Water consumption	ton	133	150
	Water discharge	ton	1,909	2,406
- Icheon Factory Outlet	Water withdrawal (water supply)	ton	210	117
	Water consumption	ton	21	12
	Water discharge	ton	189	105

* There is no water usage from groundwater, surface water, or other water sources.
* Calculation method for water withdrawal and consumption has been changed

Amount of waste generated

Category		Unit	2022	2023	2024
Total	Total amount of waste generated	ton	1,072.00	1,041.40	939.83
	Total amount of waste disposed	ton	1,072.00	1,041.40	939.83
	Total amount of waste recycled	ton	981.10	984.40	914.68
Waste recycling	Rate of waste recycled	%	91.50	94.50	97.32
Amount of waste generated	Waste generation intensity (per unit of revenue)	ton/KRW 100 million	0.06	0.05	0.05
Waste Generation	General waste	ton	99.00	67.90	61.29
	Waste at business sites	ton	10.70	33.10	11.54
	Recycle waste	ton	961.50	940.50	867.00
Waste disposal	General waste disposal amount	ton	99.00	67.90	61.29
	- Incineration (energy recovery technology included)	ton	0.00	0.00	5.76
	- Incineration (energy recovery technology not included)	ton	33.70	27.10	6.25
	- Landfill	ton	49.50	21.70	6.56
	- Recycling	ton	8.90	10.90	30.34
	- Others	ton	6.90	8.10	12.38
	Waste at business sites disposal amount	ton	10.70	33.10	11.54
	- Recycling	ton	10.70	33.10	11.54

* Reporting scope: Assets owned by F&F and F&F Holdings (headquarters building, Yongin/Icheon shopping malls, Icheon logistics center)
* The amount of general waste disposed is calculated based on the treatment method ratios within the 'Waste from Business Facilities - Mixed Emissions' category in the yearly Resource Circulation Information System.
* The amount of waste disposed was calculated including the amount of disposed and recycled in accordance with Article 2, Section 6 of the Waste Management Act.
* For 2024, our total waste generation target is 1,065.6 tons



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ESG Performance

Environmental

Environmental Technologies and Products

Category	Unit	2022	2023	2024
Total sales of eco-friendly products	KRW 100 million	1,824	1,656	1,738
- Low carbon / carbon-avoidance products	KRW 100 million	0	0	0
- Environmentally certified products	KRW 100 million	0	0	0
- Revenue from environmental investments	KRW 100 million	0	0	0
Others	KRW 100 million	1,824	1,656	1,738
Eco-friendly sales ratio	%	21	23	28

* Calculations are based on limited brands with established eco-friendly product management systems ensuring data reliability

* Eco-friendly sales are calculated based on products using more than 50% of Eco-friendly certified main and subsidiary materials according to the internal standards.

Environmental Education Program

Category	Unit	2022	2023	2024
Total number of participants	Persons	120	643	662
Training hours per person	Hours	2.00	1.45	1.91
Completion rate	%	21	97	98

Green Investments and Costs

Category	Unit	2022	2023	2024
Environmental education and facilities	KRW 100 million	0.20	0.22	33.27
Green procurement amount	KRW 100 million	3,460	2,814	2,750
- Eco-friendly clothing and products	KRW 100 million	2,939	2,385	2,327
- Eco-friendly materials	KRW 100 million	518	419	411
- Eco-friendly packaging	KRW 100 million	3	10	13
Proportion of green procurement	%	24	22	28

* Calculations are based on limited brands with established eco-friendly product management systems ensuring data reliability

* Eco-friendly sales are calculated based on products using more than 50% of Eco-friendly certified main and subsidiary materials according to the internal standards.

Compliance with Environmental Regulations

Category	Unit	2022	2023	2024
Number of violations	Cases	0	0	0
Fines and penalties	KRW million	0	0	0



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Employees

Category		Unit	2022	2023	2024
Employees	Number of total employees	Persons	574	678	679
Employment Type	Regular	Persons	554	656	657
	Non-regular	Persons	20	22	22
Age	Under 30	Persons	139	170	62
	30 to under 50	Persons	415	481	572
	50 and above	Persons	20	27	45
Job Position Level	Executives	Persons	18	19	18
	Middle management	Persons	57	62	60
	Junior management	Persons	293	264	291
	Staff	Persons	206	333	310

* This employee profile pertains to F&F (based on internal management standards).
* This employee profile pertains to F&F (based on internal management standards).
* Non-regular employees include administrative assistants, maternity leave replacements, and candidates transitioning to regular employment.
* Middle management refers to team leaders, while junior management refers to managerial positions at the level of manager and above (excluding team leaders).

New hire,turnover

Category		Unit	2022	2023	2024
New hires	Total	Persons	259	255	115
	Gender	Male	85	96	40
		Female	174	159	75
	Job Position Level	Executives	6	2	6
		Middle management	16	21	11
		Junior management	82	75	31
		Staff	155	157	67
Internal Hiring	Total	Persons	23	19	17
	Rate	%	9.00	8.00	9.00
Hiring Cost	Total hiring cost	KRW million	1,307.8	1,987.9	761
	- Male	KRW million	479.9	753.5	265
	- Female	KRW million	827.9	1,234.4	496
	Average hiring cost per employee	KRW million	5.1	7.2	7
Employee Turnover	Total	Persons	177	153	117
	Gender	Male	60	54	45
		Female	117	99	72
	Job Position Level	Executives	1	4	5
		Middle management	11	12	1
		Junior management	55	44	57
		Staff	110	93	54
Voluntary Turnover	Total	Persons	163	141	96
	Gender	Male	53	44	37
		Female	110	97	59
	Job Position Level	Executives	1	2	3
		Middle management	9	7	1
		Junior management	46	40	50
		Staff	107	92	42



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Female Employees

Category		Unit	2022	2023	2024
Female Ratio	Total female employees	%	61	62	63
	- Female employees in managerial position	%	59	50	46
	- Executives	%	20	16	16
	- Middle management	%	39	37	32
	- Junior management	%	65	56	60
	Female employees in revenue-generating departments	%	65	65	66
	Female employees in STEM-related departments	%	57	58	56

Employee Diversity

Category		Unit	2022	2023	2024
Nationality	Foreign nationals	%	0.52	0.44	0.74
	- China	%	0.34	0.30	0.59
	- New Zealand	%	0.17	0.15	0.15
Nationality (Management)	Foreign nationals	%	0	0	0.58
	- China	%	0	0	0.58
	- New Zealand	%	0	0	0
Diversity	Employees with disabilities	%	0.34	0.30	0.45
	Employed national veterans	%	0.17	0.15	0

* By 2030, our goals include achieving a total female representation of 62%, with 50% in management positions, 50% in junior-level management roles, 70% in revenue-generating departments, and 60% in STEM-related departments. Looking ahead to 2050, we aim to increase the proportion of women in executive positions to 30%.

Education

Category		Unit	2022	2023	2024
Training hours per employee		Hours	14.7	20.71	17.29
Gender	Male	Hours	16	21.42	14.15
	Female	Hours	13.92	20.29	18.96
Employment Type	Regular	Hours	15.35	20.77	17.68
	Non-regular	Hours	5.28	19.03	8.56
Age Group	Under 30	Hours	14.90	18.77	16.81
	30 to under 50	Hours	16.30	21.33	17.58
	50 and above	Hours	21.40	22.08	14.42
Education cost per employee		KRW 1,000	320	279	455
Satisfaction (out of 5 points)		Points (out of 5)	3.10	3.10	4.16

Safety and Health Education

Category		Unit	2023	2024
Number of participants		Persons	574	654
Training hours		Hours	6,888	8,985
Training hours per employee		Hours	12	13
Participation rate in training		%	100	100



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Safety and Health Legal Violations

Category	Unit	2022	2023	2024
Number of violations	Cases	0	0	0
Fines	KRW 1,000	0	0	0
Penalties	KRW 1,000	0	0	0

Human Rights Reporting

Category	Unit	2022	2023	2024
Number of human rights-related reports	Cases	1	4	4
Number of human rights-related cases handled	Cases	1	4	4

Occupational Accident

Category		Unit	2022	2023	2024
Employees	Lost Time Incident (LTI)	Cases	0	0	0
	Lost Time Injuries Frequency Rate (LTIFR)	Number of cases per 1 million	0	0	0
	Number of occupational accident victims	Persons	0	0	0
	Occupational accident rate	%	0	0	0
	Number of serious accident victims	Persons	0	0	0
	Number of fatalities	Persons	0	0	0
	Fatality rate	%	0	0	0
Contractors	Lost Time Incident (LTI)	Cases	0	0	0
	Lost Time Injuries Frequency Rate (LTIFR)	Number of cases per 1 million	0	0	0
	Number of occupational accident victims	Persons	0	0	0
	Occupational accident rate	%	0	0	0
	Number of serious accident victims	Persons	0	0	0
	Number of fatalities	Persons	0	0	0
	Fatality rate	%	0	0	0

Parental Leave

Category		Unit	2022	2023	2024
Number of employees on parental leave	Male	Persons	1	2	2
	Female	Persons	15	19	19
- Number of employees returning to work after parental leave	Male	Persons	0	0	0
	Female	Persons	3	6	8
- Number of employees working 12 months or more after their return	Male	Persons	1	0	0
	Female	Persons	0	0	8

* Number of employees using parental leave : No. of employees starting / already using parental leave during the year
* Number of employees on parental leave : No. of employees currently on leave during the year.
* Number of employees returning to work after parental leave: Employees who have returned from parental leave and worked for at least one day within the year.

Remuneration

Category		Unit	2022	2023	2024
Average salary of all employees	Average salary of all employees	KRW million	74	71	77
	- Male	KRW million	90	87	94
	- Female	KRW million	64	62	67
Average salary of employees in executive positions	Average salary of employees in executive positions	KRW million	234	263	216
	- Male	KRW million	237	269	218
	- Female	KRW million	224	231	208
Average salary of employees in managerial positions	Average salary of employees in managerial positions	KRW million	134	145	114
	- Male	KRW million	143	158	114
	- Female	KRW million	113	118	113
Average salary of employees in non-managerial positions	Average salary of employees in non-managerial positions	KRW million	57	61	65
	- Male	KRW million	66	68	76
	- Female	KRW million	53	57	59
Equal Payment Ratio	All employees	%	71	71	71
	- Executives	%	95	86	95
	- Managerial positions	%	79	75	99
	- Non-managerial positions	%	80	84	77



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Performance Appraisal

Category		Unit	2022	2023	2024
Employees who have undergone regular performance appraisals		%	100	100	100
Gender	Male	Persons	177	214	226
	Female	Persons	277	349	370
Job Position Level	Executives	Persons	18	19	17
	Managerial positions	Persons	55	61	57
	Staff	Persons	381	483	522

* Regular performance appraisals are conducted twice a year for regular employees. Due to the cyclical nature of the fashion industry, these appraisals are carried out after the SS/FW seasons, which may cause discrepancies with the total workforce count.

* In the regular performance appraisal process, agile conversations and feedback with supervisors are conducted, and multidimensional performance appraisals carried out continuously using digital systems are also used as reference.

Social Investment Expense

Category		Unit	2022	2023	2024
Total charitable donations		KRW 100 million	10.11	7.50	34.74
- Cash donation		KRW 100 million	5.11	2.30	3.10
- In-kind donation		KRW 100 million	2.00	2.90	30.32
- Social contribution operating expense		KRW 100 million	3.00	2.30	1.32

* Integrated activities of F&F Holdings and F&F

Total Number of Complaints Received Related to Customer Personal Information Protection Violations

Category		Unit	2022	2023	2024
Number of cases verified by the company		Cases	0	0	0
Number of cases verified by regulatory authorities		Cases	0	0	0

Legal Violations related to Information Security

Category		Unit	2022	2023	2024
Total number of information protection violations		Cases	0	0	0
Number of customer information protection violations		Cases	0	0	0
Fines for information security violations		KRW 1,000	0	0	0

Information Security Education

Category		Unit	2022	2023	2024
Number of participants		Persons	561	678	666
Training hours		Hours	841.50	1,251.50	1,493.84
Training hours per employee		Hours	1.50	1.85	2.24
Training participation rate		%	100	100	100

Information Security

Category		Unit	2022	2023	2024
Investment in Information Security		%	5.70	3.00	3.40
ISO 27001 certification rate		%	0	100	100

Status of Suppliers in the Supply Chain

Category		Unit	2022	2023	2024
Supplier Management	Significant supplier monitoring	Y/N	N/A	Y	Y
	Annual frequency of regular ESG assessments	Times	N/A	1	1
Number of Tier-1 Suppliers	Total Tier-1 Suppliers	Number	N/A	120	157
	Domestic	Number	N/A	108	130
	Overseas	Number	N/A	12	27
	Significant suppliers	Number	N/A	13	22
Number of Tier-2 Suppliers	Significant suppliers	Number	N/A	3	5

Proportion of Tier-1 Supplier Purchase Amount

Category		Unit	2022	2023	2024
Domestic		%	99.0	96.0	91.5
Overseas		%	1.0	4.0	8.5
Ratio of purchases from significant suppliers		%	N/A	30.2	60.6
Ratio of purchases from other suppliers		%	N/A	69.8	39.4



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Governance

Codes of Conduct Violations

Category		Unit	2022	2023	2024
Codes of Conduct Application	Application rate by business sites	%	100	100	100
	Total number of violations	Cases	5	7	7
Codes of Conduct Violations	- Corruption or bribery	Cases	2	0	2
	- Discrimination or harassment	Cases	1	2	3
	- Conflict of interest	Cases	0	0	0
	- Customer personal data	Cases	0	0	0
	- Money laundering or insider trading	Cases	0	0	0
	- Others	Cases	2	5	2
	Total number of actions taken	Cases	5	11	7
Actions Taken for Violations	- Dismissal	Cases	1	0	0
	- Suspension	Cases	1	1	2
	- Salary Reduction	Cases	2	2	0
	- Reprimand	Cases	1	6	1
	- Warning	Cases	0	2	0
	- Caution	Cases	0	0	0
	- Others	Cases	0	0	4



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Auditor's Report

F&F Holdings Co., Ltd.

To the Shareholders and Board of Directors of F&F Holdings Co., Ltd. and its subsidiaries

Opinion

We have audited the consolidated financial statements of F&F Holdings Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising of material accounting policy information and other explanatory information. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects in accordance with the applicable financial reporting framework, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Korean International Financial Reporting Standards (“K-IFRS”). We also have audited, in accordance with Korean Standards on Auditing (KSAs), the Group's Internal Control over Financial Reporting (“ICFR”) as of December 31, 2023 based on the criteria established in Conceptual Framework for Designing and Operating Internal Control over Financial Reporting issued by the Operating Committee of Internal Control over Financial Reporting in the Republic of Korea, and our report dated March 18, 2025 expressed an unmodified opinion on the effectiveness of the Group's internal control over financial reporting.

Basis for Opinion

We conducted our audits in accordance with KSAs. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Testing for impairment of cash-generating units (CGUs) to which goodwill has been allocated

The carrying amount of F&F's goodwill in the Group's consolidated statement of financial position is KRW 1,377,945 million, representing approximately 34.2% of total assets. As discussed in Note 15 to the consolidated financial statements, the Group performed an impairment assessment of the CGUs to which goodwill was allocated.

We selected testing for impairment of cash-generating units (CGUs) to which goodwill has been allocated as a key audit matter given the significance of the amount of F&F goodwill and the uncertainty of management's judgment and estimates in estimating the recoverable amount.

- Understanding the Group's processes and testing internal controls related to the valuation of goodwill
- Evaluating the qualifications and expertise of external experts utilized by the Group
- Involvement of internal valuation specialist
- Evaluating the reasonableness of key assumptions used in estimating future cash flows, such as sales growth rates and discount rates
- Testing the accuracy of the underlying data used in the valuation
- Assessing the accuracy of the calculation of valuation

Cut-off of Retail sales and wholesale

In addition to individual consumers, the Group sells apparel products to wholesale and retailers for the purpose of retail sales (hereinafter referred to as “Retail sales and wholesale”). Compared to individual consumer transactions, regarding Retail sales and wholesale, the Group may be involved in the control of the goods at the transfer, and the revenue is likely to be recognized in an improper period because the Group is unable to reconcile the related revenue with the external system of the distribution channel (department stores, duty-free shops, etc.). Therefore, we selected the cut-off of the Retail sales and wholesale as a key audit matter considering the significance of the Group's revenue and the possibility of errors in the cut-off of the revenue.

Our procedures to address the key audit matters included:

- Understanding and evaluating the Group's revenue recognition accounting policies
- Assessing the timing of revenue recognition in sales contracts for each major customer
- Analytical procedures for the sales transactions with wholesalers and retailers
- Testing documentation for a sample of purchased sales transactions before and after the end of the reporting period

Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with K-IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



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Auditor's Report

Auditors' Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used in the preparation of the consolidated financial statements and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Tae-Jun Kim.

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Samjong KPMG CEO **Kyo-Tae Kim**



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Auditor's Report

F&F Co., Ltd. The Shareholders and Board of Directors

Opinion
We have audited the consolidated financial statements of F&F Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("K-IFRS").

Basis for opinion
We conducted our audit in accordance with KSA. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Cut-off of sales transactions with wholesalers and retailers
The Group conducts transactions to sell clothing products not only to individual consumers but also to wholesalers and retailers for the purpose of distributing and selling clothing. Compared to individual consumer transactions, the Group may be involved in the timing of transfer of control of goods, and the revenue may be recognized in an improper period because the Group is unable to reconcile the related revenue with the external system of the distribution channel (department stores, duty-free shops, etc.). Therefore, we selected the cut-off of sales transactions with wholesalers and retailers as a key audit matter, considering the significance of these transactions in the Group's profits and the possibility of errors in cut-off of sales transactions with wholesalers and retailers.

The key audit procedures performed to address the key audit matter are as follows:

- Understanding and evaluating the Group's revenue recognition accounting policies
- Review of the timing of revenue recognition in revenue contracts for each major customer
- Analytical procedures for the sales transactions with wholesalers and retailers
- Document inspection through sampling of sales transactions with wholesalers and retailers that occurred before and after the end of the reporting period

Responsibilities of management and those charged with governance for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with KIFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with KSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Hyung-Beom Kim.

111, Yeouido Park-ro, Yeongdeungpo-gu, Seoul
EY Hanyoung Korea CEO **Yong-Geun Park**



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GRI Index

Statement of use	F&F Group has reported in accordance with the GRI Standards 2021 for the period from January 2024 to December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(S)	The applicable GRI Sector Standards for textiles and apparel are scheduled to be released in the first quarter of 2026, and as of June 2024, they are not yet available for use.

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2-17	Collective knowledge of the highest governance body	67	
2-18	Evaluation of the performance of the highest governance body	67	
2-19	Remuneration policies	67	
2-20	Process to determine remuneration	67	
2-21	Annual total compensation ratio	N/A	Disclosure of business report

Indicators		Reporting Page	Remarks
Strategies, policies and practices			
2- 22	Statement on sustainable development strategy	5	
2- 23	Policy commitments	45, 69	
2- 24	Embedding policy commitments	45, 70	
2- 25	Processes to remediate negative impacts	58	
2- 26	Mechanisms for seeking advice and raising concerns	71	
2- 27	Compliance with laws and regulations	71, 83, 85, 87	
2- 28	Membership associations	56	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	18	
2-30	Collective bargaining agreements	45	
GRI 3 : Material Topics			
3-1	Process to determine material topics	18	
3-1	List of material topics	45	



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GRI Index

Material Issues

Indicators		Reporting Page	Remarks
Brand Value Enhancement			
GRI 3 : Material Topics			
3-3	Management of material topics	20-21, 24-25	
Responsible Supply Chain Management			
GRI308:Suppliers	Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	52	
308-2	Negative environmental impacts in the supply chain and actions taken	52	
GRI 414: Suppliers	Social impact assessment		
414-1	New suppliers that were screened using social criteria	52	
414-2	Negative social impacts in the supply chain and actions taken	52	
Sustainable Business Model Development			
GRI 3 : Material Topics			
3-3	Management of material topics	16-17, 20-21	
Digital Transformation			
GRI 3 : Material Topics			
3-3	Management of material topics	20-21, 26-28	
Sustainable resource circulation			
GRI 3 : Material Topics			
3-3	Management of material topics		
GRI 301: Raw materials			
301-1	Weight and volume of raw materials	39	
301-2	Recycled input materials used	39	
301-3	Reclaimed products and their packaging materials	39	
GRI 306: Waste			
306-1	Impact from wastewater and waste	38	
306-2	Management of significant waste-related impacts	38	
306-3	Disposed waste	82	
306-4	Waste not directed to disposal	82	
306-5	Waste directed to disposal	82	

Other Topics

Indicators		Reporting Page	Remarks
Transparent management and ethical company operation			
GRI 205: Anti-corruption			
205-2	Communication and training about anti-corruption policies and procedures	70	
205-3	Confirmed incidents of corruption and actions taken	88	
GRI 206: Anti-competitive behavior			
206-1	Legal actions for anti-competitive behavior and monopoly practice	71	
Organizational culture improvement and talent growth			
GRI 401: Hiring			
401-1	New employee hires and employee turnover	84	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	43-44	
401-3	Parental leave	86	
GRI404: Training and education			
404-1	Average hours of training per year per employee	85	
404-2	Programs for upgrading employee skills and transition assistance programs	42	
404-3	Percentage of employees receiving regular performance and career development reviews	87	



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Indicators		Reporting Page	Remarks
Climate change mitigation and adaptation			
GRI 201: Economic Performance			
201-2	Financial implications and other risks and opportunities due to climate change	99	
GRI 302: Energy			
302-1	Energy consumption within the organization	81	
302-3	Energy intensity	81	
302-4	Reduction of energy consumption	31	
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	81	
305-2	Indirect (Scope 2) GHG emissions	81	
305-3	Other indirect (Scope 3) GHG emissions	81	
305-4	GHG emissions intensity	81	
305-5	Reduction of GHG emissions	81	
Data privacy and information security improvement			
GRI 418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	87	

Indicators		Reporting Page	Remarks
Diversity and human rights			
GRI 405: Diversity and Equal Opportunity			
405-1	Governance organization and employee diversity	85	
GRI 406: Non-discrimination			
406-1	Discrimination incidents and corrective actions	88	
Minimizing product environmental footprint			
GRI 303: Water			
303-1	Interactions with water as a shared resource	35	
303-3	Water withdrawal	82	
303-4	Water discharge	82	
303-5	Water consumption	82	
GRI 304: Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas ad areas of high biodiversity value outside protected areas	37	
304-2	Significant impacts of organizational activities, products and services on biodiversity	37	



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Indicators not included in the material issues

Indicators		Reporting Page	Remarks
GRI200 : Economy			
GRI 200 :Economic Performance			
201-1	Economic Value Generated and Distributed (EVG&D)	78, 79	
201-3	Defined benefit obligations and other retirement plans	N/A	
201-4	Government financial support	N/A	Disclosure of business report
Anti-competitive behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	71	
GRI 207: Tax			
207-1	Approach to tax	76	
207-2	Tax related governance management, risk management	76	
207-3	Stakeholder engagement and tax-related grievance management	76	
GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system	47	
403-2	Hazard identification, risk assessment, and incident investigation	49	
403-3	Workplace medical services	44	
403-4	Worker participation, consultation, and communication on occupational health and safety	48	
403-5	Worker training on occupational health and safety	50	
403-6	Promotion of worker health	44	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relation-ships	N/A	
403-8	Workers covered by an occupational health and safety management system	47	
403-9	Work-related injuries	86	
403-10	Work-related diseases	N/A	



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UNGC

Since joining the United Nations Global Compact (UNGC) in 2022, F&F has been integrating the UNGC's Ten Principles into its business operations and management strategies. Our commitment to following the Ten Principles, which cover human rights, labor, environment, and anti-corruption, remains strong as we strive to become a socially responsible fashion company.

Category	Ten Principles	Activities and Progress	Reporting Page
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Joined and declared UNGC, established human rights policy	45-46
	Principle 2: make sure that they are not complicit in human rights abuses.	Operated grievance handling system and workplace harassment reporting system, conducted employee human rights training	
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Established human rights policy, held labor-management council	42-44, 45-46
	Principle 4: the elimination of all forms of forced and compulsory labour;	Established human rights policy	
	Principle 5: the effective abolition of child labour; and	Established human rights policy	
	Principle 6: the elimination of discrimination in respect of employment and occupation.	Established human rights policy, declared prohibition of sexual harassment and workplace bullying	
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	Environmental policy, declared prohibition of deforestation, declared biodiversity conservation	33-34, 36-37
	Principle 8: undertake initiatives to promote greater environmental responsibility; and	Established and implemented environmental policy	
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Expanded support for eco-friendly activities	
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Established Codes of Conduct for employees	69-71

UN SDGs

F&F supports the Sustainable Development Goals (SDGs) adopted at the UN General Assembly in 2015 to contribute to establishing a sustainable society and global environment and is carrying out various activities to implement the 17 SDGs.

F&F prioritizes and manages 12 of the 17 goals that closely resonate with our business, categorizing them into core and related objectives. To achieve the UN SDGs by 2030, we will adopt the SDGs as a core value of our corporate management and integrate them into our business strategies and overall activities, contributing to achieving tangible outcomes.

Category	SDGs	Activities and Progress	Reporting Page
Core	 	Social contribution activities for vulnerable and marginalized groups, employee volunteer activities	54-56
		Provision of an effective learning environment	54-56
		Dissemination of local cultures, sustainable job creation	42-44
Related		Gender equality in hiring and personnel systems, child-rearing support	42-44
	 	Environmental policy	30-34
	  	Giving back to local communities, partnerships with welfare organizations	54-56
		Advertising & Marketing Ethics Policy	57-59
		Consumer protection and privacy policy	57-59, 60



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TCFD

F&F discloses its approach to governance, strategy, risk management, metrics and targets for addressing climate change, following the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). The company has established a strategy and management system to systematically identify climate-related risks and opportunities and proactively respond to them.

TCFD Recommendations	F&F Response
Governance	
a) Describe the board's oversight of climate-related risks and opportunities	At F&F, the Board of Directors holds ultimate responsibility for decisions concerning climate change. We incorporate and oversee our internal risk management system to address both challenges and opportunities related to climate issues, reporting identified concerns to the Board. In 2022, F&F established an ESG Committee under the Board of Directors to enhance the Board's oversight and responsibilities in managing ESG matters, including climate change. The ESG Committee conducts annual reviews and resolves issues pertaining to climate change.
b) Describe management's role in assessing and managing climate-related risks and opportunities	F&F's leadership is enhancing its framework to promptly address business challenges and opportunities associated with climate change. As the CEO is ultimately responsible for environmental management, CEO oversees and directs initiatives reviewed and executed by the ESG Working Council and the dedicated departments.
Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<p>To assess the business impacts of climate change, F&F has conducted analyses on both physical and transition risks. We've projected scenarios under different greenhouse gas reduction policies (RCP2.6, SSP1-2.6) and continued emission trends (RCP8.5, SSP5-8.5). Through peer group analysis, we've identified key issues, evaluated the financial implications of these risks and opportunities, and assessed their impact over various timeframes (long, medium, short-term). F&F evaluates climate change risks and opportunities as follows:</p> <p>Climate change risk factors</p> <p>Transition Risks</p> <ul style="list-style-type: none">• Regulatory Risk (Mid- to Long-term): F&F currently operates outside of greenhouse gas emissions trading systems but anticipates potential inclusion in the future. We estimate financial risks by applying potential emission permit purchase required and current emission permit prices to current and projected greenhouse gas emissions.• Reputation Risk (Short- to Long-term): Growing customer demands regarding climate change may impact future purchasing decisions. To address this, we assess the financial risk by factoring in the the social costs associated with greenhouse gas emissions. <p>Physical Risks</p> <ul style="list-style-type: none">• Chronic Risks: F&F has utilized RCP2.6 and RCP8.5 scenario modeling to forecast annual typhoon frequencies and assess potential financial impacts. <p>Opportunities</p> <ul style="list-style-type: none">• Market Opportunity Factors (Short- to Long-term): F&F aims to reduce waste generation and enhance recycling ratio to minimize environmental impact and to seek fot financial opportunities through reduced waste treatment expenses. The company has set targets for waste reduction and has reduced incineration and landfill disposal, while expanding recycling efforts identifying financial opportunities based on improved efficiency and cost savings.
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	F&F conducted scenario analyses to assess the tangible business risks of climate change. This included examining scenarios with substantial greenhouse gas reduction policies (RCP2.6, SSP1-2.6) alongside those reflecting current emission trends (RCP8.5, SSP5-8.5). To pinpoint transition risks, we referenced the IEA NZE 2050 and IEA STEPS. Using this analysis, we prioritized the financial impact and likelihood of both risks and opportunities.



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TCFD

F&F identified risks and opportunities that might arise from climate change and established strategies and management systems to proactively respond to them. We transparently disclose our response to climate change status based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

TCFD Recommendations	F&F Response
Risk Management	
a) Describe the organization's processes for identifying and assessing climate-related risks	F&F systematically identifies and assesses physical and transition risks associated with climate change in collaboration with dedicated departments such as ESG, environmental, and risk management, integrating them into our internal risk management system. Through risk identification and financial impact analysis, we incorporate these insights into our management strategy and are pursuing ISO 14001 certification for our environmental management system.
b) Describe the organization's processes for managing climate-related risks	To effectively manage these risks, F&F's ESG and environmental departments establish management indicators and KPIs for each risk category. These indicators guide our efforts in mitigating climate change risks.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	F&F communicates identified climate change risks, along with their assessments, to the CEO and the ESG Committee. The committee oversees and monitors the implementation of strategies and plans to address these risks from an enterprise-wide perspective
Metrics and Targets	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	F&F maintains its own inventory to monitor greenhouse gas emissions. This inventory tracks company-wide greenhouse gas emissions, waste emissions (including unit intensity), energy consumption, and energy-saving initiatives.
b) Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions	Based on the assets of F&F Holdings and F&F, the total greenhouse gas emissions in 2024 amounted to 307,734.24tCO ₂ eq. • Scope 1: 336.51tCO ₂ eq • Scope 2: 3,475.39tCO ₂ eq • Scope 3: 303,922.34tCO ₂ eq
c) Describe the targets used by the organization to manage climate-related risks and opportunities	F&F has set 2020 as the baseline year and established short, medium, and long-term reduction targets for greenhouse gas and waste emissions, continuously managing performances. The company aims to reduce both greenhouse gas and waste emissions by more than 50% by 2040. To achieve these mid-to-long-term targets, F&F is reviewing the introduction of a performance management system (KPI) through improvements on related regulations and policies.

SASB

According to SASB Industry Standards, we have disclosed metrics relevant to the Apparel, Accessories & Footwear industry sector in this report and on our website.

Topic	Metric	Unit	Code	F&F Response
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	N/A	CG-AA-250a.1	F&F has implemented a procurement system that prohibits the purchase of restricted materials and promotes the use of environmentally friendly raw materials. Related information is disclosed in the Safety and Health Management Policy section on our website.
	Discussion of processes to assess and manage risks or hazards associated with chemicals in products	N/A	CG-AA-250a.2	F&F is discussing processes to manage risks related to chemicals in products. The details are available in the Safety and Health Management Policy section on our website.
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits or contractual agreements	N/A	CG-AA-430a.1	N/A
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	N/A	CG-AA-430a.2	N/A
Labor Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labour code of conduct, (3) percentage of total audits conducted by a third-party auditor	N/A	CG-AA-430b.1	N/A
	Non-compliance and corrective action rate from supplier audits on labor code of conduct	N/A	CG-AA-430b.2	N/A
	Description of the greatest (1) labour and (2) environmental, health and safety risks in the supply chain	N/A	CG-AA-430b.3	F&F takes responsibility for environmental, labor, and safety standards across its network of suppliers to establish a sustainable supply chain environment. Relevant details are disclosed in this report on pages 51-53.
Raw Materials Sourcing	(1) List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors and (4) management strategy for addressing business risks and opportunities	N/A	CG-AA-440a.3	N/A
	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard	N/A	CG-AA-440a.4	N/A
Activity Metrics	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	N/A	CG-AA-000.A	The relevant information is disclosed on page 53 of this report.



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Independent Practitioners’ Limited Assurance Report

Based on a report originally issued in Korean

To the Stakeholders of F&F Group

Report on the Sustainability Report

Conclusion

We have performed a limited assurance engagement on whether the sustainability information in the 2024 Sustainability Report (the “Report”) of F&F Group (the “Company”) for the year ended 31 December 2024 has been prepared in accordance with the GRI Standards (the “Criteria”). Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability information of the Company for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the Criteria. Our conclusion on this Report does not extend to any other information that accompanies or contains the Sustainability Information and our report.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) ‘Assurance Engagements Other Than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the “Our responsibilities” section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1 ‘Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements’, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

- The following contents were not included in the scope of assurance.
 - Financial information in Appendix.
 - The information of greenhouse gas Scope 3 emissions.
 - Index items related to other international standards and initiatives other than the GRI.
 - Other related additional information such as the website, business annual report.
- This assurance is intended to identify any material inconsistencies by reviewing the sustainability report and our assurance report, along with any other accompanying or included information. However, with respect to information that is not within the scope of our limited assurance engagement, we do not express an opinion, conclusion, or any other form of assurance. Our conclusion is not modified in respect of this matter.

Intended use or purpose / Restriction on use or distribution

This report has been prepared for the purpose of providing the assurance conclusion on the sustainability information included in the 2024 Sustainability Report to the Company and its management level. Accordingly, this report is not intended to be used by, and should not be used by, any third party other than the specified parties.

Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Information

The Company’s management and those charged with governance are responsible for:

- Designing, implementing and maintaining internal control relevant to the preparation of the Sustainability Information such that it is free from material misstatement, whether due to fraud or error;
- Selecting or developing suitable criteria for preparing the Sustainability Information and appropriately referring to or describing the criteria used; and
- Fairly presenting the Sustainability Information in accordance with the criteria; and
- Those charged with governance are responsible for overseeing the Company’s sustainability reporting process.



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Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the management of Company and those charged with governance.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Sustainability Information that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Sustainability Information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- Verification of the validity of the materiality assessment and internal analysis processes used to determine assurance priorities, along with a high-level review of potential sustainability-related issues raised by external stakeholders
- Discussions with personnel and managers responsible for stakeholder engagement
- Interviews with senior management of departments responsible for or related to material issues to confirm the appropriateness of the underlying evidence supporting the reported issues
- Review of the implementation process of the sustainability strategy and supporting systems, as well as the processes for data generation, collection, and reporting across each performance area, and verification of the basis for claims included in the report
- On-site visit to the F&F Group headquarters to confirm the effectiveness of data collection processes, internal control procedures, and management mechanisms

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

27F, Gangnam Finance Center, 152 Teheran-ro,
Gangnam-gu, Seoul, Republic of Korea

KPMG Samjong Accounting Corp CEO. **Kim, Kyo Tae**



This report is effective as of [25 June, 2025], the assurance report date. Certain subsequent events or circumstances, which may occur between the assurance report date and the time of reading this report, could have a material impact on the Company’s Sustainability Report. Accordingly, the readers of the assurance report should understand that the above assurance report has not been updated to reflect the impact of such subsequent events or circumstances, if any.



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Greenhouse Gas Assurance Statement

F&F Holdings Corp and F&F

1. SCOPE

Verification of places of business and emission facilities under the control of F&F Holdings Corp.

2. STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Operational guidelines for reporting and certification of the Greenhouse Gas emissions trading scheme(Ministry of Environment, 2025-64)
- WRI/WBCSD GHG Protocol (2013)

3. PROCEDURE

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation. The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

4. INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

5. LIMITATION

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

6. OPINION

- The assurance engagement was performed to satisfy a limited assurance level, and no significant distortions were found in the verification results
- According to KMR's approach, nothing was found that would lead to a finding that F&F Holdings Corp. failed to disclose data and information that was accurate and reliable in all material respects.

GHG emissions & Energy Consumption

Category	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total(tCO ₂ eq)
GHG emissions	336.516	3,475.397	3,811
Energy consumption	5.9	72.758	78

*Note : Due to rounding, the total emissions may differ from the sum of individual items.

Jun 09th, 2025
KMR CEO 





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Supplementary Disclosure

This section is included exclusively in the English report to address information requests from global ESG rating agencies and international investors. The Korean report focuses on key issues already recognized by domestic stakeholders and compliance with local regulations, while more detailed policies and operational practices are disclosed here to enhance the understanding and transparency for international stakeholders.

Information Security Management

F&F operates a company-wide information security management system to safeguard the confidentiality, integrity, and availability of its information assets. Led by a dedicated security team, the system encompasses IT infrastructure, physical security, and human resource protection measures, which are continuously reinforced through regular audits and improvements.

The personal data of customers and employees is securely managed in full compliance with applicable laws. To prevent loss, theft, leakage, alteration, or misuse, both technical and administrative safeguards are implemented. Collected data is used solely for service delivery and quality enhancement, with protection standards exceeding legal requirements.

F&F undergoes an annual audit by an independent third-party organization, while maintaining certifications such as the Information Security Management System (ISMS) and ISO 27001. Proactive risk management includes regular risk assessments of critical assets, pre-launch security reviews for new services, enhancement of systems such as NAC and DLP, as well as third-party vulnerability assessments and penetration testing.

In the event of a cyber incident, predefined reporting, response, and recovery procedures are promptly executed, with all processes documented to prevent recurrence. To ensure business continuity, F&F conducts periodic data backups and annual disaster recovery drills, supported by contingency plans for rapid recovery and operational stability in emergencies.

Workplace Environment

F&F strictly complies with local labor laws across all global operations and ensures that employees can work in a safe and healthy environment. All business sites are managed in accordance with relevant regulations.

To protect the right to rest and promote work–life balance, F&F monitors overtime and holiday work and operates diverse programs that go beyond statutory requirements, such as flexible work arrangements, compensatory leave, and staggered working hours. All such systems are designed in alignment with local legal standards to guarantee fair and stable working conditions.

Furthermore, compliance with labor regulations is continuously monitored and institutionalized to safeguard employees’ rights and employment stability, thereby fostering a sustainable workplace environment.



More Attractive,
More Active in Life.

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Fashion & Forward