ROOTED IN VALUE, GROWING TOGETHER

2025 HS HYOSUNG Sustainability Report

HS HYOSUNG

About this report

Overview

This Sustainability Report is the inaugural sustainability report of HS HYOSUNG Group. It provides an integrated overview of the environmental, social, and governance (ESG) activities and performance of the Group's major consolidated companies and subsidiaries. HS HYOSUNG Group publishes this report as part of its communication with stakeholders and plans to continue reporting on its activities to enhance corporate value in future reports.

Reporting Period

The reporting period for this report is from January 1 to December 31, 2025. Some indicators include performance data for the first half of 2026. HS HYOSUNG Co., Ltd. was newly established in July 2024 through a holding company spin-off from HYOSUNG Corporation. Accordingly, this report discloses two-year data for 2024 and 2025. For certain indicators, 2024 data reflects performance from July 2024 onward.

Reporting Scope

This report covers quantitative and qualitative data for HS HYOSUNG Co., Ltd. (hereinafter "HS HYOSUNG") and its major subsidiaries and major affiliates. The major subsidiaries covered in this report are HS HYOSUNG USA, Inc. (hereinafter "HS HYOSUNG USA"), HS HYOSUNG TOYOTA Co., Ltd. (hereinafter "HS HYOSUNG TOYOTA"), and HS HYOSUNG GLOBAL LOGISTICS VINA Co., Ltd. (hereinafter "HS HYOSUNG Vina"). The major affiliates covered in this report are HS HYOSUNG ADVANCED MATERIALS Corporation (hereinafter "HS HYOSUNG ADVANCED MATERIALS" or "HS HAMC") and HS HYOSUNG Information Systems Co., Ltd. (hereinafter "HS HYOSUNG Information Systems" or "HIS"). Activities and performance are presented by company, with the relevant company name clearly indicated. Financial information has been prepared on a consolidated basis in accordance with Korean International Financial Reporting Standards (K-IFRS) and is presented based on HS HYOSUNG's consolidated financial statements. Where the reporting scope differs for certain performance data, the applicable reporting boundary is specified in the main text or accompanying notes.

Reporting Framework and Principles

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021, a globally recognized sustainability reporting framework. ESG disclosures have also been prepared with reference to the SASB (Sustainability Accounting Standards Board) industry standards and the ESRS (European Sustainability Reporting Standards).

Data Assurance and Reliability

To ensure the objectivity, reliability, and fairness of the report content, this report has undergone third-party verification by BSI Group Korea, an independent verifier, in accordance with the AA1000AS (Moderate Level, Type 2) assurance standard.

Laying the Groundwork for Regulatory Compliance in Sustainability Reporting

HS HYOSUNG is laying the foundation to create new opportunities that go beyond regulatory compliance, based on its understanding of major global sustainability disclosure standards, including IFRS (International Financial Reporting Standards) S1 and S2, the Corporate Sustainability Reporting Directive (CSRD), and the European Sustainability Reporting Standards (ESRS). As part of this effort, the Company is establishing an internal management system to systematically manage sustainability information and ensure transparent disclosure and reporting.

Forward-Looking Statements

This report has been prepared to share HS HYOSUNG's sustainability management activities and performance with stakeholders. Accordingly, it includes not only current and historical activities, but also forward-looking statements, assumptions, and estimates. The forward-looking statements contained in this report are based on predictive information available at the time of preparation. However, actual results may differ materially from those projected due to assumptions, inherent risks, uncertainties, and other external factors, including political and economic conditions, tax and legislative changes, and environmental regulations.

These forward-looking statements include, among other matters, future business strategies, climate-related targets, including greenhouse gas (GHG) emissions reduction and energy reduction targets, and ESG strategies.

Such statements can generally be identified by terms including 'pursue,' 'estimate,' 'expect,' 'plan,' 'schedule,' 'forecast,' 'anticipate,' 'potential,' 'outlook,' 'ongoing,' 'strategy,' and 'target.'

The forecasts and plans presented in this report are subject to change in response to evolving business and market conditions. HS HYOSUNG does not guarantee the accuracy or completeness of such information and, under no circumstances, assumes any legal liability or provides any warranty. Accordingly, readers are advised not to place undue reliance on these forward-looking statements.

COVER STORY

The cover visualizes HS HYOSUNG's role as a holding company, its guiding principles, and its future direction. It reinterprets the symbolic value of 'Masteria,' the corporate symbol of HS HYOSUNG, through graphic design, while the star at the center represents our commitment to becoming the focal point of future growth. Through this design, we express that sustainability management is not a collection of individual activities, but an integrated structure and system that operates cohesively.

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Interactive User Guide

This report is published in an interactive PDF format that includes links to related pages and websites to help readers navigate and better understand the content.

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INTRODUCTION

CEO Message

Dear Valued Stakeholders,

It is a great pleasure to share our vision and direction with you through HS HYOSUNG's first Sustainability Report. Since our new beginning, HS HYOSUNG has focused on establishing the Group's business foundation and operating framework. We believe the time has now come to more clearly demonstrate the value we create and the direction in which we intend to grow.

Today's business environment is changing at an unprecedented pace. Changes in the global competitive landscape, supply chain restructuring, the spread of protectionist trade policies, technological innovation, and the transition to AI-driven transformation are fundamentally reshaping how companies formulate strategies and operate their business. Amid these changes, we believe that trusted value for customers, meaningful differentiation in the market, and consistent execution capabilities are the key factors that determine a company's sustainability.

For HS HYOSUNG, sustainability management is not a separate initiative, but a way of viewing and managing our business. As a holding company, we are responsible for providing direction to our portfolio companies, establishing responsible standards, and building long-term competitiveness together. We believe that sustainability is built not only on financial performance, but also on the careful consideration of ethics, human rights, safety and health, the environment, supply chains, customers, and local communities.

This approach is also reflected in HS HYOSUNG's value-driven management philosophy. Under our vision of creating value that enriches humanity by harnessing the power of science, technology, and collective intelligence, we pursue management practices that enhance value for all stakeholders, including customers, shareholders, employees, partners, and local communities. Sustainability management is a natural extension of this philosophy. We believe it can become a true foundation for sustainable growth only when it goes beyond declarations and is embedded in responsible decision-making, ways of working, and execution across our businesses.

In 2025, HS HYOSUNG carried out a range of initiatives to lay the foundation for sustainability management. Centered on the ESG Management Committee under the Board of Directors, we strengthened our responsible management framework and established key ESG policies and standards covering ethics and compliance, human rights, the environment, and occupational safety and health. We also built a Group-wide Scope 1 and 2 GHG emissions inventory and completed third-party verification. In addition, we reinforced our risk management foundation by conducting a Group-wide human rights impact assessment and enhancing our information security management system. Furthermore, we launched the 'Value Together' volunteer group and expanded corporate social responsibility activities in partnership with local communities.

At the same time, we recognize that many of these efforts are still at an early stage. As we publish our first report, we fully understand that sustainability management cannot be achieved in a short period of time. We must continue to refine our Group-wide standards and systems, strengthen alignment among our businesses and affiliates, and translate our efforts into meaningful changes that stakeholders can experience and appreciate.

Over the next year, we will focus on further strengthening the fundamentals of sustainability management. We will elevate our standards in ethics and compliance, data management and execution, communication, and accountability, while further enhancing management systems across key areas such as the environment, human rights, occupational safety and health, and supply chain management. Over the next three to five years, we aim to strengthen business competitiveness through AI and digital capabilities, respond proactively to climate change and evolving supply chains, and expand our portfolio of sustainable products and services.

The sustainability management pursued by HS HYOSUNG is not about grand declarations. It is about fulfilling our responsibilities through everyday business decisions and actions. Going forward, we will continue to respond flexibly to a changing environment, create greater value, and build deeper trust.

We sincerely thank all stakeholders who continue to support and accompany us on HS HYOSUNG's journey of change and challenge. Through responsible management and open communication, we will continue to move forward, one step at a time, toward a sustainable future.

Thank you.

June 2026
HS HYOSUNG Co., Ltd. CEO
Ki-soo Noh **Sung-hoon Ahn**

Company Overview

Overview of HS HYOSUNG

HS HYOSUNG was newly established as a holding company on July 1, 2024, through a corporate spin-off. Guided by our vision, **'We create value to enrich humanity by harnessing the power of science, technology, and collective intelligence,'** we have embarked on a new journey toward a better future. Beyond the traditional role of a holding company, we serve as the central hub that connects the expertise and capabilities of each business unit to create synergies across the Group. Going forward, we will continue to pursue sustainable growth based on transparent management and **work together with our stakeholders to create greater value for a better tomorrow.**

Company Name	HS HYOSUNG Co., Ltd
CEO[1]	Hyun-sang Cho, Sung-hoon Ahn
Date of Establishment	July 1, 2024
Headquarters	119, Mapo-daero, Mapo-gu, Seoul, Republic of Korea (04144)
Key Businesses	Management of and investment in subsidiary shareholdings, and freight forwarding business
Number of Employees	192[2]

[1] As of December 31, 2025.
[2] The Number of employees disclosed in the Annual Report is 185, excluding seven registered executives. Therefore, it differs from the employee count presented in this report.

Key Business Areas

HS HYOSUNG Group strives to serve as a foundation for making people's lives safer and healthier through its diversified business portfolio, including advanced industrial materials such as tire cord and carbon fiber (HS HAMC, HS HYOSUNG USA, HS HYOSUNG R&D Center for Tech and Innovation), AI and data infrastructure solutions (HIS), integrated logistics services (HS HYOSUNG Transworld PU, HS HYOSUNG Vina), and mobility businesses (HS HYOSUNG TOYOTA).

Advanced Materials Business

We manufacture and supply high-performance industrial materials, including the world's No. 1 PET tire cord and carbon fiber. Through continuous development and commercialization of advanced materials, we continue to drive sustainable growth.

HS HYOSUNG ADVANCED MATERIALS | HS HYOSUNG USA | HS HYOSUNG R&D Center

AI/Data Solutions Business

We help customers innovate their AI and data infrastructure through the latest solutions and tailored consulting service, including AI/HPC, data lakes, and cloud solutions.

HS HYOSUNG Information Systems

SCM Solutions Business

Leveraging a global partner network, we provide SCM services that help customers reduce logistics costs and enhance their import/export competitiveness.

HS HYOSUNG Transworld PU | HS HYOSUNG Vina

Mobility Business

In partnership with premium automotive brands, we provide customers with distinctive mobility experience.

HS HYOSUNG TOYOTA

Vision & Core Values

VISION

We create value to enrich humanity by harnessing the power of science, technology, and collective intelligence.

CORE VALUE

Excellence/Innovation	Responsibility/Trust	Respect/Partnership	Pride/Aspiration

2026 Management Policy

Unwind to create value through unmatched depth and width

Unmatched **Differentiation** · **N**ext-Level **IT Innovation** · **W**orld-Class **Market Intelligence**
Integrity in **Execution** · **N**onstop **Cost & Efficiency** Leadership · **D**ynamic **Communication**

HS HYOSUNG Group Governance Structure

As of December 31, 2025

Company Overview

Value Creation

Vision

We create value to enrich humanity by harnessing the power of science, technology, and collective intelligence.

Core Value

Excellence/Innovation	Responsibility/Trust	Respect/Partnership	Pride/Aspiration

Principle

Excellence/Innovation

- Constantly be learning to win the global race.
- Challenge new possibilities without fear of failure.

Responsibility/Trust

- Take initiative with a sense of ownership and persist until the goal is reached.
- Build trust by acting on principles and delivering results through communication.

Respect/Partnership

- Listen to and consider the voices of all stakeholders.
- Create synergy by communicating with colleagues.

Pride/Aspiration

- Take pride in one's business and work and approach it with a positive attitude.
- Create our own values with boldness and build a fulfilling workplace.

Value Management

Shareholders/ Investors
Shareholder Value Maximization

Enhance management performance through continuous value creation to increase profits for shareholders and investors.

HS HYOSUNG Members
Happiness of the HS HYOSUNG Members

Pursue the happiness of the HS HYOSUNG members through a vision-sharing and communicative organizational culture.

Local Community
Strengthening Social Value

Fulfil social responsibilities and pursue sustainable growth in cooperation with the local community.

Partners
Strengthening Mutual Cooperation

Build trust with partners through fair and transparent business practices.

Customer
Customer Value Maximization

Increase customer satisfaction with innovative new technologies and reliable products and services.

Company Overview

Corporate Identity

Value Management that we create together

CONCEPT

HS HYOSUNG's 'Leading Star' and 'Value Tree'

MASTERIA, HS HYOSUNG's corporate symbol, was created by blending the Latin words 'Materia,' meaning origin or tree/forest, and 'Aster,' referring to the goddess of the stars. It can also be interpreted as an amalgamation of 'Master' and 'Material.' The HS HYOSUNG logo embodies the meaning embedded in the name HYOSUNG — 'Morning Star.' It draws inspiration from the star, which guides the world and our lives toward a more valuable future, and from the tree, which symbolizes a healthy future through its vitality and growth while creating diverse forms of value, such as clean air and cool shade. Embodying the concept of 'Leading Star, Value Tree,' the logo reflects HS HYOSUNG's vision to contribute to a better world and provide limitless possibilities and value to humanity.

HS HYOSUNG

HS Blue
Best, Innovation, Intelligence

HS Green
Responsibility, Trust, Respect, Cooperation

HS Orange
Pride, Passion, Happiness

Company Overview

Global Network

HS HYOSUNG Group is expanding its global business network through its subsidiaries and affiliates located in key regions in Korea and overseas, including the United States and Vietnam. In addition, our manufacturing affiliates are responding to local customer needs and strengthening supply stability by linking production bases with sales networks in strategic global markets.

HS HYOSUNG Major Subsidiaries and Affiliates and Their Business Locations

USA
- Office 1
- Offices 2
- Plant 1

Mexico
- Plants 2

Europe
- Headquarters 1
- Plants 4

India
- Plant 1

South Africa
- Plant 1

Vietnam
- Plants 3
- R&D Center 1
- Office 1

China
- Office 1
- Plants 4

Korea
- Headquarters 1
- Office 1
- R&D Center 1
- Headquarters 1
- Plants 3
- R&D Center 1
- Headquarters 1
- Offices 6
- Headquarters / Sales Office 1
- Sales Offices 2
- Service Centers 2

HS HYOSUNG HS HAMC HS HYOSUNG USA HIS HS HYOSUNG TOYOTA HS HYOSUNG Vina

Business Portfolio

Major Subsidiaries and Affiliates

HS HYOSUNG

As a holding company, **HS HYOSUNG** manages equity interests in its subsidiaries and carries out investment activities, while also engaging in the freight forwarding business. Its key subsidiaries and affiliates have built expertise across diverse business areas, including industrial materials, logistics, IT infrastructure, and automotive sales and services. Under its Value Management framework, **HS HYOSUNG** is strengthening business competitiveness across the Group and enhancing stakeholder value.

HS HYOSUNG Information Systems (HIS)

HS HYOSUNG Information Systems (HIS) provides solutions and services across key areas of IT infrastructure, including servers, storage, and appliances. In response to the evolving AI, data, and cloud landscape, the company supports customers in building digital infrastructure and enhancing operational efficiency, while continuously strengthening its capabilities to deliver reliable IT services.

HS HYOSUNG ADVANCED MATERIALS (HS HAMC)

HS HYOSUNG ADVANCED MATERIALS (HS HAMC) is a global materials company that manufactures and supplies industrial materials, including tire reinforcements, seatbelt yarns, and airbag materials. Leveraging its technological expertise and product supply capabilities in high-value-added materials such as high-performance industrial yarns and fabrics, aramid, and carbon materials, the company is driving sustainable growth as a 'Safety & Comfort Solution Provider' that contributes to the safety and comfort of customers and end users.

HS HYOSUNG TOYOTA

HS HYOSUNG TOYOTA provides services throughout the entire customer journey, from new vehicle purchase to after-sales service. Through customized services that reflect customer needs and a comprehensive after-sales support system, the company helps enhance customers' vehicle ownership experience and enrich their lifestyles.

HS HYOSUNG R&D Center for Tech and Innovation (HS HYOSUNG R&D Center)

The HS HYOSUNG R&D Center for Tech and Innovation (HS HYOSUNG R&D Center) conducts research and development in core material fields, including tire reinforcements, aramid, and carbon materials, supporting the Group's technological competitiveness. The center also supports HS HYOSUNG in establishing a foundation for future growth and diversifying its business portfolio through research and development in new business areas, including battery materials.

HS HYOSUNG USA

HS HYOSUNG USA supplies key products, including tire reinforcement materials and carpet products, through its manufacturing and sales sites in the United States. Building on its accumulated operational experience in the U.S. market, **HS HYOSUNG USA** continues to strengthen quality management, local responsiveness, and supply stability as part of its efforts to enhance customer trust.

HS HYOSUNG Transworld PU

HS HYOSUNG Transworld PU provides logistics services and supply chain management (SCM) solutions for diverse types of cargo, including containerized cargo, bulk cargo, plant equipment and materials, and project cargo. Through these services, it helps customers enhance logistics efficiency and strengthen their competitiveness in import and export operations.

HS HYOSUNG GLOBAL LOGISTICS VINA (HS HYOSUNG Vina)

HS HYOSUNG GLOBAL LOGISTICS VINA (HS HYOSUNG Vina) is the Vietnam subsidiary of Transworld PU. The company provides logistics solutions tailored to customer needs and evolving logistics environments. Leveraging its local operational capabilities and logistics information management system, it continues to enhance logistics service quality and customer responsiveness in Vietnam.

Business Portfolio

Advanced Materials Business

Prioritizing Customer Safety and Comfort with Advanced Materials

HS HYOSUNG Group's Advanced Materials Business contributes to everyday safety and industrial development through high-performance industrial yarns, fabrics, and steel wire. We have built a strong reputation in the B2B materials market by ensuring a stable supply of products, including the world's No. 1 PET tire cord as well as fabrics for automotive seatbelts and airbags.

These businesses are supported by a global manufacturing network and strong R&D capabilities. HS HYOSUNG ADVANCED MATERIALS supplies its key products through manufacturing sites located in Korea, Asia (China and Vietnam), Europe, and Mexico, while HS HYOSUNG USA is responsible for local manufacturing and supply in the United States.

In addition, the HS HYOSUNG R&D Center conducts research and development activities, including the development and commercialization of eco-friendly materials to support sustainable growth. Building on the manufacturing and research expertise of each organization, HS HYOSUNG continues to strengthen its technological capabilities and trusted position in the advanced materials industry.

WORLD'S LEADING SOLUTION PROVIDER

We deliver optimized customer value through our fully integrated production and supply system for Textile Tire Cord, Steel Cord, and Bead Wire, the core materials used in tire reinforcements.

GLOBAL PRODUCTION SYSTEM

In addition to our operations in Korea, we have established an optimized global production network across China, Vietnam, the United States, Mexico, and Europe. This enables us to provide a more stable supply of products and deliver prompt customer service.

EXTREME STRENGTH

We have successfully developed and commercialized ALKEX® aramid, often referred to as a dream fiber that is stronger than steel, and TANSOME® carbon fiber, an advanced material that weighs only one-quarter as much as steel while offering more than ten times its strength.

Major Subsidiaries and Affiliates

- HS HYOSUNG ADVANCED MATERIALS
- HS HYOSUNG USA
- HS HYOSUNG R&D Center

AI/Data Solutions Business

Delivering AI, Data Infrastructure, and AX Solutions Tailored to Evolving Business Environments

HS HYOSUNG Information Systems, the AI/Data Solutions Business of HS HYOSUNG Group, was established in 1985 by supplying mainframes and disk systems to public and financial institutions. Since then, the company has provided solutions and services across the full spectrum of IT infrastructure, including servers, storage, and appliances, for more than 40 years.

Today, in response to the rapidly evolving AI- and data-driven business environment, HS HYOSUNG Information Systems supports customers in building digital infrastructure through a diverse portfolio that includes AI/HPC, data lakes, cloud solutions, and software-defined data centers (SDDC). In particular, the company provides practical strategies and operational solutions for data infrastructure transformation through tailored consulting services based on in-depth analysis of each customer's IT environment and business requirements.

Leveraging its expertise in reliable IT infrastructure implementation and data management, HS HYOSUNG Information Systems continues to enhance its customers' operational efficiency and digital transformation capabilities.

NO.1 HIGH-END STORAGE

The VSP series of HIS has ranked No. 1 in the IDC-certified high-end storage market for 12 consecutive years, demonstrating the value of the industry's most powerful and secure data infrastructure.

HS HYOSUNG AI PLATFORM

The HS HYOSUNG AI Platform is an integrated platform that combines GPU servers and storage infrastructure with an AI model management system. By optimizing performance, resource efficiency, and operational management, it provides solutions tailored to each customer's needs.

Major Subsidiaries and Affiliates

- HS HYOSUNG Information system

Business Portfolio

SCM Solutions Business

Delivering SCM Solutions Business for Efficient Global Supply Chain Management

HS HYOSUNG Group's SCM Solutions Business is led by HS HYOSUNG Transworld PU and HS HYOSUNG Vina. Building on more than 30 years of logistics expertise and a global network, the business supports customers in optimizing supply chain management and logistics operations across the full spectrum of import and export logistics.

HS HYOSUNG Transworld PU handles a wide range of cargo, including containers, bulk cargo, plant equipment, and project cargo, helping customers improve logistics efficiency. Leveraging extensive experience in performing SCM functions for multiple Group businesses, the company has operated a dedicated third-party logistics (3PL) organization since 2018. Through its global partner network, it provides stable and reliable logistics services. In addition, the company is enhancing supply chain visibility and driving data-based supply chain optimization through its global integrated logistics management system introduced in 2024.

HS HYOSUNG Vina is a local logistics subsidiary established in Ho Chi Minh City, Vietnam, in 2023. By extending the logistics capabilities of HS HYOSUNG Transworld PU into Vietnam, the company supports logistics management for local subsidiaries and affiliates while diversifying its business portfolio through third-party logistics (3PL) services and depot operations. To respond to evolving logistics environments and customer needs, it continues to strengthen its IT systems and information-sharing framework, further enhancing the competitiveness of its logistics services in Vietnam. The SCM Solutions Business continuously advances its logistics solutions by systematically managing customer satisfaction and regularly evaluating service quality to reflect customer needs.

GLOBAL SCM PARTNER

With more than 30 years of experience and expertise accumulated through managing logistics operations for a global trading company, we have established industry-leading competitiveness. Through stable and efficient logistics management for all types of cargo, we continue to strengthen customer trust.

Major Subsidiaries and Affiliates

- HS HYOSUNG Transworld PU
- HS HYOSUNG Vina

Mobility Business

Delivering Differentiated Mobility Services Through a Premium Brand Network

HS HYOSUNG Group's Mobility Business provides professional automotive sales and service experiences through partnerships with leading global premium automotive brands. By offering integrated solutions spanning vehicle sales, financial services, and after-sales service, we deliver systematic support throughout the entire vehicle lifecycle.

Since its establishment in 2009, HS HYOSUNG TOYOTA has operated a network of showrooms and service centers in key locations across Seoul and the greater metropolitan area, including Seocho, Gangseo, and Pyeongchon. In particular, the company became the first TOYOTA dealer to obtain TSM Kodawari (TOYOTA Customer Service Management Kodawari) certification, demonstrating the professionalism and excellence of its customer service management system.

Leveraging experienced consultants and a systematic maintenance network, HS HYOSUNG TOYOTA provides reliable services throughout the entire customer journey, from vehicle purchase to ownership. Going beyond vehicle sales, the company continues to enhance mobility services that improve customer convenience and overall service satisfaction.

TOTAL SERVICE FOR GLOBAL AUTOMOBILE

We provide premium and differentiated total services for global mobility brands, covering every stage of the customer journey, from new vehicle consultation and purchase to after-sales service.

Major Subsidiaries and Affiliates

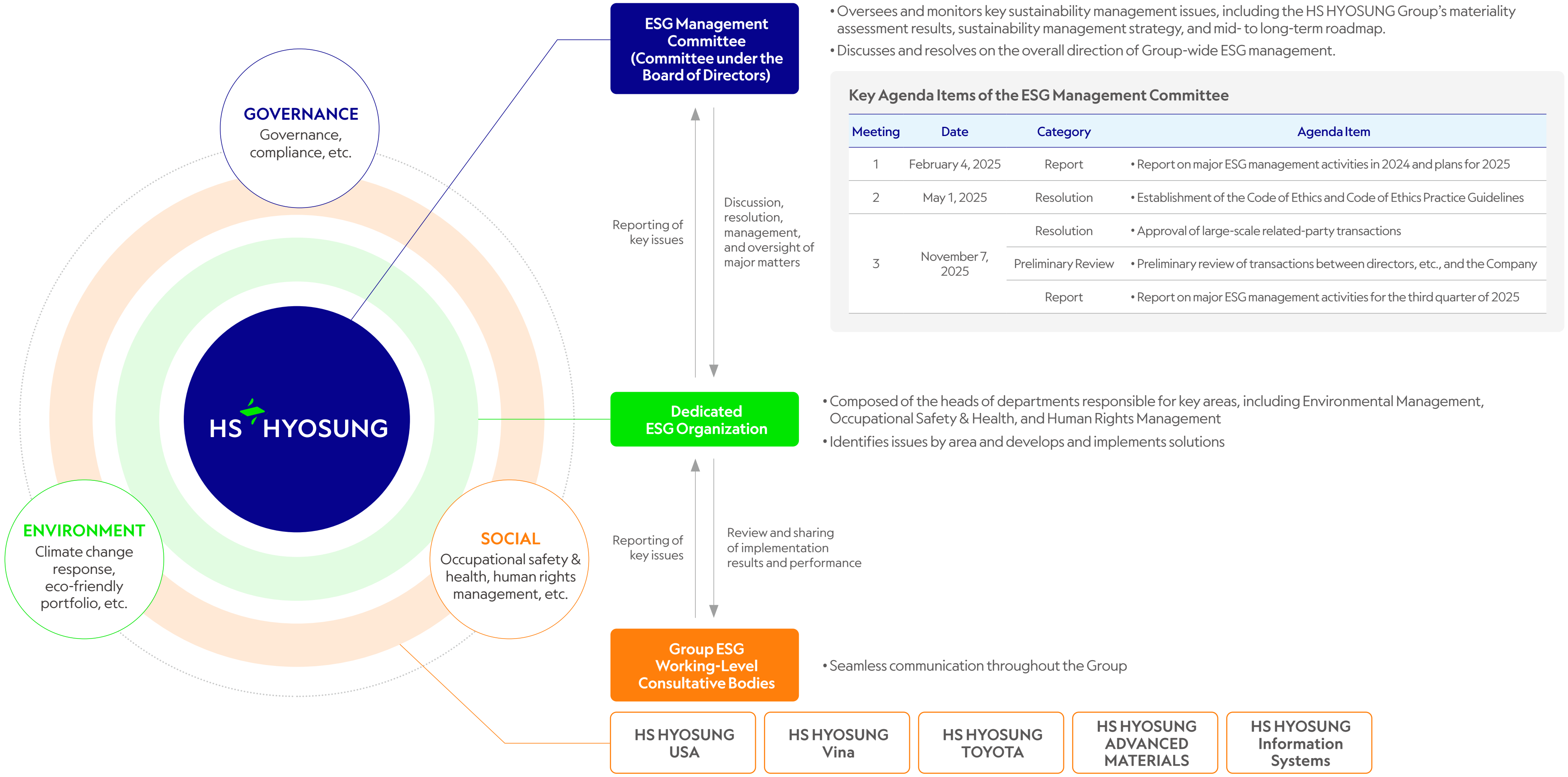
- HS HYOSUNG TOYOTA

ESG MANAGEMENT SYSTEM

ESG Governance

HS HYOSUNG has established the ESG Management Committee under the Board of Directors to strengthen transparent governance and practice responsible management led by the holding company. The ESG Management Committee oversees ESG issues across the Group and reviews key agenda items related to the establishment of the ESG management framework and performance management. Key matters identified through these discussions are submitted for final reporting to and approved by the Board of Directors. In addition, the Committee regularly monitors the implementation status and outcomes of approved agenda items to ensure that ESG considerations are incorporated into overall management activities. The dedicated ESG organization and working-level consultative bodies serve as the primary drivers of these initiatives. Through close collaboration and communication among the consultative bodies, HS HYOSUNG operates a systematic Group-wide ESG governance framework.

HS HYOSUNG Group ESG Governance Framework



ESG Management Committee (Committee under the Board of Directors)

- Oversees and monitors key sustainability management issues, including the HS HYOSUNG Group's materiality assessment results, sustainability management strategy, and mid- to long-term roadmap.
- Discusses and resolves on the overall direction of Group-wide ESG management.

Key Agenda Items of the ESG Management Committee

Meeting	Date	Category	Agenda Item
1	February 4, 2025	Report	• Report on major ESG management activities in 2024 and plans for 2025
2	May 1, 2025	Resolution	• Establishment of the Code of Ethics and Code of Ethics Practice Guidelines
3	November 7, 2025	Resolution	• Approval of large-scale related-party transactions
		Preliminary Review	• Preliminary review of transactions between directors, etc., and the Company
		Report	• Report on major ESG management activities for the third quarter of 2025

Dedicated ESG Organization

- Composed of the heads of departments responsible for key areas, including Environmental Management, Occupational Safety & Health, and Human Rights Management
- Identifies issues by area and develops and implements solutions

Group ESG Working-Level Consultative Bodies

- Seamless communication throughout the Group

HS HYOSUNG USA
HS HYOSUNG Vina
HS HYOSUNG TOYOTA
HS HYOSUNG ADVANCED MATERIALS
HS HYOSUNG Information Systems

ESG Strategy

By combining collective intelligence with innovative technologies, **HS HYOSUNG Group** creates distinctive value that enriches humanity and achieves sustainable growth through mutual prosperity with stakeholders.

HS HYOSUNG Group ESG Strategy

Mission

Rooted in Value, Growing Together

Growth Value

Securing Sustainable Growth Drivers through Science, Technology, and Eco-friendly Solutions

Shared Value

Growing Together to Create Greater Value with Stakeholders

Trusted Value

Building Trust with the Market and Shareholders through Global Standards and Transparency

- Support the transition to low-carbon and circular business portfolios across business sectors
- Review strategic investments based on climate- and environment-related risks and opportunities
- Identify growth opportunities by connecting materials, logistics, IT, and mobility solutions
- Establish a sustainable growth framework through data-driven performance management

- Pursue the happiness of the HS HYOSUNG members through a shared vision and communication
- Build strong trust with business partners through fair and transparent transactions
- Fulfill social responsibilities while promoting shared growth with local communities
- Foster a dynamic organizational culture where communication and collective intelligence thrive

- Establish responsible Board-led management based on ownership and principles
- Maximize value for shareholders and investors through continuous value creation
- Implement proactive risk management in strict compliance with global standards
- Build trust through ethical management grounded in transparent communication and data-driven decision-making

Stakeholder Engagement

Stakeholder Engagement Framework

HS HYOSUNG Group has identified key stakeholder groups that have a significant impact on its management activities, including employees, customers, business partners, shareholders and investors, NGOs and local communities, associations and experts, and government agencies. We actively engage with each stakeholder group through a variety of communication channels operated on an ongoing basis. By reflecting stakeholder opinions and needs in corporate decision-making, we continue our efforts to create sustainable value.

HS HYOSUNG Stakeholder Engagement Principles

HS HYOSUNG Stakeholder Definition and Engagement

Stakeholder	Key Issues	Communication Channels		Response Strategy
Employees	• Safety and health • Performance evaluation and compensation • Labor relations and communication • Human rights and diversity • Human resources and work environment	• Internal bulletin boards (TongTong Board / WagleWagle) • Performance-sharing sessions / CEO Letter • Communicator program	• HR Counseling Center • Management briefings / employee meetings by level • Labor-management council	• Support employee health and counseling programs • Establish a fair performance evaluation system and provide competitive compensation • Promote regular dialogue with management and encourage two-way communication • Pursue employee happiness through life-stage-based welfare programs • Prevent discrimination and harassment, address grievances, and foster a culture that respects diversity
Customers	• Product responsibility and customer trust • Customer communication • Information security	• Customer satisfaction surveys • Conferences, fairs, and exhibitions	• Customer newsletters and technology exchange meetings • Press releases and PR Center on the corporate website	• Maximize customer value by developing products and services that reflect customer feedback • Disclose product and service information transparently • Strengthen personal information protection systems and establish processes to prevent security incidents
Business partners	• Fair business opportunities • Sharing mutual growth achievements • Support for win-win cooperation	• Reporting Center • Meetings and training sessions	• Technology exchange meetings • Support programs	• Listen to and address partner concerns through regular communication • Conduct partner evaluations • Strengthen win-win cooperation through support for facilities, equipment, goods, and consulting services
Shareholders and Investors	• Securing future growth drivers • Maximizing shareholder value • Financial soundness and profit creation • Sound governance • Integrated risk management	• General shareholders' meetings • Disclosures and public notices (including annual reports)	• IR activities • Press releases and PR Center on the corporate website • Sustainability Report	• Enhance profitability and maximize shareholder value through leading technology development • Share financial and sustainability management information • Advance business strategies by listening to shareholder and investor opinions
NGOs and Local Communities	• Environmental protection • Corporate social responsibility activities • Community engagement • Revitalization of local economies	• Local community councils • Community engagement activities near business sites	• Corporate social responsibility programs • Official social media channels	• Develop plans for shared growth with local communities • Promote corporate social responsibility and donation activities based on community needs
Associations and Experts	• Industry-academia cooperation • Support for technology commercialization	• Joint research and development activities • Association activities		• Participate in policy recommendations and government projects • Promote industry-academia cooperation, industrial policy collaboration, and technology development partnerships
Government	• Climate change response • Regulatory compliance • Participation in government policies • Transparent disclosure	• Policy meetings and public hearings • Seminars and forums	• Policy opinion submission system • Sustainability Report • Corporate website	• Respond to regulatory requirements through the Compliance Officer • Promptly respond to regulatory changes through the responsible departments • Publish the Sustainability Report

MATERIALITY TO STRATEGY

Materiality Assessment

Materiality Assessment Process

To identify the key issues of sustainability management, **HS HYOSUNG Group** conducted a materiality assessment based on an analysis of global ESG standards and stakeholder surveys. In particular, we applied a double materiality assessment approach to comprehensively evaluate both impact materiality (inside-out), which reflects the impacts of the Company's business activities on the environment and society, and financial materiality (outside-in), which reflects the financial impacts of external factors on the Company. To derive Group-wide material issues, HS HYOSUNG consolidated the results of materiality assessments independently conducted by HS HYOSUNG, its subsidiaries, and major affiliates, applying weighting factors based on revenue and business scale. The five material issues identified through this process will serve as key inputs for future management strategies and risk management.

Double Materiality Assessment Process

Step 1. Understanding the Context and Stakeholder Engagement

Identify issues affecting the Company and develop an issue pool through context analysis and stakeholder engagement.

※ Scope of the Materiality Assessment
- HS HYOSUNG[1], HS HYOSUNG TOYOTA, HS HAMC, HIS

Understanding the Context

◆ Internal Environment Analysis
- Review the Company's vision, business plans and activities, and value-chain-related matters

◆ External Environment Analysis
- Analyze industry trends, global regulations and policies, and ESG standards and indicators

Identification of 14-16 Long-list Issues for Each Company

Stakeholder Engagement and Understanding

◆ Internal Stakeholder Engagement
- Conduct the first materiality assessment survey for all employees

Identification of 8-9 Short-list Issues for Each Company

Step 2. Conducting the Double Materiality Assessment

Assess the materiality of the 8-9 short-list issues identified for each company from both environmental and social impact perspectives and a financial perspective.

Impact Materiality (Impact on the Environment and Society, Inside-Out)		x	**Financial Materiality** (Financial Impact on the Company, Outside-In)	
Analysis of global ESG standards, including GRI, UNGC, and ESRS	Media research on corporate ESG management		Analysis of capital market ESG standards, including DJSI and MSCI	Media research on corporate ESG management
Analysis of internal ESG issues of interest and shared materials	Benchmarking of ESG reports from peer companies		Analysis of internal ESG issues of interest and shared materials	Benchmarking of ESG reports from peer companies
Written interviews with internal and external stakeholders regarding environmental and social impacts			Written interviews with internal and external stakeholders regarding financial impacts	

◆ Materiality Assessment Results by Company (Material Issues)

HS HYOSUNG	Resource Circulation and Environmental Impact, Human Resources and Organizational Culture, Occupational Safety & Health, Customer Satisfaction and Compliance
HS HAMC	Climate Change Response, Eco-friendly Portfolio, Occupational Safety & Health, Supply Chain Management and Customer Satisfaction
HIS	Human Resources and Organizational Culture, Customer Satisfaction, Corporate Social Responsibility, Compliance and Information Security
HS HYOSUNG TOYOTA	Human Resources and Organizational Culture, Occupational Safety & Health, Customer Satisfaction, Compliance and Responsible Governance

Step 3. Selection and Reporting of Material Issues

Material issues were selected by applying weighting factors based on the revenue and business scale of each company to the materiality assessment results.

Selection of Material Issues

◆ Discussion of Double Materiality Assessment Results
- Material issues were identified through in-depth analysis conducted by HS HYOSUNG Group's internal experts based on the results of the materiality assessment.

Identified Material Issues

◆ Environmental
- Eco-friendly Portfolio, Climate Change Response

◆ Social
- Occupational Safety & Health, Customer Satisfaction

◆ Governance
- Compliance

Reporting and Disclosure of Selected Material Issues

The selected material issues are reported to the ESG Management Committee and the Board of Directors and subsequently disclosed through the Sustainability Report.

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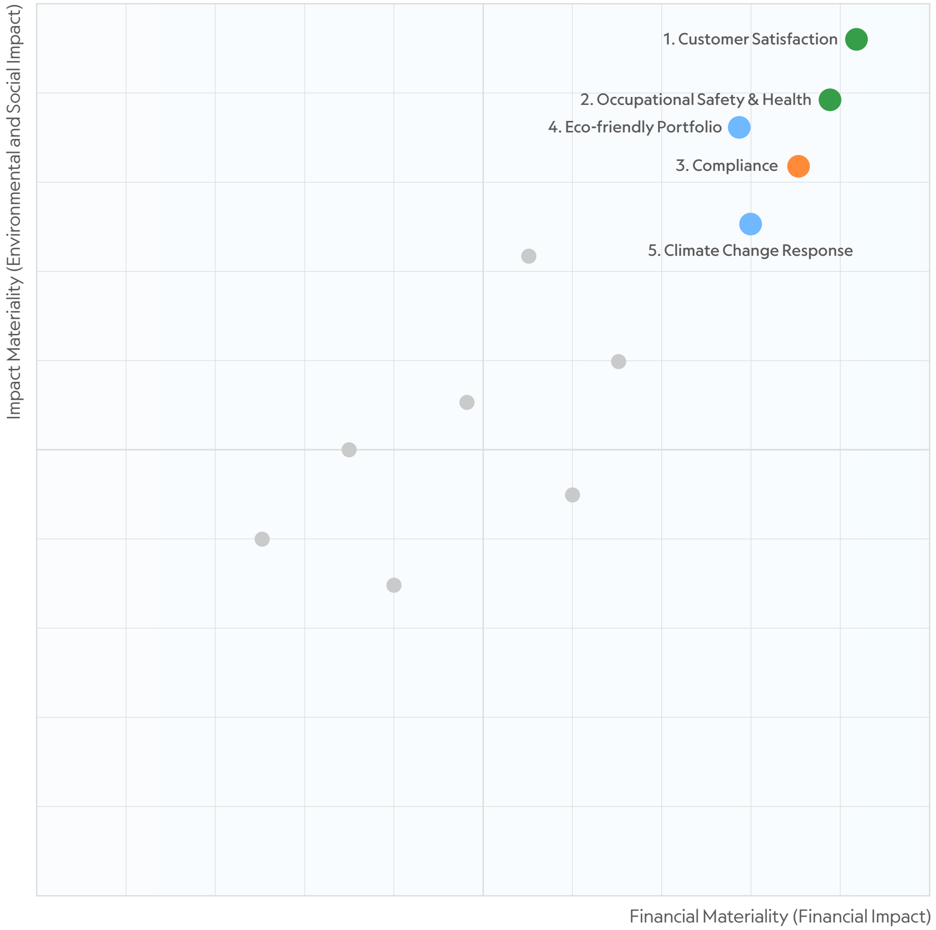
[1] Considering company size and business area, HS HYOSUNG Vina and HS HYOSUNG USA were included in the assessment conducted for HS HYOSUNG.

Materiality Assessment

Materiality Assessment Results

Through its first Group-wide materiality assessment, **HS HYOSUNG Group** identified five material issues: Customer Satisfaction, Occupational Safety & Health, Compliance, Eco-friendly Portfolio, and Climate Change Response. These issues were finalized following review and approval by the ESG Management Committee and the Board of Directors. Going forward, they will be integrated into the Group's enterprise-wide risk management system and managed through integrated monitoring at the Group level.

Double Materiality Matrix



HS HYOSUNG Group Material Issues

Category	Material Issue	Key Stakeholders	Time Horizon[1]	Double Materiality[2]		
				Financial Impact Assessment	Environmental & Social Impact Assessment	Overall Assessment
Social	① Customer Satisfaction	• Customers • Business partners • Investors	Medium- to Long-term	●	●	●
Social	② Occupational Safety & Health	• Employees • Business partners • Local Communities	Medium- to Long-term	●	●	●
Governance	③ Compliance	• Entire Value Chain	Long-term	◑	◑	◑
Environment	④ Eco-friendly Portfolio	• Entire Value Chain	Short- to Medium-term	◑	◑	◑
Environment	⑤ Climate Change Response	• Entire Value Chain	Long-term	◑	◑	◑

1) Short-term: More than 1 year and up to 3 years / Medium-term: More than 3 years and up to 7 years / Long-term: More than 7 years

2) Degree of impact: High (●) / Medium (◑) / Low (O)

Materiality Assessment

Response to Material Issues

HS HYOSUNG Group comprehensively analyzes the impacts, risks, and opportunities associated with each material issue identified through the materiality assessment. Based on this analysis, we establish strategic response initiatives and transparently disclose the status of their implementation.

	UN SDGs	Impact[1]	Risk	Opportunity	Plan & Approach
Customer Satisfaction	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• (🟠) Customer safety issues and damage to brand value caused by insufficient product quality and unreliable service quality • (🟢) Enhanced customer trust and social value through improved product quality, service reliability, and customer responsiveness	• Customer attrition, revenue decline, and reputational risks resulting from deteriorating product quality and service reliability • Reduced brand trust due to inadequate responses to customer complaints and Voice of Customer (VoC) feedback • Increased business operation risks arising from failure to comply with product- and service-related regulations and customer requirements	• Strengthen brand identity and enhance external trust based on product quality and service reliability • Strengthen long-term customer relationships through customized products and services • Expand market share and secure new business opportunities through improved customer satisfaction	• (HS HYOSUNG Group) Enhance customer satisfaction by strengthening the VoC system and implementing proactive risk management • (AI/Data Solutions Business) Accelerate growth by strengthening the competitiveness of the existing storage business and identifying new business opportunities
Occupational Safety & Health	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• (🟠) Workplace accidents and occupational illnesses resulting from inadequate occupational safety & health management • (🟢) Promotion of employee health and the creation of a safe workplace	• Increased risk of legal sanctions and financial losses (e.g., penalties and fines) resulting from violations of occupational safety & health regulations • Damage to corporate reputation and decline in stakeholder trust • Operational disruptions and workforce losses resulting from serious industrial accidents	• Enhance production efficiency and service quality through a safe working environment • Reduce potential loss costs by preventing industrial accidents • Attract talented employees and strengthen organizational trust through enhanced occupational safety & health management capabilities	• (HS HYOSUNG Group) Establish a rapid incident reporting system and processes for response and recurrence prevention • (Mobility Business) Operate mental health support programs for customer-facing employees and strengthen grievance channels
Compliance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• (🟠) Disruption of fair market order and infringement of stakeholder value caused by unethical business practices, including unfair trade, corruption, and regulatory violations • (🟢) Creation of a fair and transparent business ecosystem through the practice of ethics and compliance management	• Fines, penalties, and litigation costs arising from regulatory violations • Decline in internal and external reputation and stakeholder trust due to unethical conduct • Reduced business opportunities and lower investment attractiveness resulting from increased compliance risks	• Reduce potential loss costs through proactive regulatory compliance • Secure stakeholder trust by strengthening ethics and compliance control systems • Enhance investor confidence and corporate value through the establishment of a global-standard internal control system	• (HS HYOSUNG Group) Regularly assess the level of ethical management and anti-corruption practices and reflect the results in executive management KPIs • (HS HYOSUNG Group) Strengthen the internal whistleblower protection system and enhance awareness of reporting channels
Eco-friendly Portfolio	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND	• (🟠)Declining consumer trust and weakened market competitiveness when environmental impact considerations are not adequately reflected in product development • (🟢) Promotion of resource circulation and reduction of environmental impacts through the expansion of eco-friendly products and sustainable procurement practices	• Increased R&D expenses and production cost burdens associated with the transition to an eco-friendly portfolio • Reduced market competitiveness due to delays in obtaining eco-friendly certifications and advancing technology development and commercialization • Decreased order opportunities and potential customer loss resulting from failure to meet customers' eco-friendly requirements	• Enter new markets and expand revenue through the growth of low-carbon, circular materials and eco-friendly products • Strengthen responsiveness to customers' ESG requirements by enhancing product environmental performance • Secure investor confidence by strengthening capabilities in resource circulation, waste management, and compliance with environmental regulations for products	• (Advanced Materials Business) Increase the proportion of recycled raw materials used in products • (Mobility Business) Strengthen market responsiveness by expanding eco-friendly product lines and related services
Climate Change Response	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	• (🟠) Acceleration of climate change and environmental impacts caused by GHG emissions generated throughout the production, operation, and use phases of products and services • (🟢) Contribution to climate change mitigation through GHG emissions management	• Increased regulatory costs and operational burdens due to strengthened GHG emissions regulations • Higher investment costs associated with emissions reduction facilities, the transition to renewable energy, and process improvements • Potential operational disruptions and supply chain instability caused by physical risks such as extreme weather events	• Reduce operating costs through energy efficiency improvement • Strengthen market competitiveness by expanding renewable energy use and providing low-carbon products and services • Secure new business opportunities by responding to customers' carbon neutrality goals and supply chain emissions reduction requirements	• (Advanced Materials Business) Expand the use of renewable energy and strengthen the implementation of GHG reduction strategies • (SCM Solutions Business) Support the development of eco-friendly supply chains by expanding low-carbon transportation modes and logistics efficiency solutions

1) Positive Impact(🟢)/Negative Impact(🟠)

2030 ESG Roadmap

2025-2026 Foundation Phase

Establishing ESG Strategic Direction and a Management Framework

- Identify core ESG risks and opportunities
- Establish the ESG strategy and define three strategic pillars and priority initiatives
- Enhance ESG policies, organization, and governance framework
- Establish core ESG data and management standards

HS HYOSUNG Group
- Establish Group-wide ESG governance, strategies, and policies
- Expand human rights impact assessments and GHG inventory management systems across major subsidiaries and major affiliates

Advanced Materials Business
- Expand the existing ESG management framework to operations in the United States and newly established subsidiaries
- Review compliance with the holding company's ESG policies and guidelines

AI/Data Solutions Business
- Identify service improvement initiatives based on customer needs and develop related technologies
- Establish and implement a corporate social responsibility strategy and execution framework reflecting industry characteristics

SCM Solutions Business
- Establish plans to support customers in reducing carbon emissions (Scope 3) in response to relevant regulations
- Revise the training framework to foster logistics professionals

Mobility Business
- Analyze ESG trends in the eco-friendly vehicle market and among global automotive brands
- Establish an employee occupational safety and health management system

Key Outcome
▶ **Establish the foundation for Group-wide ESG management**

2027-2029 Expansion Phase

Implementing Key ESG Initiatives and Expanding ESG Practices Across the Organization

- Implement initiatives to support the transition to an eco-friendly portfolio and strengthen climate change response
- Expand programs related to occupational safety and health, customer satisfaction, and shared growth
- Strengthen systems for responsible management, regulatory compliance, and compliance management
- Monitor and manage the implementation status of key initiatives

HS HYOSUNG Group
- Advance product and service quality management systems and expand investment in core capabilities
- Strengthen human rights risk management by enhancing stakeholder grievance reporting and resolution processes

Advanced Materials Business
- Expand renewable energy procurement and reduce product carbon emissions to achieve GHG reduction targets
- Strengthen shared growth programs and supply chain ESG management systems for key business partners

AI/Data Solutions Business
- Strengthen internal and external collaboration to identify and expand the application of core technologies
- Expand digital capability support programs based on engagement with local communities and stakeholders

SCM Solutions Business
- Improve resource efficiency and optimize operations across the value chain through AI-based systems
- Enhance logistics data management and service quality through a global integrated IT system

Mobility Business
- Strengthen capabilities in eco-friendly vehicle sales and services and improve service quality at customer touchpoints
- Enhance occupational safety & health, customer service, and compliance management systems across the service network

Key Outcome
▶ **Strengthen the execution of key ESG initiatives**

2030- Stabilization Phase

Embedding ESG Management and Establishing a Performance Management Framework

- Strengthen the integration of ESG considerations into business strategy and decision-making
- Expand the scope of ESG management across the supply chain and the entire value chain
- Advance ESG disclosure, data management, and certification management systems
- Establish a management framework based on stakeholder trust

HS HYOSUNG Group
- Strengthen responsiveness to global markets through enhanced product and service capabilities
- Embed ESG management by incorporating ESG indicators into KPIs for all employees

Advanced Materials Business
- Secure the sustainability of key products and technologies and establish related management systems
- Expand ESG support and management systems for small- and medium-sized business partners

AI/Data Solutions Business
- Expand customer sustainability support through energy-efficient IT infrastructure and AI and data solutions
- Enhance digital accessibility for underserved communities and establish a foundation for developing local talent

SCM Solutions Business
- Support customers in reducing supply chain carbon emissions by expanding low-carbon logistics services
- Improve operational stability and service quality through enhanced transportation efficiency

Mobility Business
- Expand the product and service portfolio centered on eco-friendly and high-efficiency vehicles
- Strengthen ESG awareness and performance management among direct and indirect business partners, including suppliers

Key Outcome
▶ **Establish a sustainable growth framework**

ESG Highlights

Key Achievements of HS HYOSUNG Group in 2025

ENVIRONMENT

Completion of a Global GHG Inventory

Completed the calculation and verification of Scope 1 and 2 emissions across all global operations of HS HYOSUNG Group.

HS HYOSUNG Group

Advancement of the Climate Management Roadmap

Obtained SBTi approval for the company-wide 2030 GHG reduction target

Established the 2050 Carbon Neutrality target

HS HAMC

Introduction of Low-Power, High-Efficiency Servers

Supported low-power, high-efficiency IT infrastructure through the introduction of Green Core Servers based on ARM server technology.

HIS

Achieved CDP Climate Change and Water Security A- Ratings

CDP Climate Change A-
CDP Water Security A-

HS HAMC

SOCIAL

Conducted Human Rights Impact Assessments Across 100% of the Group

Completed human rights impact assessments for all subsidiaries and major affiliates of HS HYOSUNG Group, identifying potential human rights risks.

HS HYOSUNG Group

Introduction of a Real-Time Cargo Tracking Service

Introduced a real-time cargo tracking service that enables cargo location monitoring and supports transportation process management.

HS HYOSUNG

Recognized as a CSR Company for the 7th Consecutive Year

Selected for the seventh consecutive year under the "CSR in the Community" initiative administered by the Ministry of Health and Welfare.

HS HAMC

Establishment of the HS HYOSUNG Group Training Framework

Established a dedicated HS HYOSUNG Group training framework following the establishment of the holding company in 2024, integrating group-wide employee training and development programs.

HS HYOSUNG Group

GOVERNANCE

Introduction of an Authentication System to Strengthen Company-wide Access Control

Implemented an integrated authentication system based on the Group's new groupware platform (HUB) and Active Directory (AD) / Microsoft 365 to strengthen access control across HS HYOSUNG Group.

HS HYOSUNG Group

Introduction of a Generative AI Platform

Introduced AiHUB, a generative AI-based platform designed to improve work efficiency, and provided AI training programs for all employees.

HS HYOSUNG Group

Emergency Response to a National Disaster

Executed a prompt response following the fire incident at the National Information Resources Service.

HIS

Establishment of the HS HYOSUNG Group Compliance Framework

Expanded the scope of anti-corruption and ethics audits to all affiliates and enhanced the compliance framework through the operation of a whistleblowing process.

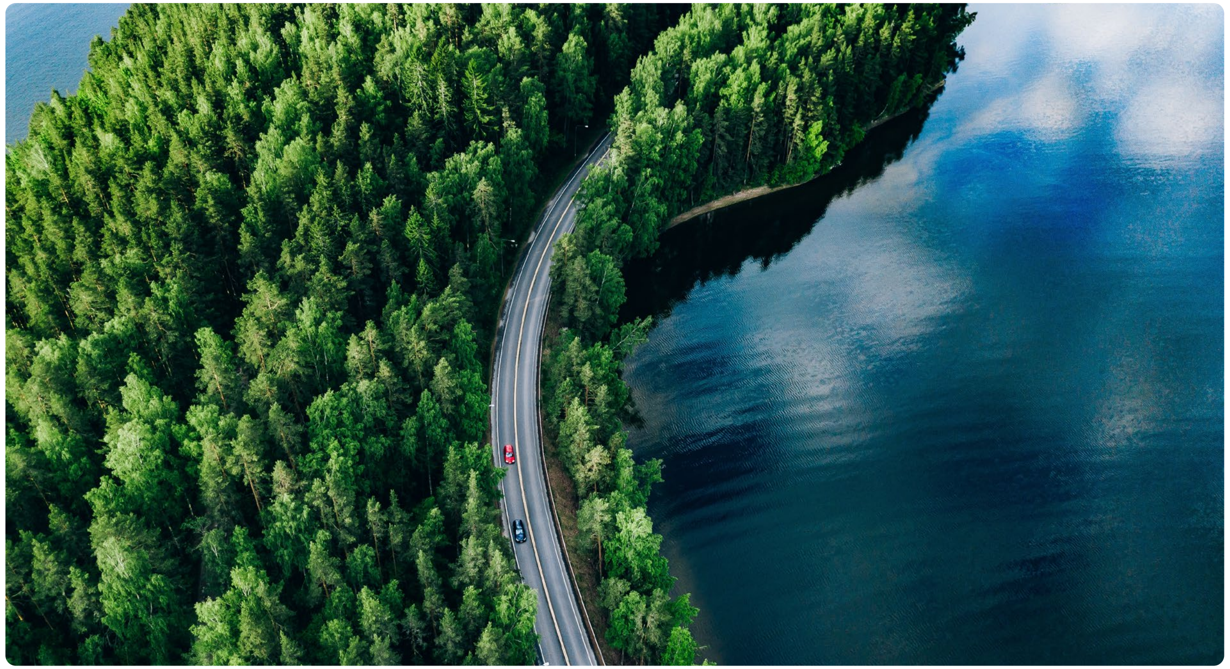
HS HYOSUNG Group

STRATEGIC PILLAR CHAPTERS

GROWTH VALUE

HS HYOSUNG Highlights

Strengthening a Sustainable Growth Portfolio Through Science, Technology, and Eco-Friendly Solutions



HS HYOSUNG Group recognizes its responsibility in addressing climate change and reducing GHG emissions and is actively establishing Group-wide climate strategies and implementation initiatives. Reflecting global carbon neutrality trends and policies in Korea, we are preparing for the transition to low-carbon management and developing reduction targets and implementation plans based on emissions data from each business site. We are reducing GHG emissions through energy efficiency improvements, process optimization, and facility upgrades while continuously enhancing our emissions measurement, reporting, and verification systems.

In addition, **HS HYOSUNG Group** is working to reduce environmental impacts by reshaping its business portfolio around science- and technology-based eco-friendly technologies, products, and services. We have established a management framework that incorporates environmental considerations throughout the entire product lifecycle, including planning and development, production, distribution, use, and disposal. Through these efforts, we aim to effectively manage climate-related risks and opportunities. Expanding the share of eco-friendly solutions and businesses within our portfolio is a key mid- to long-term priority, enabling us to strengthen our growth foundation and market competitiveness.

Key Initiatives

- Advance the Group's environmental management governance and policy framework
- Strengthen the foundation for GHG inventory management and environmental data management
- Identify climate change risks and implement business-sector-specific response initiatives
- Expand activities to reduce environmental impacts at business sites and conserve biodiversity
- Strengthen the portfolio of low-carbon, circular products and services

Key Achievements

- Established the Group's Environmental Management Policy and related guidelines
- Established the foundation for expanding sustainable products and services
- Established the HS HYOSUNG Group GHG inventory
- Strengthened environmental impact management activities at business sites

Key Action Plans

- Establish a Scope 3 emissions management framework
- Expand the scope of environmental data management across global business sites
- Set environmental management targets and institutionalize regular performance monitoring
- Advance response systems for climate change, environmental, and biodiversity risks
- Expand environmental management practices through the participation of employees and stakeholders

Environmental Management

Environmental Management Tailored to Business Characteristics

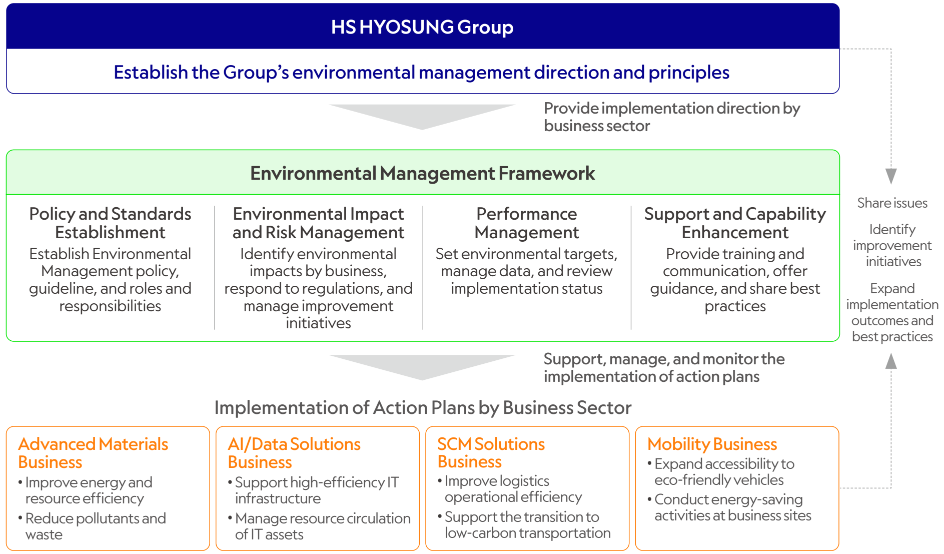
HS HYOSUNG Group has established the direction and principles of environmental management in consideration of the distinct characteristics of its businesses, including manufacturing, logistics, IT infrastructure, and mobility. The Group is also enhancing its management framework to enable each business sector to implement initiatives aligned with these principles. Climate change response, pollution prevention, resource and energy efficiency improvement, and biodiversity conservation serve as the core principles of our environmental management approach. In addition, HS HYOSUNG Group goes beyond managing the direct environmental impacts of the holding company itself. By managing both the environmental value created by each business sector and the associated environmental risks—including manufacturing, logistics, IT infrastructure, and mobility—we pursue responsible environmental management at the Group level.

Environmental Management Governance

HS HYOSUNG Group operates its environmental management governance framework under the leadership of the ESG Management Committee of the Board of Directors. The ESG Management Committee reviews and approves the Group's environmental management direction and key initiatives and oversees environmental risks and the status of related response activities. Major environmental management activities and implementation results are reported to the ESG Management Committee, ensuring that environmental issues are incorporated into the Group's key decision-making processes.

The ESG Management Team and relevant business departments share information on environmental issues at each business site and regulatory trends and identify and implement initiatives to reduce major environmental impacts related to waste, water resources, pollutants, and chemicals. In addition, they communicate with group-wide environmental management organizations to promote environmental data management, regulatory compliance, and continuous improvement activities.

Group Environmental Management Framework



HS HYOSUNG Group

Establish the Group's environmental management direction and principles

Provide implementation direction by business sector

Environmental Management Framework

Policy and Standards Establishment	Environmental Impact and Risk Management	Performance Management	Support and Capability Enhancement
Establish Environmental Management policy, guideline, and roles and responsibilities	Identify environmental impacts by business, respond to regulations, and manage improvement initiatives	Set environmental targets, manage data, and review implementation status	Provide training and communication, offer guidance, and share best practices

Support, manage, and monitor the implementation of action plans

Share issues

Identify improvement initiatives

Expand implementation outcomes and best practices

Implementation of Action Plans by Business Sector

Advanced Materials Business
- Improve energy and resource efficiency
- Reduce pollutants and waste

AI/Data Solutions Business
- Support high-efficiency IT infrastructure
- Manage resource circulation of IT assets

SCM Solutions Business
- Improve logistics operational efficiency
- Support the transition to low-carbon transportation

Mobility Business
- Expand accessibility to eco-friendly vehicles
- Conduct energy-saving activities at business sites

Environmental Management Policies and Guidelines

HS HYOSUNG Group recognizes environmental value as a core element of corporate management and is strengthening its Group-wide Environmental Management Policy framework. In 2025, the Group established key environmental policies, including the Environmental Management Policy, Global SHE Guideline, Biodiversity Policy and Guideline, and Anti-deforestation Policy, thereby clarifying the fundamental principles for reducing environmental impacts and managing environmental risks.

The Environmental Management Policy provides the overarching direction for climate change response and environmental impact reduction. The Global SHE Guideline sets out management principles and requirements for compliance with global standards in safety, health, and environmental management. The Biodiversity Policy and Guideline establish standards for minimizing ecosystem impacts arising from business activities and promoting conservation efforts. The Anti-deforestation Policy reflects the Group's commitment to conducting responsible business activities that do not contribute to deforestation.

HS HYOSUNG Group has designated responsible departments for each policy and will review the need for revisions at least once a year. The Group also plans to continuously enhance its policies in response to evolving global standards and stakeholder expectations.

HS HYOSUNG Environmental Management Policy

Environmental Management Policy

Lead climate change response and establish the foundation for environmental management based on the Environmental Management Strategy Framework of HS HYOSUNG Co., Ltd.

Establish and implement an environmental management system to minimize impacts on the environment and stakeholders, thereby achieving environmental protection and pollution prevention. Pursue the reduction of environmental impacts throughout the entire lifecycle of products and services, including eco-friendly process design, product development, production, sales, distribution, use, and disposal.

Monitor environmental impact factors generated throughout business activities, including hazardous substances, waste, wastewater, and GHG emissions. Actively contribute to environmental conservation, including the protection of water resources, air quality, and biodiversity, through proactive environmental impact reduction activities.

Go beyond legal compliance with applicable laws, regulations, and standards by promoting the reduction of resource and energy consumption, including water resources and minerals, to prevent resource and energy depletion and minimize environmental impacts arising from their use.

Conduct ongoing education and training to effectively implement environmental management and build trust by sharing environmental management practices with all stakeholders, including employees, business partners, and customers.

Environmental Management

Environmental Management Implementation and Environmental Impact Management by Business Sector

HS HYOSUNG Group is developing tailored environmental management approaches that reflect the distinct environmental impacts and contributions of each business sector, including manufacturing, logistics, IT infrastructure, and mobility. The manufacturing sector focuses on reducing direct environmental impacts generated from production processes, while non-manufacturing sectors promote environmental management through operational efficiency improvements and the expansion of environmental value at customer-facing channels.

Reducing Environmental Impacts from Manufacturing Processes

The **Advanced Materials Business** focuses on managing direct environmental impacts arising from manufacturing processes, including energy and resource consumption, water and air pollutant emissions, waste generation, and chemical use. To improve production efficiency and reduce pollutant emissions, the business pursues facility upgrades and process optimization while implementing activities to reduce waste generation and increase recycling rates. In addition, through the development of recycled and bio-based materials and eco-friendly products, the business responds to customers' environmental expectations and strengthens its technological capabilities and management systems to minimize environmental impacts throughout the product lifecycle.

HS HYOSUNG USA | HS HAMC

Expanding Environmental Value through High-Efficiency IT Infrastructure

The **AI/Data Solutions Business** contributes to improving customers' energy efficiency by providing low-power, high-efficiency servers and infrastructure solutions that reflect the characteristics of the IT infrastructure industry. As demand for digital infrastructure such as AI, cloud computing, and data centers continues to grow, the business supports customers in optimizing resource utilization by offering energy-efficient equipment and solutions. Internally, environmental impacts are also considered throughout the operation, maintenance, replacement, and disposal of IT equipment. In addition, resource efficiency is enhanced by expanding electronic document-based workflows and the proper use and management of IT assets.

HIS

Improving Logistics Efficiency and Managing Environmental Risks

The **SCM Solutions Business** carries out initiatives to reduce environmental impacts associated with transportation and supply chain operations in line with the characteristics of logistics services. Through digital-based logistics information management and system integration, the business enhances supply chain visibility while reducing inefficiencies in repetitive tasks and resource utilization. In addition, the business continuously monitors risks arising from changes in the global logistics market and environmental regulations. By optimizing transportation conditions and route operations, it improves the stability and efficiency of customers' supply chains while strengthening its capability to respond to future demands for low-carbon logistics.

HS HYOSUNG

Expanding Access to Eco-friendly Mobility

The **Mobility Business** promotes environmental management by supporting the transition to eco-friendly mobility at customer touchpoints. The business enhances customer access to eco-friendly vehicle lineups and supports customers in exploring a wider range of environmentally friendly mobility options.

In addition, it promotes everyday environmental initiatives across showrooms and service centers, including energy-saving practices, energy conservation activities, and Earth Day Lights-Off Campaign. Through these efforts, the business promotes environmental awareness throughout the customer service process while improving operational efficiency and expanding environmental value.

HS HYOSUNG TOYOTA

Environmental Impact Management at Business Sites

HS HYOSUNG | HS HYOSUNG USA | HS HAMC

We systematically manage environmental impacts that may arise from business operations, particularly at manufacturing sites and R&D organizations. Rather than focusing solely on post-incident responses to individual issues, our environmental impact management approach is designed to proactively identify potential environmental risks throughout production and R&D activities and minimize environmental burdens through regulatory compliance and preventive management practices.

Compliance with Environmental Regulations

To ensure compliance with environmental laws and regulations related to water quality, air emissions, waste, chemicals, soil contamination, and resource recycling, we conduct regular inspections, assessments, and training programs. While systematically managing environmental impacts at manufacturing sites, we are also expanding the scope of management to include R&D organizations in order to proactively manage environmental risks across our operations.

Chemical Management

We regularly manage Material Safety Data Sheets (MSDS) for chemicals used in product development and manufacturing processes. We continuously enhance management capabilities through specialized training programs for responsible personnel. In addition, hazard and exposure assessments and emergency response drills for hazardous chemical leaks are conducted to ensure the safety of employees and stakeholders. Going forward, we plan to gradually reduce the use of hazardous chemicals through continuous process improvements.

Water Resource Management

Based on a water resource management system, we are reducing water consumption, monitoring wastewater and water pollutants, and improving resource use efficiency. By reusing water within production processes, we are reducing both wastewater generation and industrial water consumption. In addition, wastewater contamination levels are regularly analyzed by process, and discharge volumes are continuously managed.

Air Pollutant Management

We are working to reduce air emissions, including waste gases and odors, through the operation of air pollution control facilities, investments in facility upgrades, and process improvements. We continue to invest in pollution reduction facilities, including waste gas incineration systems, dust collectors, adsorption towers, and solvent recovery systems. In addition, the HS HYOSUNG R&D Center is strengthening its air pollutant management capabilities by installing purification facilities for direct air exhaust systems.

Waste Management

We carry out various management activities aimed at reducing waste generation and increasing recycling rates throughout our operations. We establish monthly waste treatment plans, comply with relevant regulations such as the Waste Control Act, and provide waste management training for employees.

At research facilities, including the HS HYOSUNG R&D Center, the separation and disposal of waste reagents and research waste are regularly inspected, and environmental management activities tailored to research operations are implemented. Through these efforts, HS HYOSUNG Group is strengthening its management framework to minimize environmental impacts not only in manufacturing processes but also throughout the research and development stage.

Environmental Management

Biodiversity Conservation

HS HYOSUNG Group recognizes biodiversity as an important form of natural capital that is essential to the sustainability of business activities, local communities, and future generations. Accordingly, we manage biodiversity conservation and environmental protection as key priorities of our environmental management efforts while striving to minimize the impacts of our business activities on ecosystems. Based on our Biodiversity Policy and Guideline and Anti-deforestation Policy, HS HYOSUNG Group seeks to prevent potential ecosystem impacts arising from business operations. Each business sector manages environmental impacts in consideration of the characteristics of its business sites and local communities and carries out initiatives such as ecosystem protection, environmental cleanup, and community collaboration. Going forward, HS HYOSUNG Group will continue to promote biodiversity conservation activities that support both environmental protection and shared growth with local communities.

HS HYOSUNG Biodiversity Policy

Biodiversity Conservation Activities

HS HAMC

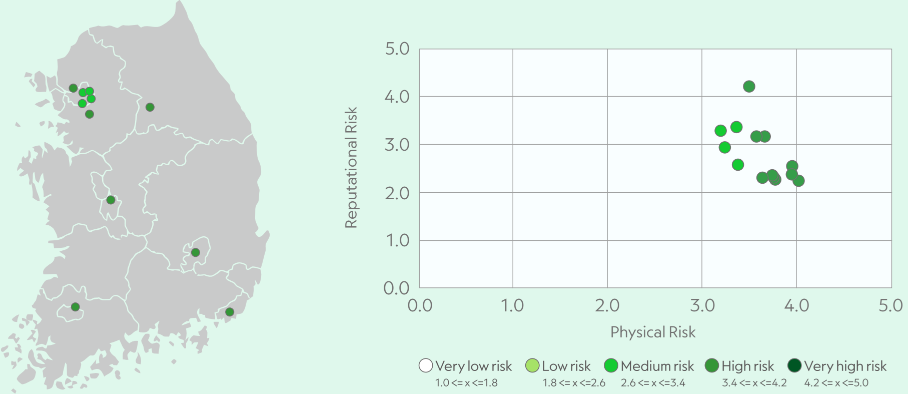
The **Advanced Materials Business** continues to carry out ecosystem protection activities in response to the growing biodiversity crisis driven by climate change and ecosystem degradation. Since signing a memorandum of understanding with the National Institute of Ecology in May 2022, the business has undertaken various initiatives, including the protection of endangered species, ecosystem restoration, and environmental cleanup activities. In 2025, an environmental cleanup campaign was conducted on Yubu-Island in Seocheon-gun, Chungcheongnam-do, one of the world's major migratory bird habitats.

In addition, together with HYOSUNG Group, the business has participated in the national marine forest creation project since December 2022 and continues to support marine ecosystem conservation. In 2025, to commemorate Ocean Arbor Day, employees participated in a coastal cleanup activity in the Donggori fishing village area of Sinji-myeon, Wando-gun, Jeollanam-do and carried out seagrass transplantation activities that help create spawning and habitat areas for marine life. Seagrass meadows are a blue carbon ecosystem that absorbs carbon dioxide and can contribute to climate change mitigation. HS HYOSUNG Group will continue to advance biodiversity conservation activities that support ecosystem protection while creating shared value with local communities.

2025 HS HYOSUNG Group Biodiversity Risk Assessment Results

To proactively assess the potential impacts of its operations on biodiversity, **HS HYOSUNG Group** conducted a biodiversity risk screening covering its business sites and offices of HS HYOSUNG and its major subsidiaries and affiliates. Using the WWF Biodiversity Risk Filter (BRF) and the Integrated Biodiversity Assessment Tool (IBAT), the Group assessed physical risks, reputational risks, and the presence of biodiversity-sensitive areas surrounding each site. Based on the screening results, HS HYOSUNG Group is comprehensively reviewing higher-risk regions and assessing the significance of individual sites. Going forward, the Group plans to expand biodiversity monitoring and conservation activities in priority areas and further develop management measures through collaboration with local communities and specialized institutions.

Biodiversity Risk Assessment



Country	Location	Business Type	Physical Risk	Reputational Risk	IUCN Red List Species[1]	Ecologically Protected Areas	
					Species	KBAs[2]	PAs[3]
Korea	Seoul	Office, Showroom	3.2	3.31	963	12	233
	Gyeonggi	Office	3.66	3.17	1,020	9	132
	Busan	Office	3.98	2.52	1,242	2	80
	Daegu	Office	4.02	2.25	560	2	92
	Gwangju	Office	3.66	2.31	1,078	4	155
	Wonju	Office	3.77	2.29	585	0	76
Vietnam	Ho Chi Minh City	Office	3.51	4.22	3,155	3	3
USA	Decatur	Manufacturing	3.25	2.96	1,078	2	34

1) IUCN Red List Species refers to the No. of species listed on the International Union for Conservation of Nature (IUCN) Red List, which classifies species according to their risk of extinction. The figures represent the No. of threatened species identified within a 50 km radius of each site.

2) Key Biodiversity Areas (KBAs) are sites identified under IUCN criteria as internationally significant for biodiversity conservation. The figures represent the No. of KBAs located within a 50 km radius of each site.

3) Protected Areas (PAs) are areas designated and managed through legal or other effective measures for the long-term conservation of biodiversity and natural and cultural resources. The figures represent the No. of protected areas located within a 50 km radius of each site.

Material Issue Climate Change Response

Climate Change Response Framework

Governance

HS HYOSUNG Group operates a climate change response governance framework centered on the ESG Management Committee under the Board of Directors to ensure a systematic and proactive response to climate change. The ESG Management Committee reviews and approves the Group's climate change response strategies, policy directions, and key initiatives, while overseeing activities related to GHG reduction, energy transition, and the management of climate-related risks and opportunities.

Led by the ESG Management Team, **HS HYOSUNG Group** also operates a Climate Change Response Council composed of departments responsible for climate-related matters in each business sector, including environment and energy, production and operations, procurement and supply chain, logistics, and strategy and finance. The Council discusses and coordinates key implementation initiatives, including the development of Group-wide climate change response strategies, implementation of GHG reduction initiatives, energy management, and the identification of climate-related risks and opportunities. In addition, it shares major issues such as global regulatory developments, market changes, and customer requirements with group-wide relevant departments and develops response strategies and implementation plans for climate-related risks across business activities.

Climate change response plans and major implementation results are reported to the ESG Management Committee. The Committee reviews and deliberates on these matters and oversees management's execution of climate-related responsibilities to ensure that the Group's climate change response framework operates effectively.

HS HYOSUNG Environmental Management Policy

Climate Change Response Management Framework

Board of Directors (ESG Management Committee)
- Review and approve key agenda items, including climate change response strategies
- Oversee management's execution of responsibilities and supervise overall climate change response activities

ESG Management Team
- Report major company-wide climate change response issues
- Establish response directions and promote implementation initiatives

Climate Change Response Council
- Report climate change-related issues
- Identify implementation initiatives
- Carry out climate change response activities

Key Reports to the Board of Directors

HS HYOSUNG Group continuously reviews its climate change response framework and the implementation status of its GHG reduction targets through regular reporting to the Board of Directors. In May 2025, during the reporting of major management activities and financial statements for the first quarter, the Group shared the approval of HS HAMC's company-wide GHG reduction target by the Science Based Targets initiative (SBTi)[1]. In November, during the reporting of major management activities and financial statements for the third quarter, the Group reported the establishment of new environmental and climate change policies and the status of the Group-wide climate change response framework.

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[1] SBTi (Science Based Targets initiative) is a global initiative that supports companies in setting and validating GHG reduction targets aligned with science-based decarbonization pathways.

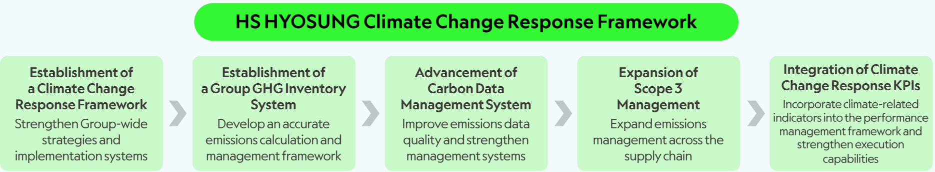
Climate Change Response Strategy

HS HYOSUNG Group is implementing a Group-wide climate change response strategy centered on GHG reduction, energy efficiency improvement, and the expansion of renewable energy use. By advancing data-driven management systems and strengthening group-wide collaboration, we aim to proactively respond to global climate-related regulations and market changes while reinforcing the foundation for sustainable growth.

Climate Change Response Strategy

Climate Change Response	HS HYOSUNG recognizes climate change as a key Group-wide issue and is establishing and strengthening a climate change response framework that reflects the characteristics of each business portfolio.	• Establish a foundation for the low-carbon transition by developing business sector-specific implementation initiatives • Continuously advance climate risk response capabilities and carbon management systems

HS HYOSUNG Climate Change Response Framework



Establishment of a Climate Change Response Framework
Strengthen Group-wide strategies and implementation systems

Establishment of a Group GHG Inventory System
Develop an accurate emissions calculation and management framework

Advancement of Carbon Data Management System
Improve emissions data quality and strengthen management systems

Expansion of Scope 3 Management
Expand emissions management across the supply chain

Integration of Climate Change Response KPIs
Incorporate climate-related indicators into the performance management framework and strengthen execution capabilities

Advanced Materials

Lifecycle Carbon Management Across Raw Materials, Supply Chains, and Business Sites

As the Group's core manufacturing business, the Advanced Materials Business drives climate change response efforts through the management of GHG emissions at business sites, the transition to renewable energy, and the expansion of eco-friendly materials.
- Establish and implement renewable energy transition plans
- Advance GHG management systems at business sites
- Build a foundation for supply chain-linked emissions reduction
- Recycled PET-applied tire cord, eco-friendly airbag yarn, and seatbelt yarn

AI/Data Solutions

Supporting Energy Efficiency Through High-Efficiency IT Infrastructure

The AI/Data Solutions Business supports customers' energy efficiency improvements and digital transformation through low-power, high-efficiency IT infrastructure and cloud solutions.
- Expand low-power, high-efficiency servers based on ARM architecture developed in collaboration with AccessLab
- Establish energy-efficient data center infrastructure
- Improve the operational efficiency of cloud-based IT resources
- Support IT system efficiency improvements and energy use optimization

Mobility

Supporting the Transition to Eco-friendly Mobility at Customer-Facing Channels

The Mobility Business supports customers' eco-friendly choices and mobility experiences by expanding sales of eco-friendly vehicles and promoting carbon reduction activities at showrooms and service centers.
- Implement eco-friendly vehicle sales strategies
- Raise awareness of eco-friendly mobility at customer-facing channels
- Reduce energy consumption at showrooms and service centers

SCM Solutions

Strengthening the Foundation for Carbon Management Through Logistics Efficiency

The SCM Solutions Business strengthens its carbon management capabilities by responding to evolving global regulations and improving logistics operations through AI-based systems and supply chain optimization.
- Advance AI-based transportation systems
- Improve logistics operations and transportation route efficiency
- Support customers' supply chain carbon management efforts
- Establish a foundation for carbon reduction through collaboration with business partners

Strengthening Group-wide Carbon Management Capabilities Through Business-Specific Implementation	HS HYOSUNG Group is advancing climate change response initiatives tailored to the characteristics of each business portfolio. By connecting and leveraging the implementation outcomes of each business sector, the Group is strengthening its carbon management capabilities and reinforcing the foundation for creating sustainable value.

Material Issue Climate Change Response

Climate Change Risk Management

Risk and Opportunity Management Process

HS HYOSUNG Group operates a management process consisting of identification, assessment, response, and monitoring to systematically manage climate-related risks and opportunities. By reviewing global regulatory developments, market and customer requirements, and physical climate impacts, the Group identifies climate-related risks and opportunities for each business sector. Key management priorities are then selected based on the likelihood of occurrence and their potential financial and non-financial impacts. For these priority risks and opportunities, response strategies tailored to the characteristics of each business are established and implemented, while implementation progress is continuously monitored.

Identification of Climate-related Risks and Opportunities	Materiality Assessment and Prioritization	Strategy Development and Implementation
• Identify climate-related risks and opportunities that may affect business operations by considering the characteristics of each business sector's operating structure and value chain	• Conduct qualitative and quantitative assessments and analyses based on the likelihood of occurrence and financial impact • Select key risks and opportunities for management based on assessment results	• Establish climate risk and opportunity response strategies and implementation plans • Enhance strategies through performance monitoring, climate scenario analysis, and resilience assessments

Risk and Opportunity Management Response Strategies

HS HYOSUNG Group identifies transition risks, physical risks, and opportunity factors arising from climate change across its major business sectors and establishes response strategies that reflect financial impacts and business characteristics. The **Advanced Materials Business** is advancing carbon management across raw materials, supply chains, and business sites while developing low-carbon materials. The **AI/Data Solutions, SCM Solutions,** and **Mobility Businesses** are implementing initiatives aligned with their respective business characteristics, including energy efficiency improvement, logistics optimization, and support for the transition to eco-friendly mobility.

Business Segment	Risk and Opportunity Factors	Short-/Medium-/ Long-term Impact[1][2]	Response Strategies and Activities
Advanced Materials Business	(Opportunity) Increased revenue opportunities driven by growing demand for low-carbon and eco-friendly products	●/●/●	• Develop eco-friendly products and expand related businesses
	(Transition Risk) Increased raw material procurement costs and manufacturing costs due to rising electricity prices	●/●/●	• Support business partners in improving energy efficiency • Diversify renewable energy procurement options
	(Physical Risk) Increased equipment maintenance costs and operational disruptions caused by chronic physical risks such as rising temperatures	●/●/●	• Improve heating and cooling systems at production facilities and office spaces, enhance working environments
AI/Data Solutions Business	(Transition Risk) Increased operating costs due to rising electricity prices	●/●/●	• Optimize operations based on energy efficiency
Mobility Business	(Opportunity) Increased sales driven by growing demand for eco-friendly mobility solutions	○/◑/●	• Strengthen competitiveness in premium eco-friendly mobility sales
SCM Solutions Business	(Transition Risk) Increased transportation and carbon-related costs due to strengthened carbon regulations in the transportation sector	○/◑/●	• Improve logistics operational efficiency, support the transition to low-carbon transportation
	(Physical Risk) Logistics delays and operational disruptions caused by acute physical risks such as typhoons and floods	◑/◑/●	• Diversify logistics networks, establish emergency response and customer communication systems

1) Short-term: More than 1 year and up to 3 years / Medium-term: More than 3 years and up to 10 years / Long-term: More than 10 years
2) Degree of impact: High (●) / Medium (◑) / Low (○)

Climate Change Response Activities

GHG Management

HS HYOSUNG Group has expanded the scope of GHG emissions management across its affiliated companies since its launch in response to stakeholder expectations and evolving climate-related regulations. The Group conducted third-party verification of Scope 1 and Scope 2 emissions for all subsidiaries, enhancing data reliability and establishing a foundation for systematic GHG emissions management. Going forward, HS HYOSUNG Group will continue to advance its GHG management scope and data management systems to strengthen the foundation for low-carbon management.

The **Advanced Materials Business** implemented high-efficiency compressors at its Vietnam operations, reducing annual energy consumption by 11.3 TJ. This improvement is expected to reduce GHG emissions by approximately 1,754 tCO_2eq per year.

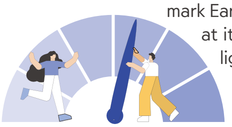
2050 Carbon Neutrality Target

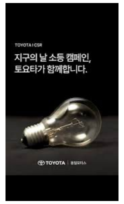
HS HAMC

The **Advanced Materials Business** has established a 2050 Carbon Neutrality target in support of the Paris Agreement goal of limiting the increase in global average temperature to 1.5°C. In addition, its 2030 GHG emissions reduction target has been approved by the Science Based Targets initiative (SBTi), providing a foundation for implementing mid- to long-term emissions reduction efforts in line with global standards. To achieve these targets, the business will continue to carry out site-level GHG reduction and energy-saving activities. It also plans to implement specific initiatives, including expanding renewable energy use through the installation of solar power generation facilities and the execution of Power Purchase Agreements (PPAs), continuing to develop low-carbon materials, and strengthening emissions management systems across the supply chain.

CASE STUDY **Environmental Awareness Campaign**

HS HYOSUNG TOYOTA conducts environmental awareness campaigns to encourage greater employee participation in energy conservation efforts. In 2025, the company shared practical energy-saving guidelines with employees, including maintaining appropriate indoor air-conditioning temperatures and turning off power before leaving work. In addition, to mark Earth Day, HS HYOSUNG TOYOTA carried out a lights-off campaign at its showrooms and service centers, turning off all non-essential lighting for approximately one hour. Through these activities, the company is raising employee awareness of climate change and promoting a culture of energy conservation at workplaces.





Earth Day Lights-Off Campaign

CASE STUDY **Participation in the UNGC Climate Ambition Accelerator**

HS HAMC participated in the Climate Ambition Accelerator (CAA) ceremony organized by the United Nations Global Compact (UNGC) Korea Network, strengthening its climate change response capabilities. Through participation in the program, the company established science-based GHG reduction targets, developed concrete decarbonization strategies, and reinforced its commitment to implementation. In addition, HS HAMC plans to continue expanding its efforts toward carbon neutrality while pursuing sustainable growth.

UNGC Climate Ambition Accelerator Participation Ceremony

Material Issue Climate Change Response

Climate Change Response Roadmap

HS HYOSUNG Group has established a phased roadmap to strengthen its climate change response capabilities at the Group level and is implementing initiatives tailored to the characteristics of each business division. The Group regularly monitors progress on key initiatives, including GHG emissions management, energy efficiency improvement, expanded renewable energy use, and supply chain and customer engagement. It also enhances execution through close collaboration among relevant departments. Moving forward, HS HYOSUNG Group will continue to advance its climate change response framework to strengthen the foundation for sustainable growth and long-term competitiveness.

Climate Change Response Roadmap

	Establishment (~2026)	Advancement (~2028)	Institutionalization (~2030)
	Establishment of a Climate Change Response Framework	**Advancing the Climate Change Response Framework**	**Driving Climate Change Response Activities to Global Standard**
Key Initiatives	• Establish environmental and climate change response governance • Enact the HS HYOSUNG Environmental Management Policy • Build a group-wide GHG inventory	• Advance environmental data management across global business sites • Provide energy reduction consulting support to key business partners in Korea • Establish climate change response KPIs	• Embed climate change response review procedures into management decision-making processes • Gradually expand climate-related KPIs across key organizations and job functions • Establish a Group-wide climate risk and opportunity management framework
Advanced Materials Business	• Establish renewable energy transition plan • Conduct training to strengthen climate response capabilities • Reduce GHG emissions through the operation of supplier capacity building programs	• Expand the installation of on-site solar power generation facilities • Establish procurement strategies to increase renewable energy use • Manage GHG data and discuss emissions reduction initiatives with key business partners	• Continue transitioning to low-carbon fuels and pursuing energy-efficiency improvements • Expand the adoption of low-carbon equipment, including electric forklifts • Increase the use of low-carbon materials in key products and manage emissions reduction performance
AI/Data Solutions Business	• Develop cloud solutions and efficient IT systems that minimize resource consumption • Provide low-carbon transportation options, including electric vehicles, for material transportation	• Expand the application of low-power technologies by strengthening eco-friendly technology specifications	• Incorporate environmental information into equipment procurement and service design • Strengthen climate-related disclosure practices and responsiveness to customer requirements • Support customer energy efficiency improvements through high-efficiency IT infrastructure
Mobility Business	• Implement energy reduction campaigns at showrooms and service centers • Establish strategies to promote eco-friendly vehicle sales	• Expand the eco-friendly vehicle lineup • Replace aging equipment and systems at service centers	• Implement energy-saving improvement initiatives at showrooms and service centers • Expand support for the transition to eco-friendly mobility at customer-facing channels
SCM Solutions Business	• Monitor carbon regulation trends in the logistics sector and support customer response efforts • Review frameworks for managing carbon emissions throughout transportation operations	• Introduce AI-based transportation systems • Optimize transportation routes and logistics operations • Establish a foundation for emissions reduction through collaboration with business partners	• Advance AI-based transportation systems • Enhance logistics operational efficiency and expand support for customers' supply chain carbon management
KPIs	• 100% establishment of Environmental Management Policy • 100% completion of GHG inventory development	• 100% establishment of climate change response KPIs at major business sites • 100% implementation rate of business partner energy reduction support programs	• 100% establishment of climate change response KPIs across major business sectors

Material Issue Eco-friendly Portfolio

Eco-friendly Portfolio Management Framework

Governance

HS HYOSUNG Group operates business sector-specific governance structures to expand its sustainable eco-friendly portfolio. Decision-making is conducted through the ESG Management Committee under the Board of Directors and working-level councils within each business sector, while the councils implement and apply decisions in accordance with the characteristics of their respective businesses.

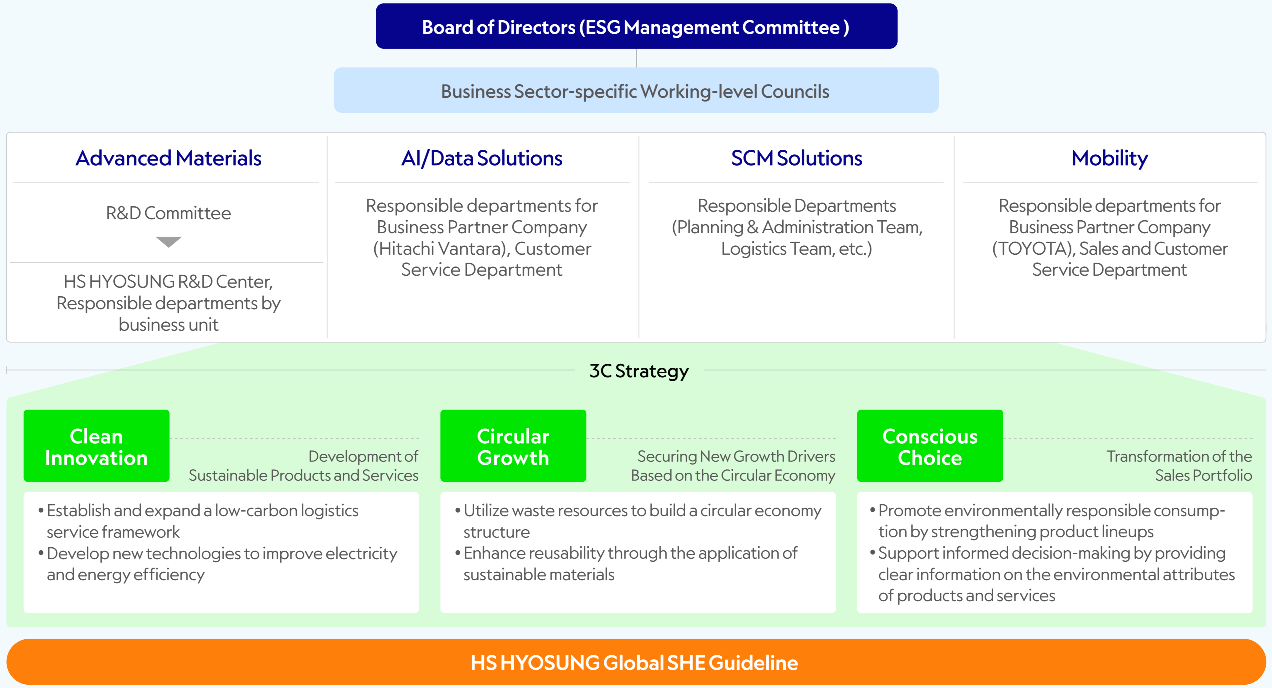
In the **Advanced Materials Business**, the HS HYOSUNG R&D Center and responsible departments within each business unit review the environmental impacts of product and material portfolios and discuss related initiatives. In the **SCM Solutions Business**, logistics-related departments establish and operate standards and implementation measures to reduce environmental impacts arising from transportation and storage activities. In the **AI/Data Solutions** and **Mobility businesses**, responsible departments review whether their standards align with the eco-friendly portfolio policies of business partners that supply products and services, and incorporate the results into business operations.

HS HYOSUNG Global SHE Guidelines

Eco-friendly Portfolio Policies and Strategy

To reduce environmental impacts throughout its business activities and improve resource efficiency, **HS HYOSUNG Group** has established the Global SHE Guideline as a common Group-wide standard. Based on this guideline, the Group operates its eco-friendly portfolio strategy around three key pillars: Development of Sustainable Products and Services, Securing New Growth Drivers Based on the Circular Economy, and Transformation of the Sales Portfolio. Each affiliate applies the Global SHE Guideline across its manufacturing and service operations and establishes and implements detailed action plans and portfolio strategies. Through these efforts, HS HYOSUNG Group is advancing the transition toward a circular economy and a low-carbon society.

Eco-friendly Portfolio Management Framework



Board of Directors (ESG Management Committee)

Business Sector-specific Working-level Councils

Advanced Materials	AI/Data Solutions	SCM Solutions	Mobility
R&D Committee HS HYOSUNG R&D Center, Responsible departments by business unit	Responsible departments for Business Partner Company (Hitachi Vantara), Customer Service Department	Responsible Departments (Planning & Administration Team, Logistics Team, etc.)	Responsible departments for Business Partner Company (TOYOTA), Sales and Customer Service Department

3C Strategy

Clean Innovation — Development of Sustainable Products and Services
- Establish and expand a low-carbon logistics service framework
- Develop new technologies to improve electricity and energy efficiency

Circular Growth — Securing New Growth Drivers Based on the Circular Economy
- Utilize waste resources to build a circular economy structure
- Enhance reusability through the application of sustainable materials

Conscious Choice — Transformation of the Sales Portfolio
- Promote environmentally responsible consumption by strengthening product lineups
- Support informed decision-making by providing clear information on the environmental attributes of products and services

HS HYOSUNG Global SHE Guideline

Eco-friendly Portfolio Risk Management

HS HYOSUNG HS HYOSUNG USA HS HAMC

The **Advanced Materials Business** manages risks by distinguishing between preventive and post-incident risk categories in accordance with its risk management process. Material risks are identified based on the likelihood of occurrence and their financial and non-financial impacts and are reflected in the Global SHE Guideline and the eco-friendly portfolio strategy.

As the business sector responsible for the entire process from product research and development to commercialization, the Company has identified the following as key management priorities: intensified market competition driven by growing demand for eco-friendly and low-carbon products, increased costs associated with the use of eco-friendly raw materials, reduced competitiveness resulting from delays in transitioning to a low-carbon and eco-friendly product portfolio, and reputational risks arising from greenwashing concerns and increasingly stringent regulations. When eco-friendly product R&D reaches the commercialization stage, investment decisions are made following a review by the Investment Committee in accordance with the Investment Management Regulations. Related risks are assessed and reviewed throughout this decision-making process.

Advanced Materials Investment Decision-Making Process

1. Identify stakeholder needs through communication channels
2. Request research and development
3. Discuss and determine commercialization feasibility
4. Make final investment-related decisions

Material Issue Eco-friendly Portfolio

Strengthening Eco-friendly Portfolio Activities

Development of Sustainable Products and Services

Transition to Sustainable Raw Materials

HS HYOSUNG | HS HYOSUNG USA | HS HAMC

The **Advanced Materials Business** is pursuing the R&D and commercialization of recycled raw material-based products to respond to growing customer demand for alternatives to petrochemical-based materials. Life Cycle assessments conducted in accordance with ISO 14040/14044 standards confirmed that recycled raw material-based tire reinforcement products (tire cord, steel cord, and bead wire) and automotive textile products (technical yarn and automotive carpet) deliver lower carbon emissions than equivalent products made from conventional materials. The assessment results have also been verified by an independent third party. Technical yarn products containing 97% recycled PET have obtained and maintained Global Recycled Standard (GRS) certification. Through these efforts, the Company aims to increase the use of recycled raw materials and strengthen the foundation for reducing carbon emissions throughout the product lifecycle.

Enhancing Product Use and Circularity

HS HYOSUNG | HS HYOSUNG USA | HS HAMC

The **Advanced Materials Business** has developed high-performance, high-strength products, including UHT (Ultra High Textile) PET Tire Cord, Heavy-Denier Tire Cord, and Ultra Tensile Steel Cord, contributing to reduced raw material consumption and lower tire weight compared with conventional products. These innovations support vehicle lightweighting and improved fuel and energy efficiency while maintaining the durability required for high-load and high-speed driving conditions. In addition, the Company continues to develop and enhance tire cord products and manufacturing technologies suitable for recycled PET materials, promoting greater use of recycled raw materials and improved resource efficiency.

Establishing and Expanding a Low-carbon Logistics Service Framework

HS HYOSUNG | HS HYOSUNG Vina

The **SCM Solutions Business** is reviewing various measures to improve logistics efficiency and reduce energy consumption and carbon emissions throughout logistics operations, including transportation mode shifts, improved loading efficiency, and route optimization. The business is also building the capability to recommend low-carbon transportation options tailored to customers' logistics characteristics and transportation requirements. Going forward, it plans to evaluate the use of low-carbon transportation methods, including eco-friendly vehicles, alternative fuels, rail transport, and maritime shipping. In addition, it will support customers' supply chain carbon management efforts through initiatives such as consolidated transportation and improved transshipment center operations.

Securing New Growth Drivers Based on the Circular Economy

Establishing a Foundation for Low-carbon Steel Raw Materials

The **Advanced Materials Business** has secured a stable supply of raw materials used in tire steel cord manufacturing through a memorandum of understanding (MOU) with Tata Steel Thailand for the long-term procurement of low-carbon steel raw materials. Tata Steel Thailand produces steel raw materials using the Electric Arc Furnace (EAF) process. Compared with the conventional Blast Furnace (BF) process, the EAF process is known to reduce carbon emissions by approximately 60% through the recycling of steel scrap and higher energy efficiency. By adopting low-carbon EAF steel raw materials, the Company has established a foundation for reducing carbon emissions associated with tire steel cord production. Through this shift in raw materials, the Company seeks to enhance both the profitability and sustainability of its steel cord business.

Transition to Bio-based Raw Materials

HS HYOSUNG | HS HYOSUNG USA | HS HAMC

The **Advanced Materials Business** is also advancing the transition to bio-based raw materials. Its Vietnam operations manufacture tire cord products using bio-based PET and have maintained ISCC PLUS certification since obtaining it in 2022. Based on this certification, the Company manages the origin and usage volume of bio-based PET raw materials.

In addition, the Company has invested in Trillium Renewable Chemicals, a U.S.-based developer of bio-based acrylonitrile technology. Trillium is developing a production process that utilizes glycerol, a by-product of biodiesel production, to manufacture acrylonitrile. The Company is reviewing the future commercialization potential of this process as well as the applicability of the resulting materials to its products.

Transformation of the Sales Portfolio

Improving Power Efficiency Through the Introduction of New Servers

HIS

The **AI/Data Solutions Business** is gradually expanding its eco-friendly product portfolio through the development of Green Core Servers based on ARM server architecture. Green Core Servers help reduce power consumption and cooling loads in data centers through their low-power, high-efficiency design and low heat generation characteristics. In addition, they can be installed and operated under ambient temperature conditions, reducing the need for dedicated cooling infrastructure. These servers can be applied across a wide range of customer environments, including electronic equipment systems, offices, and outdoor facilities. Through the expanded supply of ARM-based servers, the Company aims to support customers in improving energy efficiency and optimizing IT infrastructure.

Transition to Low-carbon Mobility

HS HYOSUNG TOYOTA

TOYOTA bZ4X Electric Vehicle

The **Mobility Business** is reviewing how to transform its sales portfolio in response to growing demand for eco-friendly vehicles, including electric vehicles, as well as evolving policies and regulations. In line with the expansion of TOYOTA's electrified vehicle lineup, the Company provides product information and consultation services to help customers evaluate a wider range of eco-friendly mobility options. In addition, the Company promotes energy-saving activities across showrooms and service centers seeks to improve customer understanding of and access to eco-friendly mobility solutions.

SHARED VALUE

HS HYOSUNG Highlights

Establishing a Social Value Framework for Employee Happiness and Shared Growth with Stakeholders

HS HYOSUNG Group is establishing a social responsibility management framework encompassing human rights management, occupational safety & health, customer value, supply chain management, and corporate social responsibility to achieve sustainable growth together with employees and key stakeholders. The Group is strengthening its foundation for managing human rights risks by establishing human rights policies and procedures and implementing standards to prevent discrimination and human rights violations across the Group.
In addition, the Group is fostering a work environment where employees can fully engage through talent development, fair evaluation and compensation, and open communication. The Group is also strengthening management systems to prevent occupational safety & health risks at business sites. Through quality and service management that reflects customer needs, shared growth with business partners, and community contribution activities, the Group continues to build stakeholder trust and create shared value.

Key Initiatives

- Establish a Group-wide human rights management framework and strengthen human rights risk management
- Foster an organizational culture based on employee growth and communication
- Strengthen occupational safety & health management systems based on employee participation
- Expand the foundation for shared growth with customers, business partners, and local communities

Key Achievements

- Established the HS HYOSUNG Group Human Rights Policy and conducted human rights impact assessments across all subsidiaries and affiliates
- Enhanced Occupational Safety & Health policies and standards and established a related management framework
- Established the HS HYOSUNG Group training framework

Key Action Plans

- Implement improvement initiatives for identified human rights risks and monitor their effectiveness
- Conduct regular occupational safety & health risk assessments at business sites and manage improvement initiatives
- Establish and operate employee training and communication programs
- Collect feedback from customers and local communities and identify, implement, and monitor improvement initiatives based on their feedback

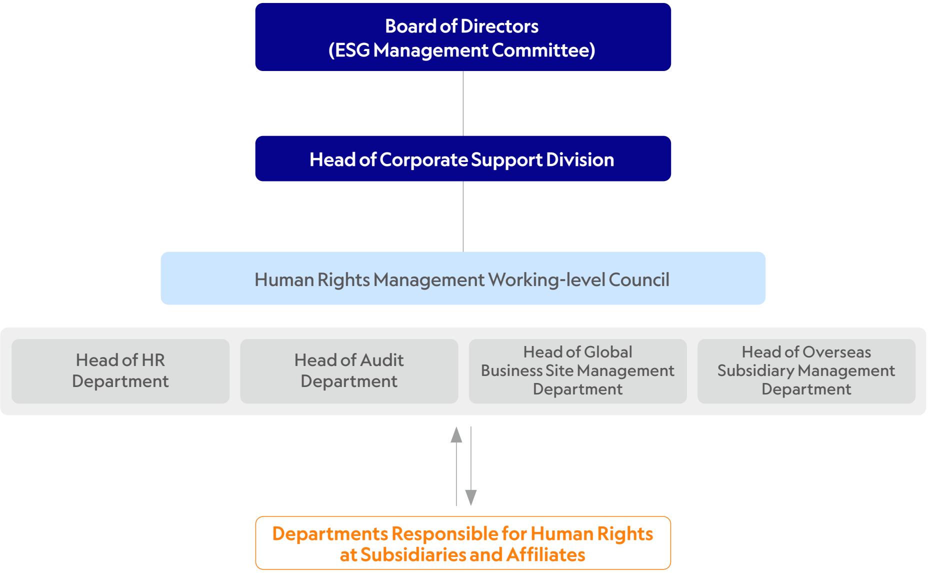
Human Rights Management

Human Rights Management Framework

Governance

HS HYOSUNG Group has established and operates a human rights management governance framework to protect the human rights of all stakeholders, including employees and business partners. Key human rights management matters are overseen by the ESG Management Committee under the Board of Directors. The Head of Corporate Support Division serves as the executive responsible for the protection and management of human rights across the Group and oversees all aspects of HS HYOSUNG Group's human rights management activities. The Human Rights Management Working-level Council, composed of the heads of departments responsible for Human Resources, Audit, management of global business sites, and overseas subsidiary management, carries out activities based on international standards and guidelines. Its responsibilities include reviewing the enactment and revision of human rights management policies, establishing human rights risk management frameworks for global business operations, developing response measures for human rights issues, and overseeing their implementation. The Council also communicates with human rights representatives across the Group to share key issues and discuss response measures. Major activity plans and outcomes are reported to the ESG Management Committee, which reviews and approves these matters and supervises the execution of duties by management responsible for human rights management.

Human Rights Management Governance



Human Rights Management Principles and Policy

HS HYOSUNG Group supports major international human rights standards and principles, including the Universal Declaration of Human Rights, the UN Global Compact (UNGC) Ten Principles, the International Labour Organization (ILO) Core Conventions, and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and adopts them as the foundation of its human rights management practices. In 2025, the Group established its Human Rights Principles and Policy to respect the human rights of all stakeholders, including employees and management of global business sites, and to establish a framework for managing potential human rights risks arising from business operations. The Human Rights Principles and Policy present common standards to be applied across all business activities of the Group and serve as a basis for considering human rights factors in key decision-making processes. Based on these principles, HS HYOSUNG Group reviews the impacts of its business activities on human rights and, where necessary, implements corrective and improvement measures.

HS HYOSUNG Human Rights Principles and Policy

Human Rights Principles and Policy

01 Prohibition of Discrimination
02 Humane Treatment
03 Compliance with Working Conditions
04 Prohibition of Workplace Harassment
05 Freedom of Association
06 Talent Development and Career Growth
07 Prohibition of Forced Labor and Child Labor
08 Occupational Health and Safety
09 Information Protection
10 Protection of Community Human Rights
11 Protection of Environmental Rights
12 Protection of Consumer Rights
13 Supply Chain Management

Human Rights Management

Human Rights Risk Management

Human Rights Impact Assessment

In 2025, **HS HYOSUNG Group** conducted its first Human Rights Impact Assessment covering all employees to identify and assess potential human rights risks that may arise throughout its business activities. Based on the Group's human rights management policies and operational practices, the assessment evaluated potential human rights risks and reviewed the management of key issues, including the human rights management framework, the prohibition of forced labor and child labor, working conditions, and the prevention of workplace sexual harassment and harassment. Based on the assessment results, the Group identified areas requiring improvement and plans to implement related initiatives in phases, including policy enhancement, strengthened training programs, and improvements to monitoring systems.

2025 HS HYOSUNG Group Human Rights Impact Assessment Results

Operation of Grievance Channels

HS HYOSUNG Group operates both a Reporting Center and an HR Counseling Center within its internal portal to enable the reporting of and consultation on human rights-related grievances, including human rights violations. The Reporting Center is available to employees as well as external stakeholders, including employees of business partners. The HR Counseling Center is a dedicated channel through the internal portal that allows Group employees to seek counseling or report matters related to human resources and human rights. To prevent human rights violations and improve the accessibility and transparency of grievance handling processes, HS HYOSUNG Group continuously reviews and enhances the operation of its reporting and counseling systems.

HS HYOSUNG Reporting Center

Operation of Offline Grievance Counseling Boxes

HIS

The **AI/Data Solutions Business** operates offline channels in addition to its internal portal to facilitate the effective handling of employee human rights-related grievances. Grievance counseling boxes have been installed on each floor of the workplace, and access to submitted reports is restricted to authorized personnel only to ensure the confidentiality of reporters. Reported cases are investigated to verify the facts and are subsequently referred to the Disciplinary Committee. Appropriate personnel actions and corrective measures are implemented for the individuals involved as necessary.

Grievance Handling and Remedial Measures

HS HYOSUNG Group handles human rights-related grievances received through the Reporting Center in accordance with its internal procedures. The department responsible for handling reports investigates the facts based on the reported information and supporting materials, reviews any potential conflicts of interest, and, where necessary, takes disciplinary or legal measures in accordance with Company regulations. Throughout the reporting process, the Group protects the confidentiality of reporters and prohibits any form of retaliation. In accordance with relevant regulations, appropriate measures are taken to safeguard the identity of whistleblowers.

2025 HS HYOSUNG Group Whistleblowing and Resolution Performance

Number of Reports	Resolution Rate
1	100%

Grievance Handling Process

① Report Submission
- Reports of misconduct, corruption, or other unethical activities may be submitted through the Reporting Center on either a named or anonymous basis.
- A confirmation email is sent after report submission.
- The Reporting Center administrator reviews the submitted report.

② Report Verification
- The reported matter is reviewed, and the need for an investigation is determined in accordance with the principle of whistleblower protection.
- Audits are conducted in accordance with the HS HYOSUNG Audit Regulations.
- If an investigation is deemed unnecessary, the basis and actions taken are recorded, and a notification email is sent to the reporter.
- If an investigation is required, the investigation is initiated and registered, and a notification email is sent to the reporter.

③ Fact-finding Investigation
- The facts are verified through document reviews and interviews with relevant parties, after which the investigation plan is finalized and implemented.
- The results of actions taken are recorded in the Reporting Center.
  - Statistics on anonymous and named reports and related actions are managed and monitored.

④ Closure and Confirmation of Results
- Upon completion of the investigation, the case is processed and closed in accordance with internal regulations.
- For named reports, the outcome and actions taken are communicated to the reporter via the registered email address.
- For anonymous reports, reporters are informed that they can view the outcome through the anonymous report inquiry page in the Reporting Center.

Human Rights Management

Human Rights Management Activities

Human Rights Training for Employees

HS HYOSUNG Group provides annual human rights training for all employees to strengthen awareness and understanding of human rights. In 2025, the Group conducted sexual harassment prevention and workplace harassment prevention training for employees across all subsidiaries and affiliates, including HS HYOSUNG. In addition, advanced training programs covering global human rights issues, such as diversity and inclusion and child labor and forced labor, were provided.

2025 Key Human Rights Training Performance

Training Program	Completion Rate		
	HS HYOSUNG[1]	HS HAMC	HIS
Sexual Harassment Prevention	100%	99.2%	100%
Disability Awareness	100%	99.8%	100%
Diversity	84.1%	99.8%	-
Anti-Discrimination	100%	98.6%	100%

[1] Includes HS HYOSUNG and its subsidiaries (HS HYOSUNG TOYOTA, HS HYOSUNG Vina, and HS HYOSUNG USA).

Diversity and Anti-Discrimination

HS HYOSUNG Group prohibits discrimination based on gender, religion, nationality, disability, or any other protected characteristic and strives to foster an inclusive work environment. The Group respects diversity within the organization so that employees with different backgrounds can communicate and collaborate effectively. It also reviews related systems and operational practices to ensure that women, persons with disabilities, and employees with diverse national and cultural backgrounds are provided with equal opportunities for education and professional growth without discrimination.

HS HYOSUNG Diversity Targets

Category	2025 Performance	2026 Target
Women	66	77
Persons with Disabilities	2	3
Veterans and Patriots Affairs Beneficiaries	0	1

CASE STUDY **HS HYOSUNG Group Hosts Disability Awareness Day Event**

HS HYOSUNG Group conducted a disability awareness campaign for all employees under the theme, 'Emptying Prejudice, Filling Hearts Together.' Through quizzes and case studies, employees learned fundamental topics including the concept of disability, the provision of reasonable accommodation, and the prohibition of workplace discrimination. Participants received commemorative gifts prepared by Happiness Plus, an organization that employs persons with disabilities. By linking educational activities with the purchase of products from organizations employing persons with disabilities, the Company sought to promote respect for the human rights of persons with disabilities and expand an inclusive organizational culture through collaboration with such organizations.

Fair Compensation and Closing the Gender Pay Gap

HS HYOSUNG Group applies a compensation system based on job responsibilities and performance and regularly reviews compensation data to prevent gender-based disparities in pay. The Group operates a transparent compensation framework based on individual capabilities, job roles, position levels, and performance, and periodically monitors compensation practices to ensure that no unreasonable differences arise based on gender. In addition, **HS HAMC** has joined the UN Global Compact 'Forward Faster' initiative and adopted the goal of equal pay for work of equal value. The Company plans to maintain and strengthen an equitable compensation structure by improving and enhancing related systems through 2030.

Living Wage Management

In accordance with its Human Rights Management Policy, **HS HYOSUNG Group** provides compensation in compliance with the laws and regulations of each country where it operates and pursues a wage management framework that considers the basic living needs of employees and their families. The Group incorporates the principles of a living wage into its Human Rights Management Policy and compensation systems. In addition, certain business sites compare and review employee compensation against local living wage levels. Going forward, the Group plans to expand these reviews and management practices to other subsidiaries and affiliates.

Human Rights Management Mid- to Long-term Roadmap

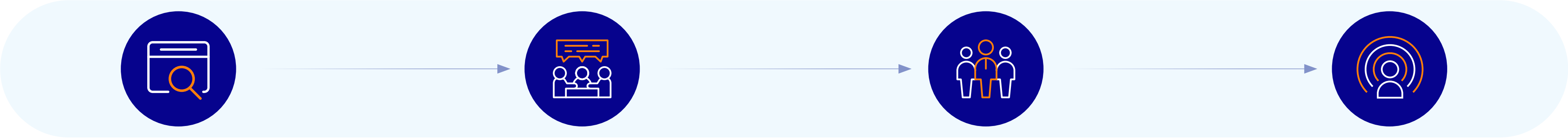
Establishment (~2026)	Advancement (~2028)	Institutionalization (~2030)
Establishing the Human Rights Management Framework	**Enhancing the Human Rights Management Framework**	**Expanding Human Rights Awareness Across the Organization**
Key Initiatives • Establish a human rights management governance framework • Enact a Group-wide Human Rights Management Policy • Establish a Human Rights Impact Assessment system, including due diligence, and conduct a pilot assessment • Review the status of grievance channels • Enhance human rights-related reporting and grievance handling procedures	**Key Initiatives** • Conduct regular Human Rights Impact Assessments and monitor the effectiveness of improvement measures • Diversify grievance channels and advance grievance handling processes • Establish human rights management KPIs and pilot the linkage of selected KPIs to performance evaluations	**Key Initiatives** • Embed human rights impact review procedures into management decision-making processes • Expand the use of human rights-related KPIs across the organization and strengthen their integration into performance evaluations • Establish a framework to incorporate stakeholder feedback into human rights strategies, policies, and programs
KPIs • Human Rights Policy enactment completion rate: 100% • Human Rights Impact Assessment system establishment completion rate: 100%	**KPIs** • Completion rate of monitoring corrective actions from Human Rights Impact Assessments: 80% • Human Rights Management KPI establishment rate: 100%	**KPIs** • Completion rate of monitoring corrective actions from Human Rights Impact Assessments: 100% • Organization-wide expansion rate of human rights management KPIs: 100%

Human Rights Management

2025 HS HYOSUNG Group Human Rights Impact Assessment Results

To systematically identify and manage human rights-related risks, **HS HYOSUNG Group** established a Human Rights Impact Assessment framework across all subsidiaries and affiliates and conducted its first assessment in 2025. The assessment was designed based on applicable laws and regulations, as well as major international human rights guidelines, and was carried out through an online platform provided by an independent third-party organization. The Group plans to continuously monitor areas requiring improvement and identified human rights risks and implement corrective and remedial actions in a phased manner.

Human Rights Impact Assessment Process



Preliminary Review

Design assessment indicators based on global standards and stakeholder mapping

- Analyze global human rights guidelines and key industry issues
- Analyze business site environments and establish assessment checklists

Risk Identification

Identify potential risks and select priority management areas

- Conduct written assessments of employees
- Select priority management risks based on assessment results and impact analysis

Due Diligence

Assess actual conditions through stakeholder interviews and on-site inspections

- Conduct vulnerable group mapping and in-depth interviews
- Perform on-site inspections at business sites requiring additional verification

Implementation of Improvement Actions and Communication

Establish improvement initiatives and transparently disclose implementation results

- Develop and implement specific improvement initiatives
- Disclose implementation results internally and externally while communicating with stakeholders

Step 1 Preliminary Review

HS HYOSUNG Group designed and established Human Rights Impact Assessment indicators covering 12 key human rights areas, reflecting both global human rights standards as well as stakeholder mapping results.

◆ **Human Rights Management Framework** Human rights training, human rights violation reporting procedures, etc.	Employees, Supply Chain, Local Communities, Customers	◆ **Occupational Safety and Health** Safety training, workplace safety, health and hygiene management, etc.	Employees, Supply Chain
◆ **Prohibition of Discrimination** Job- and performance-related discrimination, return to work after parental leave, etc.	Employees, Supply Chain	◆ **Information Protection** Information protection systems, business partner and personal information protection, etc.	Employees, Supply Chain, Customers
◆ **Prohibition of Forced Labor and Child Labor** Employment contracts, child labor prohibition standards, etc.	Employees, Supply Chain	◆ **Ethical Management** Ethics training, reporting procedures related to corruption, etc.	Employees, Supply Chain, Local Communities, Customers
◆ **Working Conditions** Minimum wage, overtime work, delayed wage payments, etc.	Employees, Supply Chain	◆ **Customer Safety and Product Quality** Product assessments, compensation for losses, protection of the right to know, etc.	Employees, Supply Chain
◆ **Workplace Sexual Harassment** Experiences of physical or verbal sexual harassment, reporting procedures, etc.	Employees, Supply Chain	◆ **Environmental Management** Establishment of environmental management systems, implementation of environmental activities, information disclosure, etc.	Employees, Supply Chain, Local Communities, Customers
◆ **Workplace Harassment** Harassment such as verbal abuse, reporting procedures, and follow-up actions	Employees, Supply Chain	◆ **Local Communities** Protection of residents' property rights and prevention of human rights violations, etc.	Local Communities

Step 2 Risk Identification

HS HYOSUNG Group conducted a written survey of all employees using the assessment indicators established for the Human Rights Impact Assessment. The Group quantitatively assessed risks by reflecting employees' human rights-related awareness and experiences, as well as the severity of impacts on the Company and stakeholders in the event of human rights violations. As a result, five areas were selected as priority management risks: Human Rights Management Framework, Prohibition of Forced Labor and Child Labor, Working Conditions, Workplace Sexual Harassment, and Workplace Harassment.

Detailed Risk Identification Results

Human Rights Management

2025 HS HYOSUNG Group Human Rights Impact Assessment Results

Step 3 Conducting Human Rights Due Diligence

Based on the results of the risk identification process, **HS HYOSUNG Group** conducts in-depth interviews covering the five priority management areas and employee groups that may be relatively vulnerable to human rights risks. Through this process, the Group identifies additional human rights risks that may arise among certain employee groups and reviews workplace issues that may be difficult to identify through written assessments alone.

Step 4 Implementation and Communication of Improvement Activities

Based on the results of the Human Rights Impact Assessment, **HS HYOSUNG Group** plans to establish improvement measures for areas requiring corrective action and gradually implement follow-up actions, including policy enhancements, strengthened training programs, and improvements to grievance handling procedures, in cooperation with relevant departments. The implementation status of key improvement initiatives will be continuously monitored to enhance the effectiveness of human rights risk management.

Area	Risk Identification	Improvement Initiatives	Affected Stakeholders			
			Employees	Supply Chain	Local Communities	Customers
Human Rights Management Framework	• Limited awareness among employees and business partners of the Human Rights Policy and grievance handling procedures • Limitations in business partner human rights risk management and monitoring systems	• Provide human rights management training and share related cases with employees and business partners • Improve the accessibility and anonymity of grievance channels and strengthen communication regarding their use	●	●	●	●
Prohibition of Forced Labor and Child Labor	• Limited organizational awareness and understanding of forced labor and child labor issues • Insufficient identification and monitoring of forced labor and child labor risks within the supply chain	• Provide regular training for managers on the prohibition of forced labor and child labor • Strengthen forced labor and child labor assessment criteria within supply chain human rights due diligence	●	●		
Working Conditions	• Potential risk of excessive working hours and insufficient rest periods in certain organizations	• Review and improve working hours management processes • Monitor leave utilization and identify improvement measures	●	●		
Workplace Sexual Harassment and Bullying	• Limited awareness and utilization of reporting and counseling channels • Insufficient trust in victim protection measures and post-incident response processes during case handling	• Reorganize the Group-wide whistleblowing case-handling process and provide guidance to employees • Revise and redistribute training materials, manuals, and guidelines for the prevention of sexual harassment, workplace harassment, and bullying • Formalize victim protection and recovery support procedures and strengthen support systems	●	●		

Talent Management

Talent Management Framework

Talent Management Strategy

HS HYOSUNG Group consistently shares its management philosophy with employees and incorporates it into its human resources and training systems to establish common values and behavioral standards across the organization. The Group systematically develops responsible leaders who drive organizational performance and strengthens job expertise by defining competency requirements for each position and linking training programs with on-the-job learning opportunities. In addition, the Group provides various competency development opportunities, including language training and overseas business experience, to enhance employees' global business capabilities. From an organizational culture perspective, the Group promotes employee engagement through systems and activities that encourage communication and collaboration and fosters a culture that balances autonomy and accountability.

HS HYOSUNG Group Talent Management Direction

Sharing the Management Philosophy
- Company-wide Value Management training
- Training for new hires (executive/experienced/college graduates)
- Training for Promoted Persons (L1-L3)

Developing Leaders
- Training programs for newly appointed and promoted executives
- Training for newly recruited executives
- GMC Program (Global Management Course)
- Team Leader Training (Performance Management)
- New team leader training
- Insight Forum

Enhancing Job-specific Expertise
- OJT Program for new graduate employees (On-the-Job Training)

Strengthening Global Capabilities
- Development of newly appointed overseas subsidiary heads
- Training for expatriates
- Establishing a training program structure for local employees
- Development of high-potential local talent

Fostering a Positive Organizational Culture
- Employee opinion surveys
- Fostering team culture
- Organizational culture agent meeting
- Awards system

Talent Acquisition

Transparent and Fair Recruitment

Guided by its management philosophy and vision of Value Management, **HS HYOSUNG Group** employs and cultivates talented people as a key driver of growth. We have established and implemented talent strategies and hiring principles accordingly by defining the ideal talent profile based on the core values and behavioral principles. The Group defines its talent philosophy based on job competencies and core values and establishes and operates its human resources strategy and recruitment principles accordingly.

Throughout the recruitment process, the Group does not discriminate based on gender, age, religion, place of origin, or nationality and evaluates candidates based on job suitability and competencies. All recruitment procedures are conducted fairly and transparently according to predetermined processes and criteria, enabling the systematic identification and management of qualified talent.

HS HYOSUNG Group Recruitment Site

Core Values and Ideal Talent

Excellence/Innovation
A talent who learns, grows and challenges new possibilities

Responsibility/Trust
A talent who tenaciously achieves goals and earns the trust to take on critical responsibilities

Respect/Partnership
A talent who works with respect and collaboration toward all stakeholders

Pride/Aspiration
A talent who works passionately with pride in one's work

Talent Development

Equal Opportunities for Development and Growth

HS HYOSUNG Group operates systems and programs to ensure that employees working across global operations have equal access to opportunities for competency development and career growth without discrimination. The Group provides employees with development opportunities based on capability and performance, regardless of age, gender, nationality, or disability status. Through training programs designed according to the roles and competency requirements of each position level, employees are supported in developing the expertise and leadership capabilities needed at every stage of their careers.

Strategic Talent Development Framework

HS HYOSUNG Group has established a talent development framework aligned with its business strategy, defining the competencies required for each job function and position level and operating training programs based on those requirements. For individual employees, career goals and development objectives are established through the Individual Development Plan (IDP) and Career Development Plan (CDP), and relevant training and work experience opportunities are provided to support their achievement. In addition, the Group encourages self-directed learning to help employees respond to changes in the internal and external business environment and achieve their personal development goals. Employees develop individual competency development plans based on their career objectives and select and complete training and learning programs according to the core competencies required for their respective functions, including sales, production, research, and planning.

Talent Management

Talent Development

Self-development Program

HS HYOSUNG Group operates a Self-development Program that enables employees to independently design and pursue learning and development paths aligned with their career growth objectives. The program is structured around the core competencies required for each job function, allowing employees to develop practical expertise relevant to their roles. Through this program, the Group provides a learning environment that supports employees in proactively strengthening their capabilities.

CASE STUDY **HIS: Job-related Certification Acquisition Through the Self-development Program**

HIS supports employees in selecting job-related certifications and establishing learning plans through its self-development program. Employees in engineering and cloud-related pre-sales roles focus on acquiring VMware certifications, Linux engineers pursue the Red Hat Certified System Administrator (RHCSA) certification, and employees in project management roles prepare for the Project Management Professional (PMP) certification. The Company operates these certification programs in alignment with individual competency development goals for each employee's role. Employees apply the knowledge acquired through their studies to areas such as infrastructure virtualization implementation, Linux server operation, and project management.

Support for Academic Study and Training

HS HYOSUNG Group operates an academic study support program to encourage employee self-development and contribute to the Company's mid- to long-term performance creation. Selected employees are provided opportunities to participate in specialized education and research programs at graduate schools in Korea and abroad, and the Company supports tuition and other expenses necessary for their studies. The knowledge and competencies acquired through these programs are linked to employees' job responsibilities upon their return, enabling them to enhance both individual performance and organizational expertise.

Special Lecture on the Global Automotive Industry

HS HYOSUNG HS HYOSUNG USA HS HAMC

The **Advanced Materials Business** participated in a special lecture on the global automotive industry. The lecture addressed changes in the global automotive market driven by the rise of Chinese companies and the response strategies of major industry players. Through case studies, participants identified potential risk factors and explored appropriate response strategies.

Developing Logistics Talent through Expanded Internal and External Training

HS HYOSUNG HS HYOSUNG Vina

The **SCM Solutions Business** operates training programs tailored to its business characteristics to develop logistics professionals. Through activities such as customer product briefings, port visits, and participation in training programs offered by the Korea International Freight Forwarders Association (KIFFA), employees enhance their understanding of logistics operations and customer business requirements. In addition, the business provides job-specific training programs, including specialized training on the safe transportation of hazardous materials, to strengthen the competencies required for delivering logistics services.

Strengthening Leadership Capabilities Through Management Training

HS HYOSUNG TOYOTA

The **Mobility Business** provides leadership development training for managerial positions, including branch managers, deputy branch managers, and managers of administrative departments. The training covers topics such as labor laws, the prevention of workplace harassment and bullying, organizational conflict cases, and response measures, helping managers enhance their organizational management capabilities and communication skills for handling employee grievances.

CASE STUDY **HS HYOSUNG Group Improving Productivity by Strengthening AI Utilization Capabilities**

Advanced AI Utilization Training Program

In response to the growing adoption of AX (AI Transformation), **HS HYOSUNG Group** provided AI training programs for employees to improve work efficiency and productivity. The training framework was structured into Basic, Advanced, and Expert Courses for executives, team leaders, and team members. In the Expert Course, executives and team leaders proposed AI-based productivity improvement initiatives, and projects were carried out by employees with strong AI capabilities. Through this approach, participants from each PU and job function were able to directly develop AI-driven outcomes.

In particular, the **SCM Solutions Business** developed a program that uses AI-based code generation to prepare project definition documents and automate the identification of implementation procedures and work sequences. The program has been applied in actual operations and is being used to reduce the time required to prepare project definition documents and the incidence of errors. The Company is continuing to develop and enhance the program and evaluates the effectiveness of both the AI training and the program through indicators such as time savings per project, error reduction, training completion rates, and training satisfaction levels.

Category	Details		Performance
Training Results	Participation		677 employees
	Completion Rate		100%
Training Evaluation (5.0-point Scale)	Satisfaction	Evaluation of the level of interest and usefulness of the training content	4.2
	Achievement	Evaluation of participants' understanding of the training content	4.2
	Applicability	Evaluation of the applicability of the training content to actual work	4.2
Effectiveness		Number of AI Utilization Programs Developed[1]	0→4

1) No. of programs developed for practical business application following completion of the AI Expert Training Program.

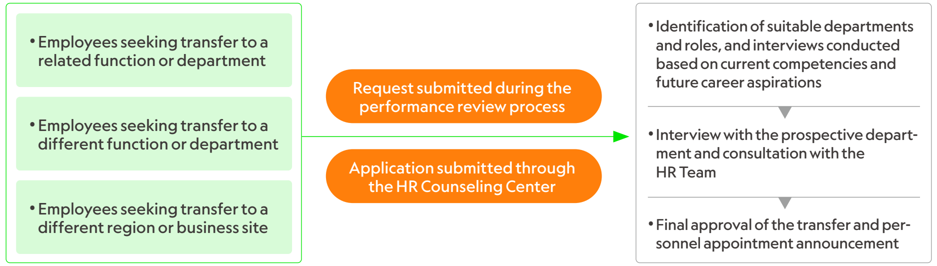
Talent Management

Talent Development

Career Development Program

HS HYOSUNG Group operates a Group-wide Career Development Program (CDP) to enable employees to proactively design and manage their career paths. Employees seeking to strengthen their expertise or pursue a career transition can use the CDP to identify desired positions and explore transfer opportunities across departments, regions, or business sites. During the annual performance review process, employees specify their preferred positions and departments and provide detailed information on their strengths and areas for development related to those roles. Based on this information, team leaders provide feedback and discuss individual career development plans. Employees interested in job rotation opportunities may apply through the HR Counseling Center. Transfer opportunities to other departments are reviewed through established procedures, including interviews that assess employees' experience, competencies, and career aspirations.

Job Rotation Process


- Employees seeking transfer to a related function or department
- Employees seeking transfer to a different function or department
- Employees seeking transfer to a different region or business site

Request submitted during the performance review process

Application submitted through the HR Counseling Center

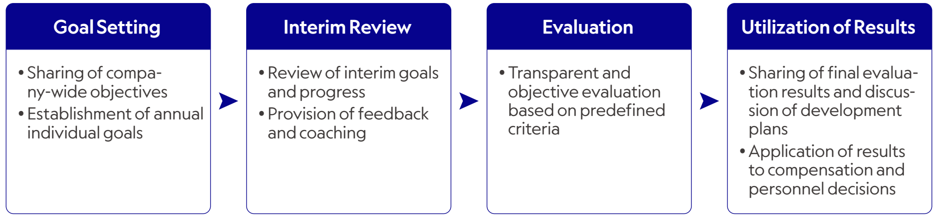
- Identification of suitable departments and roles, and interviews conducted based on current competencies and future career aspirations
- Interview with the prospective department and consultation with the HR Team
- Final approval of the transfer and personnel appointment announcement

Performance Evaluation and Compensation

Fair Evaluation and Compensation

HS HYOSUNG Group manages employee development and compensation based on fair and objective performance evaluations. At the beginning of each year, employees set individual goals in consultation with their leaders and receive ongoing feedback and coaching throughout the year to support goal achievement. Performance evaluations are conducted based on predefined criteria, and the results are shared with employees to discuss future development directions and competency enhancement plans. Evaluation outcomes serve as the basis for compensation and personnel decisions. Through this process, the Group seeks to enhance employee motivation and improve overall organizational performance.

Performance Evaluation and Feedback Process



Goal Setting	Interim Review	Evaluation	Utilization of Results
• Sharing of company-wide objectives • Establishment of annual individual goals	• Review of interim goals and progress • Provision of feedback and coaching	• Transparent and objective evaluation based on predefined criteria	• Sharing of final evaluation results and discussion of development plans • Application of results to compensation and personnel decisions

Ongoing Feedback System

HS HYOSUNG Group operates an ongoing feedback system to regularly monitor employees' work performance and achievements. Through periodic one-on-one meetings and other communication channels, leaders and employees review progress toward goals and exchange specific feedback on job performance and areas for development. This system enables continuous discussions on improvement opportunities throughout the year rather than relying solely on an annual evaluation, thereby supporting both performance enhancement and competency development.

Multi-source Evaluation

HS HYOSUNG Group conducts fair and comprehensive personnel evaluations through its multi-source evaluation system. The evaluation is used as a supplementary tool to assess qualitative factors such as leadership, collaboration, and communication. The results serve as a basis for identifying individual strengths and areas for improvement. To improve employees' receptiveness to feedback, evaluation results are aggregated anonymously. Related information is managed confidentially to ensure fairness and reliability of the evaluation process.

Compensation System

HS HYOSUNG Group operates an individual annual salary system under which employees are compensated based on their performance and competencies. Base salary is determined by factors such as job function, position level, responsibilities, and scope of duties. Performance-based incentives are differentiated according to the Company's business results as well as organizational and individual performance evaluation outcomes. The Group aims to strengthen employee motivation and foster a performance-oriented organizational culture by closely linking evaluation results with compensation.

Recognition Program

HS HYOSUNG Group presents the 'HS HYOSUNG Award' to recognize employees' achievements and efforts and to enhance organizational engagement. Through this award program, the Group acknowledges employees who have diligently fulfilled their responsibilities throughout the year and recognizes those who have made significant contributions to enhancing the value of HS HYOSUNG Group.

Talent Management

Pursuing Employee Happiness

HS HYOSUNG Group operates a range of employee welfare programs to support job satisfaction and work-life balance. Based on welfare programs tailored to employees' life stages, the Group regularly reviews the effectiveness of its programs and continuously enhances them to improve employees' quality of life.

Flexible Working Hours

HS HYOSUNG Group operates a flexible working hours system that allows employees to adjust their working hours on a monthly basis according to business needs and personal schedules. In addition, when monthly working hours exceed the prescribed level, employees may choose either additional leave or monetary compensation, ensuring appropriate rewards for extra work.

Work-Life Balance Support

HS HYOSUNG Group supports work-life balance by implementing programs that reflect employee needs, including a flexible work system, support for children's education expenses, and the operation of an in-house daycare center.

Employee Welfare Benefits

HS HYOSUNG Group provides a wide range of welfare benefits throughout employees' life cycles, including support for family events, healthcare programs, and retirement support. Through these initiatives, the Group fosters a working environment where employees can focus on their responsibilities with a sense of psychological stability and belonging.

Encouraging the Use of Leave

HS HYOSUNG Group provides all employees with summer vacation leave, which can be used consecutively during the year, along with vacation allowances to support rest and recovery. The Group also operates a designated leave day system, encouraging employees to use annual leave during bridge holidays, thereby promoting a healthy balance between work and personal life.

HS HYOSUNG Group Employee Welfare Benefits

Major Welfare Programs

Family	Leisure	Work
• Support for children's education expenses • Operation of an in-house daycare center • Congratulatory and condolence allowances and leave • Maternity protection programs	• Club activity support • Use of condominium memberships • Employee discounts	• Flexible work system • Rewards for long-term employees • Retiree support system

CASE STUDY

HS HYOSUNG Group Expands Employee and Family Cultural Experiences Through the 'Culture Together' Series

HS HYOSUNG Group operates management-led channels to share management policies and key business updates with employees. Through performance-sharing sessions and quarterly workshops, the Group communicates business results, key issues, and management policies. The monthly CEO Letter shares the Company's direction and management perspectives with all employees, including translated versions for overseas subsidiaries and affiliates. An employee survey confirmed that the CEO Letter helps employees understand the Company's direction and their roles.

Enhancing Employee Communication

Communication with Management

HS HYOSUNG Group operates management-led communication channels to transparently share management policies and key business achievements with employees. Through performance-sharing sessions and quarterly management workshops, the Group communicates major business results, key issues, and management policies to employees. In particular, HS HYOSUNG sends a CEO Letter to all employees at the beginning of each month to communicate the Company's direction and management's perspectives. Translated versions are also distributed to overseas subsidiaries and affiliates to ensure consistent communication across the Group. To mark the first anniversary of the CEO Letter, an employee survey was conducted. The results confirmed that employees view the CEO Letter as a valuable communication channel that helps them understand the Company's direction and better understand their roles within the organization.

Labor-Management Council

HS HYOSUNG HS HAMC HS HYOSUNG TOYOTA

HS HYOSUNG Group operates a holding company-level Labor-Management Council to promote regular communication with employees and foster sound labor-management relations. The Council serves as a formal consultative body composed of employee representatives and management representatives and discusses key matters affecting employees, including working conditions, employee welfare, workplace environment improvements, and organizational culture. In particular, HS HYOSUNG shares employee feedback and consultation outcomes gathered through the Labor-Management Council with relevant departments and reviews areas for workplace improvement. Going forward, HS HYOSUNG will continue to strengthen its communication framework to maintain labor-management relations based on mutual trust and cooperation and to create a workplace where employees can thrive.

2025 Labor-Management Council Meetings

Category	Key Agenda
First Quarter	Implementation of performance management training, review of employee annual leave utilization and non-scheduled overtime work status, and status update on the introduction of the new groupware system.
Second Quarter	Establishment of the HS HYOSUNG Group Core Values and Behavioral Principles, introduction of the academic support program, and workplace environment improvements at the HS HYOSUNG R&D Center.
Third Quarter	Review of employee satisfaction survey results and revisions to the overseas business travel management regulations.
Fourth Quarter	Sharing of the 2026 management policy and major event schedule.

Talent Management

Pursuing Employee Happiness

Enhancing Organizational Culture Through Employee Satisfaction Surveys

HS HYOSUNG Group conducts regular employee surveys based on the Great Place to Work (GPTW) model to create a better workplace. The survey is used to assess the organizational culture of subsidiaries and affiliates by measuring five core dimensions—credibility, respect, fairness, pride, and camaraderie—as well as job satisfaction and employee well-being. In 2025, 88.3% of global employees participated in the GPTW Trust Index Survey, and the average score reached 61 points, representing an increase of 4 points compared to the previous year. In particular, the statement, 'There are many opportunities to celebrate both major and minor accomplishments in our workplace,' recorded a 10-point increase, demonstrating a significant improvement. HS HYOSUNG Group links the survey results to company-specific organizational culture improvement initiatives to enhance the working environment and ways of working. The Group will continue to improve its organizational culture through regular employee feedback collection and follow-up initiatives.

Employee Satisfaction Survey Results

	Credibility	Respect	Fairness	Pride	Camaraderie	Overall
2024	59	57	57	59	54	57
2025	63	61	60	62	59	61

CASE STUDY **HS HYOSUNG Group Fosters an Organizational Culture Created Together by Employees and Their Families**

HS HYOSUNG Group operates a variety of programs, including employee and family events and outdoor team-building activities, to foster a positive and healthy organizational culture. Through these initiatives, the Group strives to help employees achieve a balance between work and family life while building a culture founded on trust and communication among its members.

'HS HYOSUNG Family Day' Celebrating the First Anniversary of the Group's Founding

HS HYOSUNG Family Day Celebrating the First Anniversary of the Group's Founding

To commemorate the first anniversary of its establishment, **HS HYOSUNG Group** organized an organizational culture initiative designed to help employees and their families share the Company's vision and strengthen trust and communication among members. At the Mapo headquarters, the Group held 'HS HYOSUNG Family Day,' inviting employees' children and family members to experience the workplace firsthand and participate in family-oriented activities. In addition, the Group arranged coffee and sandwich trucks at all global business sites, including the Mapo headquarters, providing opportunities for all employees to connect with one another in their everyday work environment.

Employee Team-building Program

HS HYOSUNG ADVANCED MATERIALS' Jiaxing subsidiary in China operated an employee team-building program throughout May under the slogan, 'HS HYOSUNG Growing Together with Great Colleagues.' Employees participated in hiking, barbecues, picnics, and games in a nearby natural setting, creating opportunities for interaction across departments and position levels. Through these activities, the Company aims to strengthen bonds among employees and foster a collaborative culture. Going forward, it will continue to cultivate a workplace environment based on mutual respect.

HS HAMC Jiaxing Subsidiary Employee Team-building Event

Material Issue Occupational Safety & Health

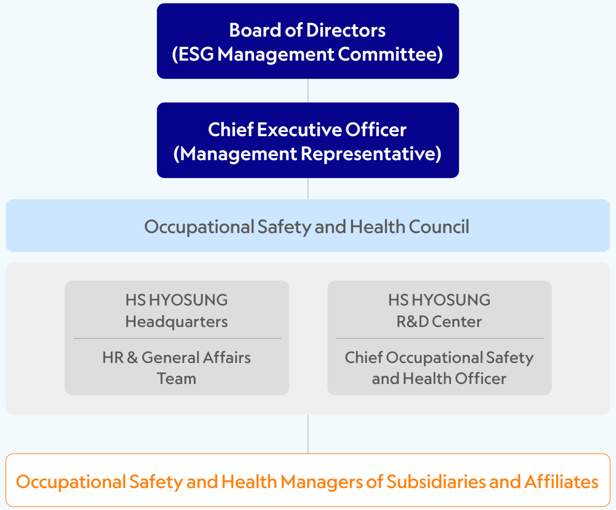
Occupational Safety and Health Management Framework

Governance

HS HYOSUNG Group deliberates and approves major occupational safety and health matters through the ESG Management Committee under the Board of Directors. The CEO operates a company-wide Occupational Safety and Health Council composed of occupational safety and health managers from each workplace. The Council is responsible for establishing and implementing occupational safety and health strategies, developing the occupational safety and health management system, monitoring implementation and improvement activities, establishing and reviewing emergency response processes, and responding to occupational safety and health -related stakeholder issues.

At the **HS HYOSUNG R&D Center**, the Head of the Institute is designated as the Occupational Safety and Health Officer and oversees occupational safety and health activities within research facilities. The Board of Directors regularly reviews the Group's occupational safety and health policies and material risks and considers occupational safety and health issues when making decisions that may have a significant impact on management strategy. In addition, the Board deliberates and approves major occupational safety and health agenda items submitted by the ESG Management Committee and oversees management's execution of occupational safety and health responsibilities.

Occupational Safety and Health Governance



Policies and Guidelines

HS HYOSUNG Group has established the Safety and Health Policy and Global SHE Guideline to prevent occupational safety and health risks that may arise throughout its business operations and to provide employees with a safe and healthy working environment. This policy and guideline are based on global occupational safety and health laws, regulations, and guidelines and include the Group's safety and health direction, objectives, and workplace-specific implementation tasks. They apply not only to global employees but also to key stakeholders engaged in business relationships with the Group, including business partners and distribution networks. Based on common Group-wide standards, HS HYOSUNG Group operates occupational safety and health activities tailored to the characteristics of each workplace. Through regular reviews and continuous improvement, the Group continues to strengthen the protection of the safety and health of employees and stakeholders.

HS HYOSUNG Global SHE Guideline
HS HYOSUNG Safety and Health Policy

Safety and Health Policy

HS HYOSUNG Co., Ltd. establishes and operates a safety and health management system to provide a safe and healthy work environment for all stakeholders, including employees, business partners, and customers, and carries out various activities to promote health and well-being.

01 By establishing and implementing a safety and health management system, we strive to achieve a zero-accident workplace and improve working conditions. We regularly review safety and health activity processes and implementation status and continuously improve them.

02 We strictly comply with all applicable safety and health laws, regulations, and standards. Under no circumstances will work be performed unless worker safety is fully ensured.

03 We regularly inspect occupational safety and health risks, including hazardous chemical handling conditions, workplace noise, and vibration, and maintain thorough preparedness to respond immediately in the event of an emergency.

04 To ensure the effective operation of safety and health management, we provide continuous education and training and share related information with stakeholders, thereby building trust and credibility.

Material Issue Occupational Safety & Health

Occupational Safety & Health Risk Management

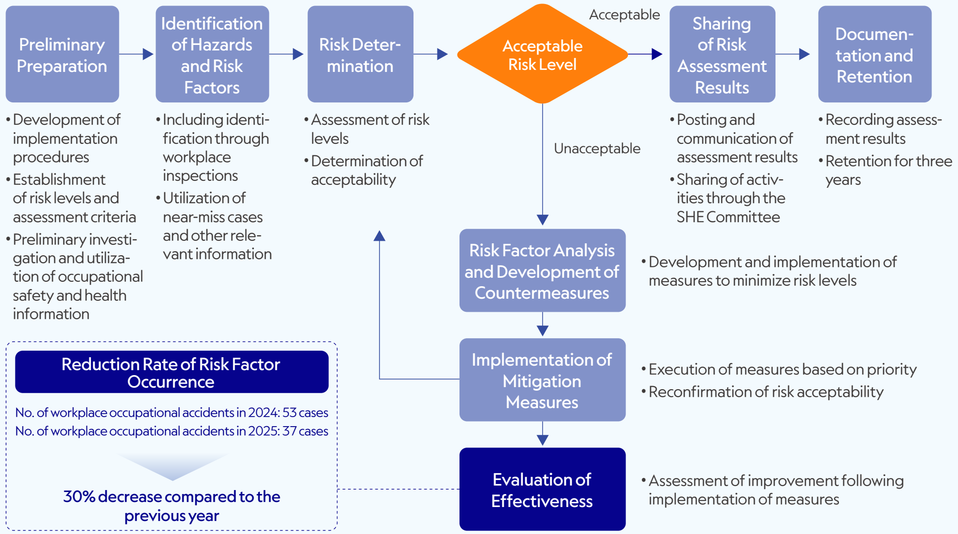
Risk Assessment

HS HYOSUNG | HS HYOSUNG USA | HS HAMC

HS HYOSUNG Group implements risk assessments and improvement activities across all subsidiaries and affiliates to proactively manage workplace hazards and risk factors.

In particular, the **Advanced Materials Business** operates process manufacturing and research facilities where occupational accidents have a higher potential to escalate into major incidents. Accordingly, it conducts joint labor-management risk assessments involving both employees and management. Through these assessments, potential risks are identified at each stage of the process, and risk levels are calculated by quantifying the likelihood and severity of potential incidents. Risk mitigation measures are then implemented in the workplace. In addition, detailed risk assessments are conducted at Process Safety Management (PSM)-applicable sites to manage potential risk factors. As of 2025, risk assessments had been completed at all global business sites. Through these management activities, the number of occupational accidents decreased from 53 cases in 2024 to 37 cases in 2025, representing an approximately 30% reduction.

Risk Assessment Process



CASE STUDY **HS HYOSUNG R&D Center Implements Corrective Actions Based on Risk Assessment Results**

The **Advanced Materials Business** proactively manages occupational safety and health risks by establishing specific risk response measures and implementing corrective actions based on risk assessment results.

In 2025, the **HS HYOSUNG R&D** Center identified a total of 10 improvement items through its risk assessment and established improvement plans for all identified risk factors. In particular, to reduce the risk of accidents that could occur during maintenance and repair work due to the absence of pipe identification labels in laboratories, the Institute marked each pipeline with the name of the fluid and the flow direction. Through this improvement measure, the risk level was reduced from 8 to 2, thereby enhancing operational safety.

Safety Inspection Activities

HS HYOSUNG | HS HYOSUNG USA | HS HAMC

The **Advanced Materials Business** operates an integrated inspection system to identify and systematically manage potential occupational safety and health risks across all global business sites. Each business site conducts regular and non-scheduled self-inspections, as well as joint inspections led by headquarters. Inspection items include compliance with applicable regulations, the safety status of facilities and processes, adherence to work procedures, use of personal protective equipment, and contractor work management. In particular, processes and facilities with a high likelihood of accidents are designated as separate management targets and are subject to focused inspections. Hazards and risk factors identified through inspections are linked to corrective measures, including the establishment of improvement plans, budget allocation, process and facility improvements, revisions to work procedures, and employee training. Follow-up inspections are conducted to verify the completion of corrective actions and continuously monitor implementation status.

In addition, **HS HYOSUNG R&D Center** conducts daily routine inspections before research activities begin to protect employees' health from hazardous factors and maintain a safe and comfortable working environment. The Institute also regularly carries out safety management activities, including the selection and inspection of personal protective equipment, to reduce the likelihood of serious accidents and enhance occupational safety and health management standards across all business sites.

Result of Regular Inspections (Comprehensive Safety Diagnosis)

Category	Laboratories	Grade 1	Grade 2	Findings
HS HYOSUNG R&D Center	7	5 (71%)	2 (29%)	7

Accident Response and Recurrence Prevention

HS HYOSUNG | HS HYOSUNG USA | HS HAMC

The **Advanced Materials Business** operates an accident response and recurrence prevention system based on its ISO 45001 Occupational Safety & Health Management System certification. In the event of an emergency, immediate initial response measures are implemented, and an accident investigation committee is established to conduct a root cause analysis. Based on the investigation results, recurrence prevention measures are developed, and safety reviews are conducted before approving the restart of affected operations. Through this process, the business applies systematic crisis response and recurrence prevention procedures.

Occupational Accident Response Process

	Accident Occurrence	Accident Investigation	Accident Reporting	Resumption of Operations
Workplace	• Report to relevant departments • Implementation of emergency evacuation and first-aid measures	• Establishment of an accident investigation committee • Conduct of accident investigation activities	• Sharing of investigation results and employee training • Development of accident prevention measures	• Establishment and revision of manuals • Verification of the implementation status of recurrence prevention measures
Research Institute	• Initial response by the discoverer • Immediate reporting to the safety management officer	• Preparation of an accident report by the laboratory supervisor or safety & environment manager • Request for cooperation from relevant departments • Prompt recovery and site restoration	• Submission and review of the accident investigation report by the head of the research organization	• Review of applicable laws and regulations • Establishment and implementation of recurrence prevention measures

Material Issue Occupational Safety & Health

Occupational Safety & Health Risk Management

Occupational Accident Response Process

HS HYOSUNG TOYOTA

The **Mobility Business** minimizes occupational safety and health risks through a prompt and systematic response process in the event of injuries or other accidents occurring at service centers. When an accident occurs, it is immediately reported to the site manager, and emergency first-aid measures and medical treatment are prioritized. The incident is then shared and managed through the relevant reporting channels in accordance with the organizational reporting structure. Based on investigations into the circumstances and root causes of the accident, recurrence prevention measures are established. Treatment and compensation procedures are conducted fairly in accordance with internal standards and applicable laws and regulations. In addition, when necessary, support is provided to ensure appropriate compensation through workers' compensation insurance procedures. The affected employee is continuously informed of the relevant procedures and progress to ensure transparency. Furthermore, the business continues to strengthen its occupational safety and health risk management system by proactively identifying similar risk factors and implementing corrective measures.

Occupational Safety & Health Enhancement Activities

Safety Culture Promotion and Training

HS HYOSUNG Group has established the Global SHE Guidelines to promote a safety-first culture and ensure that employees can put the guideline into practice in the workplace. The Group also conducts awareness-raising activities on occupational safety and health for all employees.
In particular, the **Advanced Materials Business** operates job- and competency-level training programs that reflect process characteristics and job-specific risk levels. Separate introductory training is provided to new employees and personnel prior to workplace assignment, covering key workplace hazards, risk factors, and emergency response procedures. The same occupational safety and health training standards are also applied to contractor personnel. In addition, accident and near-miss cases, updates to laws and regulations, and best practices for prevention are regularly shared. Through campaigns and drills, the business repeatedly reinforces training content and continues to strengthen the foundation for fostering a strong occupational safety and health culture throughout the organization.

Employee Health Management Support

HS HYOSUNG Group conducts regular health checkups for all employees. Employees exposed to hazardous factors, including chemicals, also receive periodic special health checkups. To prevent occupational diseases, the Group assesses the risk of cerebrovascular and cardiovascular diseases as well as job-related stress. It also supports employee health through Group-wide initiatives, including musculoskeletal disorder prevention programs, workplace environment inspections and management, and the operation of employee health support funds. Through these efforts, the Group continues to promote and protect the health and well-being of its employees.

Mental Health and Emotional Well-being Support

HS HYOSUNG HS HYOSUNG USA HS HAMC HIS

HS HYOSUNG Group operates business sector-specific programs to support employees' emotional well-being and mental health. The **Advanced Materials Business** operates 'HS HAMC Hyu,' a mental wellness support program, while the **AI/Data Solutions Business** supports stress relief and psychological well-being through 'Happy Mint,' a mental health promotion application. In particular, the Happy Mint program has expanded its eligibility to include employees and their spouses and provides free psychological assessments and counseling services by professional counselors, thereby improving access to psychological counseling and treatment. **HS HYOSUNG Group** plans to gradually expand its mental health support programs to promote employees' long-term growth and foster a healthy organizational culture.

Strengthening Occupational Safety & Health Capabilities of Business Partners

HS HYOSUNG HS HYOSUNG USA HS HAMC

The **Advanced Materials Business** conducts regular comprehensive occupational safety and health assessments to strengthen the safety and health capabilities of its business partners. Based on the assessment results, incentives such as awards are provided to outstanding business partners. For business partners identified as having insufficient safety and health management practices or classified as high-risk, separate management measures are implemented, including safety consulting, occupational safety and health training, identification of hazards and risk factors, development of improvement actions, and monitoring of implementation status. Through these efforts, the business continues to enhance business partners' occupational safety and health management capabilities and strengthen accident prevention systems.

Expanding the Scope of Occupational Safety & Health Management

HS HYOSUNG TOYOTA

HS HYOSUNG Group conducted an occupational safety and health assessment of the Mobility Business to expand the scope of Group-wide occupational safety and health management. The assessment reviewed organizational structures, systems, operational processes, and on-site implementation practices while identifying key hazards, risk factors, and areas requiring improvement. The findings were categorized into business-sector-specific action items and Group-wide improvement initiatives for ongoing management.
Based on the assessment results, the **Mobility Business** established a phased implementation plan and is carrying it out in line with the holding company's direction for strengthening occupational safety and health management. Through these efforts, the Group is extending occupational safety and health management activities beyond the traditional focus on the Advanced Materials Business to the holding company level and incorporating them into its mid- to long-term strategy to reduce management gaps among business sectors.

Occupational Safety & Health Roadmap

Establishment (~2026)	Advancement (~2028)	Internalization (~2030)
Establishing the Occupational Safety & Health Management System	**Expanding the Occupational Safety & Health Management System**	**Embedding a Safety-First Culture**
Key Initiatives • Establish a reporting system for occupational safety and health across the holding company, subsidiaries, and affiliates • Establish the HS HYOSUNG Global SHE Policy and Occupational Safety & Health Guidelines • Develop focused management measures for areas at high risk of serious industrial accidents	**Key Initiatives** • Provide customized, site-specific training programs at global business sites • Achieve 100% ISO 45001 Occupational Safety & Health Management System certification across all business sites • Conduct regular risk assessments and monitor corrective actions for key business partners	**Key Initiatives** • Establish an integrated occupational safety and health management system based on digital transformation • Strengthen the safety culture by incorporating occupational safety training programs into the Executive Development Program (EDP) for executives and safety personnel across subsidiaries and affiliates
KPI • Achieve a Safety Performance score of 70[1]	**KPI** • Achieve a Safety Performance score of 85	**KPI** • Achieve a Safety Performance score of 100

[1] Safety Performance: A quantitative indicator that measures workplace safety performance based on industrial accident records, overall safety conditions, and commitment to occupational safety.

Material Issue Customer Satisfaction

Customer Value and Quality Management Framework

Governance

HS HYOSUNG Group operates governance systems tailored to each business sector to enhance customer satisfaction and create customer value. The Performance Unit (PU) Head or the CEO of each business serves as the highest authority responsible for overseeing the governance system, including the development of related strategies and performance management. Each sector leader works closely with relevant organizations to establish customer-related objectives and regularly reviews implementation progress and improvement initiatives.
The **Advanced Materials Business** systematically manages customer requirements and quality issues throughout the entire process from production to sales, through its Quality Assurance Teams at manufacturing sites and the Technical Marketing & Service Team at headquarters. Customer feedback is incorporated into quality improvement initiatives and product support strategies.
The **AI/Data Solutions**, **SCM Solutions**, and **Mobility Businesses** have established and operate customer management systems tailored to the characteristics of each business, centered on sales, marketing, and customer-facing organizations. Feedback and improvement suggestions collected through customer touchpoints are utilized to enhance services, improve operational processes, and develop new products and services.

Policies and Strategy

HS HYOSUNG Group has established Quality Management, Customer Value Creation, Brand Promise, and Value Management as the core pillars of customer satisfaction and aligns them with the strategies of each business sector.
The **Advanced Materials Business** promotes global technology exchange, workplace training, and next-generation technology development based on the principles of compliance with quality regulations and standards, quality innovation, and quality capability enhancement. The **AI/Data Solutions Business** strengthens its technical support processes based on its vision of industry-specific solutions and improves service quality and enhances brand value through technical support, engineer training, and customer satisfaction surveys.
The **SCM Solutions Business** enhances the quality and efficiency of logistics services by operating cargo tracking systems and information-sharing platforms to create greater customer value. The **Mobility Business** places customer experience at the core of its brand promise and enhances service quality and customer satisfaction through employee training and the effective management of dealerships and products.

HS HYOSUNG Group's Customer Satisfaction Framework by Business Sector

Advanced Materials Business
HS HAMC | HS HYOSUNG USA | HS HYOSUNG R&D Center

Quality Management Commitment

We are committed to strict compliance with quality regulations and standards.

We are committed to continuously driving quality innovation and product development.

We are committed to continuously strengthening our quality capabilities.

- Conduct global technology exchange meetings
- Provide training for global business sites
- Enhance product competitiveness through next-generation technology development

AI/Data Solutions Business
HIS

Creating Customer Value

We support customers in achieving greater operational efficiency by providing industry-specific solutions for more advanced IT environments, enabling them to utilize IT resources seamlessly in line with their business objectives.

- Establish a systematic technical support process
- Enhance customer satisfaction through prompt responses
- Provide training to strengthen engineers' capabilities
- Enhance brand value through customer satisfaction surveys

Mobility Business
HS HYOSUNG TOYOTA

Brand Promise

We create happiness for every customer by delivering products and services that exceed expectations.

- Enhance service quality through professional staff training across the entire customer journey
- Deliver a differentiated customer experience through regular management of showrooms and displayed vehicles

SCM Solutions Business
HS HYOSUNG Transworld PU | HS HYOSUNG Vina

Maximizing Customer Value

We enhance customer satisfaction by developing innovative logistics service technologies and delivering reliable products and services.

- Provide reliable logistics services through the implementation of a cargo tracking management system
- Improve operational efficiency by establishing a shared platform for communicating operational exceptions and updates

Material Issue Customer Satisfaction

Customer Satisfaction Risk Management

Enhancing Customer Value Through Quality

HS HYOSUNG HS HYOSUNG USA HS HAMC

The **Advanced Materials Business** continues to strengthen product reliability and customer trust by operating an advanced quality assurance and response process. Customer feedback is collected, and data-driven analysis is conducted throughout the entire product lifecycle, from production to sales. Quality risks are proactively managed through global technology standardization and customer satisfaction surveys.
In addition, when customer requirements or quality issues arise, the business collaborates with HS HYOSUNG R&D Center, as needed to identify root causes and develop corrective actions that are reflected in initiatives to enhance customer value. Product quality is continuously monitored, and customer complaints are handled promptly in accordance with established procedures. Measures are then implemented to prevent recurrence. The process and results are shared with relevant stakeholders, and additional improvement opportunities identified through post-action customer satisfaction surveys are incorporated into management activities.

Quality Assurance and Response Process

① Identification and Definition of Quality Issues

Identify quality issues through VOC collection or quality management activities, and define the scope of the issue using the 5W2H1) framework.

② Interim Action Plan

Establish and implement interim action plans to prevent the spread of quality issues and minimize their impact on customers.

③ Root Cause Analysis and Verification

Identify root causes in collaboration with the R&D Center using tools such as the 5 Whys and Fishbone Diagram, and verify the validity of the identified causes.

④ Corrective Action Plan

Eliminate the verified root causes and establish specific corrective action plans to prevent recurrence.

⑤ Effectiveness Monitoring

Monitor the effectiveness of implemented corrective actions on an ongoing basis and implement additional measures where necessary.

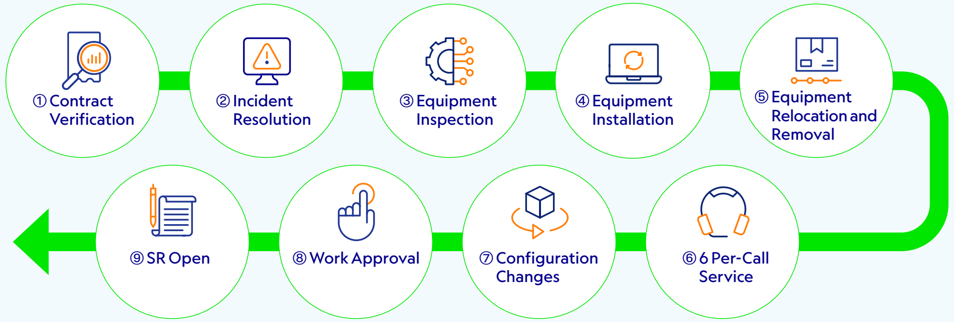
1) 5W2H : Who, What, When, Where, Why, How, How many

Establishing a Structured Technical Support Process

HIS

The **AI/Data Solutions Business** has established a standardized, step-by-step technical support process and customer response system to systematically manage operational risks, such as service interruptions and system failures. The process defines response procedures for different situations, the roles and responsibilities of personnel, and inspection items for each type of equipment. These standards are applied to both routine operations and emergency situations. By consistently managing the entire process—from receiving technical support requests to completing corrective actions—the business minimizes the potential for errors and delays. In addition, the standardized process is incorporated into regular training programs to support the onboarding of new employees. The business also continuously improves the process by analyzing recurring cases, thereby strengthening its capabilities to proactively prevent potential risks, respond promptly to incidents, and prevent recurrence.

Key Technical Support Process



Logistics Service Operations and Customer Response Risk Management

HS HYOSUNG HS HYOSUNG Vina

The **SCM Solutions Business** systematically manages logistics operations and customer response risks through its HLMS (HYOSUNG Logistics Management System)-based real-time cargo tracking service and customer information management system. Using HLMS, the business monitors the location and status of each shipment in real time and responds promptly to transportation issues in accordance with internal procedures, thereby minimizing operational risks such as delays and cargo damage.
In addition, the business uses a HiCloud-based collaborative workspace to systematically manage customer-specific requirements and response histories. The Sales Team updates the relevant information on a quarterly basis, while the Planning & Administration Team reviews and manages the information to ensure the information remains accurate and up to date. This information is used for knowledge transfer and day-to-day operations, helping new account managers better understand customer requirements, reducing service gaps resulting from personnel changes, and supporting consistent service quality and stable operations.

Expanding Customer Touchpoints and Enhancing Services

Expanding Customer Touchpoints Through Participation in Exhibitions

HIS

The **AI/Data Solutions Business** delivered a keynote presentation at CIO Summit 2025 under the theme, 'Future Innovation Driven by AX and Sustainability,' and introduced its flagship storage solution, VSP (Virtual Storage Platform) One. Leveraging this solution, the business presented its portfolio designed to support customers' AI Transformation (AX) and helped customers develop optimal AX strategies through its data, cloud, and storage infrastructure, together with its business partner ecosystem.

CIO Summit 2025

Material Issue

Customer Satisfaction

Customer Satisfaction Activities and Performance

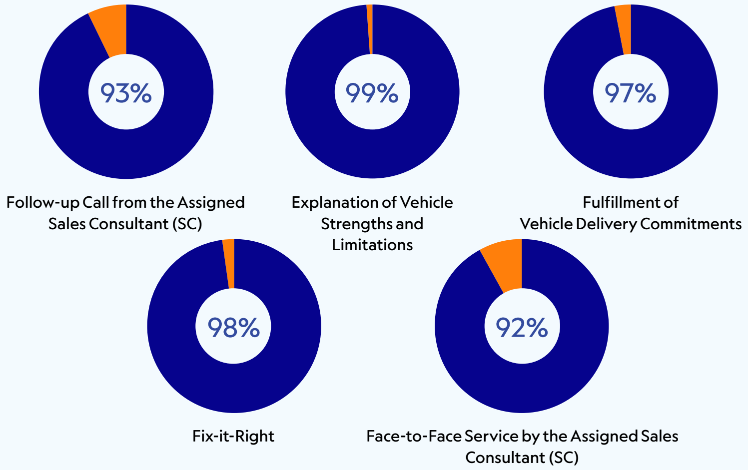
Customer Satisfaction Survey

HIS HS HYOSUNG TOYOTA

The **AI/Data Solutions Business** conducts customer satisfaction surveys to collect both qualitative and quantitative customer feedback from multiple perspectives. Survey questionnaires are developed in collaboration with relevant departments, including the Sales Team and Business Team, and are conducted through online and mobile platforms. The results are then analyzed. Key survey areas include product satisfaction, technical support and maintenance satisfaction, sales support satisfaction, and brand image. By gathering customer feedback on the Company's overall performance, the business identifies its competitive strengths and areas for improvement and incorporates the findings into its management and marketing strategies.

The **Mobility Business** systematically measures and manages the customer experience by comprehensively analyzing key indicators, including the Net Promoter Score (NPS), Customer Satisfaction Index (CSI) for after-sales service, and Sales Service Satisfaction Index (SSI). In particular, the NPS is analyzed based on detailed customer touchpoints, such as whether a test drive was provided, the explanation of vehicle strengths and limitations, and fulfillment of vehicle delivery commitments, enabling the business to identify the key factors influencing the customer experience. Based on these insights, the business improves areas that negatively affect the customer experience while reinforcing positive aspects to continuously enhance service quality.

2025 HS HYOSUNG TOYOTA Customer Satisfaction Survey Results



Strengthening Customer Service Capabilities

HS HYOSUNG TOYOTA

The **Mobility Business** enhances the service capabilities of its sales staff through customer service role-playing training. The program covers the entire customer journey, from welcoming customers and identifying their characteristics and needs to product presentations, test drive guidance, financial consultations, and farewell etiquette. It also includes inspections of showroom conditions and employee appearance. In addition, scenario-based training that reflects real customer interactions helps employees consistently apply service standards and continuously strengthen their response capabilities in various situations. By delivering attentive service throughout every stage of the customer journey—from arrival to departure—the business enhances the overall customer experience and delivers a professional and differentiated brand experience.

Recognition for Continued Leadership and Innovation in Storage Solutions

HIS

VSP (Virtual Storage Platform) One, provided by the **AI/Data Solutions Business**, was recognized as both a Leader and an Outperformer in GigaOm's 2024 Key Storage Report. GigaOm recognized the solution for its ability to effectively support IT operational agility and resilience through robust data protection capabilities, cloud integration, and ransomware response features. It was also recognized as a competitive data platform that balances sustainability, cost efficiency, and data security. Building on these technological capabilities, HIS continues to support customers in operating reliable IT infrastructure and accelerating their digital transformation.

Double Winner at the Infinity Partner Award 2025

HS HYOSUNG USA

The U.S. subsidiary of the **Advanced Materials Business** received both the 'Most Improved Partner Award' and the 'Partnership Award' at the 'Infinity Partner Award 2025', hosted by customer, tire manufacturer Goodyear, in recognition of its continuous efforts to enhance productivity and product quality. The Company was recognized for strengthening its global supply chain competitiveness through process optimization, enhanced quality management systems, and expanded customer-focused technical support. Going forward, it will continue to strengthen customer trust by pursuing quality-driven and customer-value-oriented management across global markets, including the United States.


Infinity Partner Award 2025 Ceremony

Supporting Safe Product Use Through Material Safety Data Sheets

HS HYOSUNG Group places a high priority on product safety and the responsible disclosure of information throughout the product lifecycle. The Group continuously updates product information in accordance with applicable global regulations and standards to support the safe use of its products by customers and other stakeholders. The Group provides customers with Material Safety Data Sheets (MSDS) containing the latest information for safe product use, including hazard information such as allergic reactions, first-aid measures, handling and storage instructions, and disposal methods. The MSDS also includes information on the environmental and social impacts that may arise during product use and disposal, along with guidance for safe handling. In addition, key safety information is displayed on product labels to ensure that customers can easily access and understand essential safety information.

Supply Chain Management

Supply Chain Management Framework

Governance

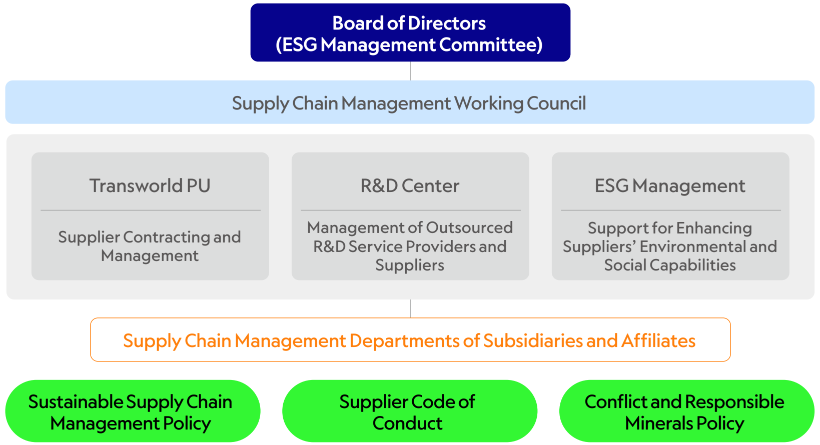
HS HYOSUNG Group operates a supply chain management governance system centered on the ESG Management Committee under the Board of Directors to build a sustainable and responsible supply chain. The Supply Chain Management Working-level Council, composed of department heads responsible for procurement and sourcing as well as ESG management, establishes and revises Group-wide supply chain policies and standards, develops global supply chain risk management systems, and oversees the development and implementation of supplier management initiatives. The Council communicates with supply chain representatives across subsidiaries and affiliates to share key issues and, when necessary, develop and coordinate Group-wide response measures. Supply chain management plans and key implementation results are reported to the ESG Management Committee, which reviews and approves them and oversees major supply chain management matters.

Policies and Strategy

HS HYOSUNG Group has established a Group-wide Sustainable Supply Chain Management Policy to address potential adverse impacts and risks arising from its suppliers. The policy applies to all subsidiaries and affiliates and key suppliers and covers major ESG issues that may arise throughout the supply chain, including environmental management, human rights and labor, ethics and compliance, and occupational safety and health. HS HYOSUNG Group has also established policies for fair trade practices and ESG management, along with the Supplier Code of Conduct, to clearly communicate the standards of conduct and expectations required of its suppliers. Based on these policies, the Group seeks to build responsible partnerships with suppliers and enhance sustainability throughout the supply chain.

HS HYOSUNG Sustainable Supply Chain Management Policy
HS HYOSUNG Supplier Code of Conduct
HS HYOSUNG Conflict and Responsible Minerals Policy

Supply Chain Management Framework



Board of Directors
(ESG Management Committee)

Supply Chain Management Working Council

Transworld PU	R&D Center	ESG Management
Supplier Contracting and Management	Management of Outsourced R&D Service Providers and Suppliers	Support for Enhancing Suppliers' Environmental and Social Capabilities

Supply Chain Management Departments of Subsidiaries and Affiliates

Sustainable Supply Chain Management Policy
Supplier Code of Conduct
Conflict and Responsible Minerals Policy

Supply Chain Risk Management

Preliminary Risk Screening for New Suppliers

HS HYOSUNG HS HYOSUNG USA HS HAMC

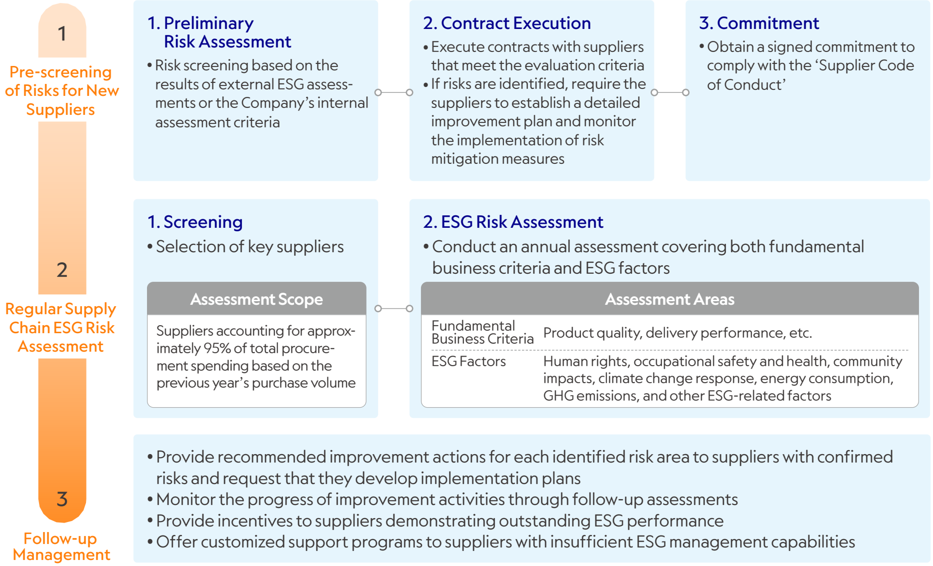
The **Advanced Materials Business** requires prospective suppliers to submit the results of an external ESG assessment before entering into a business relationship. When such results are unavailable, the business conducts a preliminary risk screening using its own assessment criteria. Suppliers that meet the predefined evaluation standards enter into contracts containing ESG clauses and are required to sign a commitment to comply with the Supplier Code of Conduct. If risks are identified during the screening process, the business verifies the relevant facts, requires those suppliers to establish detailed improvement plans, and continuously monitors the implementation of risk mitigation measures. Through this process, potential supply chain risks are systematically managed at the supplier selection stage.

Supply Chain ESG Risk Assessment

HS HYOSUNG HS HYOSUNG USA HS HAMC

The **Advanced Materials Business** designates suppliers accounting for approximately 95% of total procurement spending in the previous year as key suppliers and conducts an annual ESG risk assessment for these suppliers. The assessment covers not only fundamental business criteria such as product quality and delivery performance, but also a broad range of ESG factors, including human rights, occupational safety and health, community impacts, climate change response, energy consumption, and GHG emissions. For suppliers identified as having ESG risks, the business provides recommended improvement actions for each assessment area and requests that suppliers develop implementation plans. Follow-up assessments are then conducted to continuously monitor the progress of improvement activities. In addition, suppliers demonstrating outstanding performance are recognized through an awards program to encourage broader participation and strengthen ESG capabilities across the supply chain. Through these efforts, the business continues to build a foundation for sustainable shared growth with its suppliers.

Supply Chain ESG Risk Assessment Process



1 Pre-screening of Risks for New Suppliers

1. Preliminary Risk Assessment
- Risk screening based on the results of external ESG assessments or the Company's internal assessment criteria

2. Contract Execution
- Execute contracts with suppliers that meet the evaluation criteria
- If risks are identified, require the suppliers to establish a detailed improvement plan and monitor the implementation of risk mitigation measures

3. Commitment
- Obtain a signed commitment to comply with the 'Supplier Code of Conduct'

2 Regular Supply Chain ESG Risk Assessment

1. Screening
- Selection of key suppliers

Assessment Scope
Suppliers accounting for approximately 95% of total procurement spending based on the previous year's purchase volume

2. ESG Risk Assessment
- Conduct an annual assessment covering both fundamental business criteria and ESG factors

Assessment Areas	
Fundamental Business Criteria	Product quality, delivery performance, etc.
ESG Factors	Human rights, occupational safety and health, community impacts, climate change response, energy consumption, GHG emissions, and other ESG-related factors

3 Follow-up Management

- Provide recommended improvement actions for each identified risk area to suppliers with confirmed risks and request that they develop implementation plans
- Monitor the progress of improvement activities through follow-up assessments
- Provide incentives to suppliers demonstrating outstanding ESG performance
- Offer customized support programs to suppliers with insufficient ESG management capabilities

Supply Chain Management

Supply Chain Risk Management

2025 Advanced Materials Business Supply Chain ESG Risk Assessment Results[1)]

Category		Unit	HS HYOSUNG[1)]	HS HYOSUNG USA	HS HAMC
Supply Chain	No. of Key Suppliers	No.	10	25	130
	Procurement Volume from Key Suppliers	KRW Mil	-	60,043	1,417,870
	Local Procurement Rate of Key Suppliers	%	-	72	29
Supply Chain Management	Rate of Key Suppliers Signing the Supplier Code of Conduct	%	100	100	100
	Rate of Contracts Signed with Added ESG Clauses	%	100	100	98
Supply Chain ESG Risk Assessment	Rate of New Suppliers Receiving Risk Assessment	%	100	100	100
	Rate of Key Suppliers Receiving ESG Risk Assessment	%	50	28	93
	Rate of Key Suppliers Receiving Onsite Due Diligence[2)]	%	N/A	N/A	100
Results of Supplier ESG Risk Assessment	Rate of Suppliers That Agreed to Improvement Measures	%	100	100	100
	Rate of Suppliers Whose Contracts were Terminated[3)]	%	N/A	N/A	N/A
Supplier Grievance Handling	No. of Grievances Received	Cases	0	0	0
	Grievance Handling Rate[4)]	%	N/A	N/A	N/A

1) Procurement volume and local procurement ratio of HS HYOSUNG R&D Center are not disclosed due to confidentiality.
2) In 2025, the No. of suppliers subject to on-site due diligence was 0 for HS HYOSUNG, 0 for HS HYOSUNG USA, and 17 for HS HAMC. On-site audits were completed for all applicable suppliers.
3) Based on the results of the 2025 Supply Chain ESG Risk Assessment, no suppliers required contract termination.
4) In 2025, no supplier grievances were received; therefore, the grievance resolution rate is presented as N/A.

Supply Chain Forced Labor Risk Monitoring

HS HYOSUNG | HS HYOSUNG USA | HS HYOSUNG Vina | HS HAMC

The **Advanced Materials Business** proactively identifies and manages forced labor risks in line with supply chain regulations, including the U.S. UFLPA. The business monitors relevant laws, U.S. sanctions, and customs regulations, and shares related information with procurement departments and suppliers to screen transactions involving high-risk companies.

The **SCM Solutions Business** also reviews regulatory impacts on customs clearance and logistics and provides guidance on applicable requirements and documentation. Potential risks are identified through pre-screening.

Supply Chain Continuity and Risk Management

HS HYOSUNG | HS HYOSUNG USA | HS HAMC

The **Advanced Materials Business** has established an emergency response manual and conducts scenario-based drills to prepare for supply disruptions that could affect product deliveries. These drills cover logistics disruptions, transportation accidents, environmental incidents, and production shutdowns. Based on the results, the business identifies improvement areas and develops corrective measures to strengthen emergency response capabilities and minimize customer impact.

Sustainable Supply Chain Management Training for Procurement Personnel

HS HYOSUNG | HS HYOSUNG USA | HS HAMC

The **Advanced Materials Business** provides training for procurement personnel to strengthen supply chain management expertise and promote sustainable growth with its suppliers. Reflecting changes in the global regulatory environment, the training covers the scope of regulatory impacts and response measures for each business division. In 2025, the scope of the program was expanded to HS HYOSUNG USA, where training on supply chain ESG management was provided. Going forward, HS HYOSUNG Group plans to expand supply chain ESG management training beyond the Advanced Materials Business to other relevant organizations across the Group, including the SCM Solutions Business.

Completion Rate of Sustainable Supply Chain Management Training

Training Rate of Buyers on Social and Environmental Issues within Supply Chain

100%

Supplier Grievance Channel

HS HYOSUNG Group operates the Reporting Center, while the **Advanced Materials Business** separately operates a Feedback channel on HIPRO. In addition to the online channels, reports can also be submitted via email, telephone, and mail to help prevent unfair practices and unethical business conduct. Multilingual support is provided to improve accessibility for overseas suppliers.

All reports are handled in accordance with internal procedures, and under the whistleblower protection system, both the identity of the reporter and the details of the report are kept confidential. In 2025, no reports from subsidiaries, affiliates, or suppliers were received or processed. Feedback and grievances received through these channels are used to enhance supply chain ESG risk assessments and improve related management systems.

HS HYOSUNG Reporting Center

Advanced Materials Feedback channel on HIPRO

Grievance Handling Process

Access the HS HYOSUNG Reporting Center or the Feedback channel on HIPRO
- Access the Reporting Center or the Feedback channel on HIPRO

▶

Submit Improvement Requests or Grievances
- Submit improvement requests or grievances arising during business transactions

▶

Notification of Results
- Review the submitted report and notify the reporter of the review results and corrective actions taken

Supply Chain Management

Supply Chain Management Activities

Strengthening Supplier Capabilities and Supporting Shared Growth

HS HYOSUNG Group supports the enhancement of supplier capabilities while proactively responding to ESG risks through a variety of supply chain support programs. Based on close communication among relevant departments across the Group, support recipients and program categories are selected to ensure that assistance is provided in a transparent and fair manner. The supply chain support programs consist of business operation support, ESG capability enhancement, and quality and technical support. Through these programs, HS HYOSUNG Group helps suppliers address areas for improvement while promoting shared growth and enhancing competitiveness across the supply chain.

Details of the Supply Chain Support Programs

Category	Support Programs	Description	Key Achievements
Business Operation Support	Shared-value Agreement	• Cash payments made within 10 days of the payment due date to outstanding small and medium-sized suppliers	30 suppliers Improved cash flow
ESG Capability Enhancement	Safety Consulting Support	• Provision of customized occupational safety and health consulting • Support for the cost of appointing safety managers • Support for obtaining ISO 45001 Occupational Safety & Health Management System certification	1 supplier Supported in obtaining ISO 45001 certification
	Safety Facilities and Equipment Support	• Provision of safety facilities and personal protective equipment	73 suppliers Provided with safety equipment and facilities
	Environmental Consulting Support	• Provision of environmental consulting • Support for obtaining ISO 14001 Environmental Management System certification	1 supplier Supported in conducting an LCA (Life Cycle Assessment)
	Energy Efficiency Consulting and Equipment Support	• Provision of energy efficiency consulting tailored to supplier characteristics • Support for energy-saving equipment	8 suppliers Provided with energy efficiency consulting
Quality and Technical Support	Quality and Technical Support Program	• Support for technology development and quality improvement facilities	10 suppliers Provided with quality improvement equipment

Supply Chain Management Mid- to Long-term Roadmap

Establishment (~2026)	Advancement (~2028)	Institutionalization (~2030)
Establishing the Supply Chain Management System	**Global Supply Chain Risk Management**	**Embedding a Sustainable Supply Chain Management System**
Key Initiatives • Establish the HS HYOSUNG Sustainable Supply Chain Management Policy, Supplier Code of Conduct, Conflict and Responsible Minerals Policy, and Export Restrictions on Strategic Materials • Support key suppliers in implementing ESG improvements through external consulting services and other specialized advisory programs	**Key Initiatives** • Conduct on-site audits of global supply chains for key suppliers • Establish a global supply chain management system	**Key Initiatives** • Establish a supply chain risk monitoring system for each global business sector • Develop and expand support programs for small and medium-sized suppliers
KPIs • Increase the Supplier Code of Conduct compliance rate among global suppliers to 80% or above	**KPIs** • Increase the Supplier Code of Conduct compliance rate among global suppliers to 90% or above	**KPIs** • Achieve a 100% Supplier Code of Conduct compliance rate among global suppliers

Corporate Social Responsibility

Social Contribution Direction

Objectives and Guiding Principles

Under the slogan 'Creating Value Together,' **HS HYOSUNG Group** carries out its social contribution activities based on the opinions and needs of stakeholders, including local communities. Its social contribution initiatives are guided by three core principles: Guiding Star, which focuses on empowering vulnerable groups and supporting their self-reliance; Giving Tree, which contributes to local communities through culture, the arts, and support for veterans and patriots; and Shared Planet, which promotes environmental protection and sustainable development programs. Through these initiatives, the Group seeks to build trust with local communities while contributing to an improved quality of life for community members and the creation of social value.

HS HYOSUNG Group Social Contribution Framework

HS HYOSUNG Group identifies community needs by listening to local stakeholders and gathering relevant information, provides appropriate support, and puts its 'Creating Value Together' philosophy into practice across all social contribution activities through collaboration with stakeholders.

HS HYOSUNG CSR Policy

Slogan	Creating Value Together		
Mission	We create value to enrich humanity by harnessing the power of science, technology, and collective intelligence.		
Vision	Guiding Star A Guiding Star That Inspires Hope	Giving Tree A Tree That Gives Generously	Shared Planet Growing Value, Together
Strategic Direction	Activities that light the path of hope for our neighbors	Activities that enrich local communities through generous support	Activities that create a sustainable tomorrow through environmental protection practices
Key Initiatives	Vulnerable groups and supporting self-reliance	Community engagement and cultural & artistic & veterans and veterans support	Environmental protection and sustainable development
Mid- to Long-term Goals	Establishment (~2026) • Establish the mission and vision for social contribution activities • Redefine social contribution activities by theme	Advancement (~2028) • Strengthen theme-based programs (add at least one program for each theme) • Develop designated year-end donation programs	Institutionalization (~2030) • Continue operating theme-based activities and expand beneficiary coverage (at least two activities for each theme) • Develop one theme-based social contribution activity for each Group company and overseas workplace
Target SDGs	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 6 CLEAN WATER AND SANITATION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES		

Launch Ceremony of the ' Creating Value Together ' Volunteer Group

To put its Creating Value Together philosophy and social contribution commitments into practice, **HS HYOSUNG Group** established a Group-wide volunteer platform and launched the HS HYOSUNG 'Creating Value Together' Volunteer Group as its implementation body. The volunteer group includes major subsidiaries and affiliates, including HS HYOSUNG, HS HAMC, HIS, and HS HYOSUNG TOYOTA, providing a foundation for systematically carrying out Group-wide social contribution activities.

To celebrate the first anniversary of the Group's establishment, **HS HYOSUNG Group** held the volunteer group's launch ceremony and carried out an environmental clean-up activity at Seorae Park. Approximately 30 employees from across the Group participated in litter collection and weed removal throughout the park. Going forward, the Group plans to continue expanding community-based social contribution activities through the volunteer group.

Launch Ceremony of the 'Creating Value Together' Volunteer Group

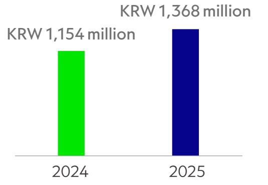
Certified as an Outstanding Supporter of Arts and Culture

HS HAMC

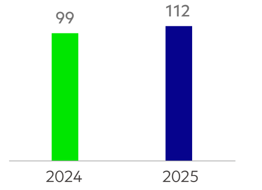
The **Advanced Materials Business** was newly recognized as an Outstanding Supporter of Arts and Culture 2025 at the 2025 Mecenat Awards, marking HS HYOSUNG Group's first official recognition in the field of arts and culture sponsorship since its establishment as an independent corporate group. The Outstanding Supporter of Arts and Culture certification is administered by the Ministry of Culture, Sports and Tourism and the Arts Council Korea to promote corporate support for the arts. The certification is awarded based on a comprehensive evaluation of organizational capabilities, sponsorship management systems, and sponsorship performance. The **Advanced Materials Business** continues to support a wide range of community members, including underserved communities and youth with disabilities, to provide opportunities for growth and self-reliance while promoting shared growth with local communities. In recognition of these efforts, the business was recognized for CSR in the Community for the seventh consecutive year in 2025 and received a Minister of Health and Welfare Commendation.

2025 HS HYOSUNG Group Social Contribution Highlights

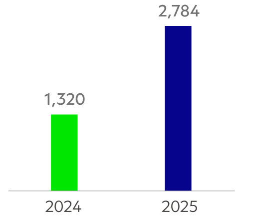
Total Social Contribution Investment



No. of Social Contribution Programs



No. of Employees Participating in Social Contribution Activities



Corporate Social Responsibility

Guiding Star

Volunteer Activities at Young Nak Aenea Home

HS HAMC

Since 2012, the **Advanced Materials Business** has continuously supported a residential care facility for people with severe cerebral disabilities. In 2025, employees participated in volunteer activities for the Aenea Sports Day for Persons with Disabilities under the theme ‘Together, We Enjoy Today’ and delivered a donation to the facility.

The donation was used to purchase rehabilitation equipment, including wheelchair inner seats for residents with severe cerebral disabilities, and to improve aging living facilities. Employees also continue to participate in regular on-site volunteer activities, such as assisting residents with walks and taking part in events for the Day of Persons with Disabilities, contributing to improving the quality of life for people with disabilities.

Donation of Essential Goods to a Women’s Protection Center

HIS

The **AI/Data Solutions Business** donated dining tables, electric heating mats, and daily necessities to the Seoul Metropolitan Women's Protection Center to help improve the well-being of its residents. In addition, employees participate weekly in volunteer activities, including meal preparation, meal service, dishwashing, cleaning, and facility maintenance. The business also continues to provide donated goods through voluntary employee contributions.

Sharing Kimchi with Love Program

HS HYOSUNG TOYOTA

The **Mobility Business** participated in the Sharing Kimchi with Love program at the Seocho Joongang Senior Welfare Center, where employees prepared and delivered kimchi to local community members. Now in its 14th year, the program involved 19 employees, who prepared and donated 1,350 kg of kimchi. Through this activity, employees put into practice the values of sharing and solidarity with the local community.

Scholarship Program for Students in Alabama, U.S.

HS HYOSUNG USA

The **Advanced Materials Business** awarded scholarships to four students preparing to enter college in Huntsville, Madison, and Decatur, Alabama, where its U.S. subsidiary operates. Scholarship recipients were selected in cooperation with the Korean Association of North Alabama from among outstanding students in need of financial assistance, taking individual circumstances into account. In the recruitment and selection process, the company worked with the local Korean community and gave priority to descendants of Korean War veterans.

Giving Tree

Donation of Essential Living Supplies to National Veterans

HS HYOSUNG

HS HYOSUNG donated 200 sets of Essential Living Supplies to vulnerable national veterans and home-based welfare beneficiaries registered with the Seoul Southern Veterans Affairs Office in June, in celebration of the Month of Patriots and Veterans, and another 200 sets in September ahead of the Chuseok holiday. The donated items consisted of beef porridge and beef bone soup, carefully selected to support the health and convenience of elderly national veterans.

KRW 10 million of social value

Sponsorship of the Gaon Soloists Regular Concert

HS HYOSUNG

Under its Group slogan, ‘Creating Value Together,’ **HS HYOSUNG** supports arts and cultural activities based on the values of diversity and inclusion. Its sponsorship of the Gaon Soloists’ regular concert is an example of supporting cultural and artistic activities that bring together people with and without disabilities, contributing to the broader promotion of social inclusion through the arts.

KRW 20 million of social value

Sponsorship of the 815 Run

HS HAMC

To commemorate Korea’s Liberation Day, the **Advanced Materials Business** sponsored the 815 Run, a campaign organized by Habitat for Humanity Korea to improve housing conditions for descendants of independence patriots. All participation fees and corporate sponsorship funds were used to improve the housing conditions of descendants of independence patriots.

Appreciation Event for Korean War Veterans

HS HYOSUNG USA

The **Advanced Materials Business** hosted an appreciation event for Korean War veterans and their families at the U.S. Army Materiel Command in Huntsville, Alabama. Now in its 13th year, the event welcomed approximately 200 participants, including around 20 Korean War veterans living in the southern United States, their family members, and local community representatives. During the event, key local officials participated in signing the Declaration Commemorating the 75th Anniversary of the Korean War. The Company will continue to carry out veteran support and community engagement activities in the regions where its global operations are located, thereby strengthening partnerships with local communities and promoting friendship between Korea and the United States.

Corporate Social Responsibility

Shared Planet

Joint Spring Clean-up Campaign in Seocho-gu

HS HYOSUNG

In partnership with the Seocho-gu Office, **HS HYOSUNG** carried out a spring environmental clean-up campaign in major areas of Seocho-gu, including the vicinity of Express Bus Terminal Station and the entrance to Banpo Hangang Park. Approximately 200 participants, including employees, environmental sanitation workers, local residents, and members of nearby merchant associations, took part in the campaign.

KRW 9 million of social value

Winter Feeding Program for Migratory Birds

HS HAMC

The **Advanced Materials Business** conducts regular biodiversity conservation activities in partnership with Gimhae City. These activities include providing food for wintering migratory birds, such as endangered White-naped Cranes and Whooper Swans, that visit the Hwapo-cheon Wetland. The business also rescues, rehabilitates, and releases vultures requiring protection due to food shortages during the winter season. Building on these efforts, the business plans to continue implementing a wide range of biodiversity conservation initiatives.

Yubu-Island Environmental Clean-up Activity

HS HAMC

The **Advanced Materials Business** conducted an environmental clean-up activity on Yubu-Island, a UNESCO World Natural Heritage site. Yubu-Island is an ecologically significant stopover for migratory birds along the East Asian-Australasian Flyway. As the spread of invasive species poses a threat to its native ecosystem, ongoing conservation efforts are essential. Approximately 50 participants, including employees, representatives from the National Institute of Ecology, the Seocheon Ecotourism Council, and local residents, took part in removing invasive plant species and collecting marine litter. The participants also installed shade covers to help prevent the spread of seeds and seedlings of highly reproductive invasive plants.

Creation of Pollinator Gardens

HS HAMC

The **Advanced Materials Business** has continued to carry out a variety of ecological conservation activities since signing a memorandum of understanding with the National Institute of Ecology in 2022 as part of its response to biodiversity loss caused by climate change. To help conserve habitats for pollinators, including bees, and protect endangered plant species, the business has established gardens featuring nectar-producing plants in Ulsan and Seocheon and continues to carry out planting activities for endangered wild plant species.

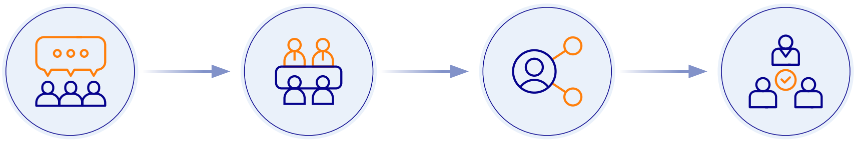
Community Engagement

Community Engagement Organization and Process

In accordance with its Stakeholder Engagement Principles, **HS HYOSUNG Group** identifies local communities surrounding its business sites as key stakeholders and maintains ongoing communication with the goal of building mutual trust and achieving shared growth. In particular, the **Advanced Materials Business**, which operates both research facilities and manufacturing sites, conducts an annual community impact assessment to identify and manage potential environmental, safety, and other impacts associated with its R&D and manufacturing activities. The business also gathers feedback from Local Community Councils through regular meetings with community consultative bodies and communication channels such as the Reporting Center. The assessment results are used to identify improvement initiatives and develop action plans. The implementation status of these initiatives is monitored on a regular basis to effectively manage the impacts of business activities on local communities.

Stakeholder Engagement Principles

Community Engagement Process



Social and Environmental Impact Assessment
- Collect feedback through regular meetings with Local Community Councils and the Reporting Center

Impact Risk Assessment
- Determine priorities by comprehensively considering both significance and likelihood

Development and Communication of Improvement Plans
- Develop detailed improvement plans based on the highest-priority impacts
- Share improvement plans with local communities, local residents, and public authorities

Monitoring and Effectiveness Assessment
- Monitor the implementation of improvement measures and assess their effectiveness
- Share the results with Local Community Councils

TRUSTED VALUE

HS HYOSUNG Highlights

Establishing a Responsible Management Framework

HS HYOSUNG Group has established a Board-led governance framework based on the principles of transparent and fair management. Through the Board of Directors and its committees, the Group reviews and oversees key management issues while strengthening management systems for responsible business practices, including ethics and compliance, information security, risk management, and shareholder rights protection.

In addition, the Group identifies, assesses, and manages potential risks through its Group-wide compliance and risk management framework while continuously strengthening internal controls and information security. Based on transparent disclosure and active communication with stakeholders, HS HYOSUNG Group strives to build trust through responsible corporate management and establish a foundation for sustainable growth underpinned by a sound governance structure.

Key Initiatives

- Strengthen the responsible management framework centered on the Board of Directors and the ESG Management Committee
- Establish Group-wide ethical standards and a compliance management system
- Strengthen information security, personal information protection, and access control systems
- Advance the integrated management and Board reporting framework for financial and non-financial risks
- Enhance the protection of shareholder rights and facilitate the exercise of voting rights

Key Achievements

- Established an integrated authentication system and introduced a new Groupware platform
- Established an enterprise-wide access control framework
- Expanded information security risk response activities
- Established the HS HYOSUNG Group compliance management system
- Enhanced reporting and audit processes
- Strengthened the foundation for shareholder engagement

Key Action Plans

- Strengthen the compliance training, audit, and follow-up management system
- Enhance access control and information security incident response capabilities
- Enhance the operational expertise of the Board of Directors and its committees
- Advance the integrated risk management system for financial and non-financial risks
- Review the shareholder return policy and strengthen communication with shareholders

Material Issue

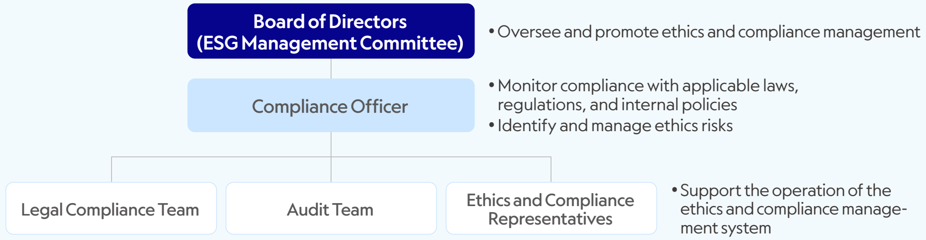
Compliance

Compliance Management Framework

Governance

HS HYOSUNG Group promotes ethical and compliant management under the oversight of the Board of Directors and the ESG Management Committee. The Board appoints a Compliance Officer responsible for the Group's ethics and compliance framework. The Compliance Officer works closely with ethics and compliance representatives in each department to monitor compliance with applicable laws, regulations, and internal policies. The Audit Team conducts internal audits to review key business processes and overall management activities while identifying and managing ethics and compliance risks. Based on this governance framework, HS HYOSUNG Group embeds the principles of ethics and legal compliance throughout its business operations.

Compliance Governance


Board of Directors (ESG Management Committee)
- Oversee and promote ethics and compliance management

Compliance Officer
- Monitor compliance with applicable laws, regulations, and internal policies
- Identify and manage ethics risks

Legal Compliance Team
Audit Team
Ethics and Compliance Representatives
- Support the operation of the ethics and compliance management system

Strategy and Policies

HS HYOSUNG Group has established the Compliance Control Standards to ensure compliance with the laws and regulations of the countries in which it operates and to promote fair and transparent business practices. The Standards set out the laws, regulations, and procedures that employees are required to follow in the course of their duties. In 2025, following approval by the Board of Directors, the Group newly established the Code of Ethics and Code of Ethics Practice Guidelines and the Anti-Corruption Policy. Together with the Compliance Control Standards, these documents serve as the foundation of the Group's compliance management system. The Code of Ethics consists of six principles that guide employees' decision-making and relationships with stakeholders, while the Code of Ethics Practice Guidelines provide detailed requirements for the implementation of each principle. The Group applies these standards to all employees worldwide to maintain consistent ethical standards throughout its business operations.

🔗 HS HYOSUNG Code of Ethics and Code of Ethics Practice Guidelines

🔗 HS HYOSUNG Anti-Corruption Policy

Six Principles of the Code of Ethics

Compliance with Laws and Regulations
The Company and its employees strictly comply with all applicable laws, regulations, and internal policies.

Maximizing Customer Value
We enhance customer satisfaction by developing innovative technologies and providing reliable products and services.

Maximizing Shareholder and Investor Value
We enhance management performance through continuous value creation and maximize returns for shareholders and investors.

Strengthening Shared Growth with Business Partners
We build trust with our business partners through transparent and fair business practices.

Enhancing Social Value
We fulfill our social responsibilities and pursue sustainable growth in cooperation with local communities.

Pursuing the Happiness of the HS HYOSUNG Members
We pursue the happiness of the HS HYOSUNG members by fostering an organizational culture that shares the Company's vision while promoting respect and open communication.

CEO Declaration on Ethical Management

HS HYOSUNG HS HAMC HIS

HS HYOSUNG and **HS HAMC** participated in the 22nd Korea Ethical Management CEO Pledge Ceremony, where their CEOs publicly declared their respective commitments to ESG-based ethical management. Under the theme 'Ethical Competitiveness Creates Shared Value,' the event provided an opportunity to reaffirm their commitment to strengthening corporate social responsibility and establishing a transparent and fair management system.

In addition, **HS HYOSUNG**, **HS HAMC**, and **HIS** jointly participated in the 23rd Korea Ethical Management CEO Pledge Ceremony, reaffirming the Group's commitment to ethical management. Based on the CEO pledge, HS HYOSUNG Group will continue to prioritize ethical standards in key management decisions and business operations while continuously enhancing and implementing systems and training programs to embed ethical management into its corporate culture.

Compliance Risk Management

Risk Management

HS HYOSUNG Group operates a three-step compliance risk management process consisting of Prevention - Identification - Management. During the Prevention stage, the Group provides ethics and compliance training for employees and requires them to sign a Code of Ethics Compliance Pledge, helping them understand and comply with the Code of Ethics and internal policies. During the Identification stage, potential compliance risks are identified through reporting channels, internal audits, and ongoing monitoring activities. During the Management stage, the Group analyzes the root causes of identified risks, establishes and implements measures to prevent recurrence, and monitors the implementation of these measures to ensure the effectiveness of compliance risk management.

Compliance Risk Management Process

1. Prevention
- Code of Ethics Compliance Pledge
- Ethics and Compliance Training

2. Identification
- Operation of Reporting Channels
- Internal Audits (Regular and Special Audits)

3. Management
- Disciplinary Actions and Monitoring

1. Prevention Code of Ethics Compliance Pledge

When new employees join the Company, **HS HYOSUNG Group** introduces its ethical management philosophy, the Code of Ethics, and the Code of Ethics Practice Guidelines, and requires them to sign a Code of Ethics Compliance Pledge confirming that they understand and will comply with these standards. In addition, new employees are required to sign a Pledge on the Prohibition of Improper Solicitation and the Acceptance or Provision of Improper Benefits, ensuring that applicable laws, regulations, and the Company's internal standards are clearly communicated from the beginning of their employment.

2025 Code of Ethics Compliance Pledge Signing Rate

100%

※ Based on new hires

Material Issue

Compliance

Compliance Risk Management

1. Prevention | Ethics and Compliance Training for Employees

HS HYOSUNG Group provides annual ethics and compliance training for all employees, covering topics such as ethics, anti-corruption, and fair trade. In 2025, the Group conducted Fair Trade training to strengthen employees' understanding of the Monopoly Regulation and Fair Trade Act (MRFTA) and internal policies. Separate role-based compliance training was also provided for key decision-makers, including executives and team leaders. In addition, practical training focused on preventing fair trade and ethics violations was provided to departments with frequent interactions with external stakeholders, including procurement, HR, quality assurance, and general affairs, to enhance the effectiveness of compliance training.

2025 Key Ethics and Compliance Training Results

Category	Training Program	Training Participants	Completion Rate
HS HYOSUNG	Compliance and Fair Trade	All Employees	81.3%
	International Trade	Team Leaders / Department Heads	71.2%
	Fair Transactions in Subcontracting Act and Monopoly Regulation and Fair Trade Act	Relevant Departments (Procurement, General Affairs, etc.)	100%
	Compliance Training for Executives	Executives	100%
HS HAMC	Compliance and Fair Trade Training	All Employees	84.7%
	Fair Transactions in Subcontracting Act Training: Scope of Application and Key Regulatory Requirements	Global Sourcing Procurement Team	100%
	Strategic Goods Control Training	Relevant Departments	100%
	Compliance Training for Executives	Executives	100%
HIS	Compliance Management Training for Executives	Executives	100%

CASE STUDY **HS HYOSUNG Group Provides Role-based Ethics and Compliance Training**

The **AI/Data Solutions Business** provides regular compliance training led by external legal experts to reduce compliance risks among sales employees who frequently interact with customers. In 2025, the program was expanded into a Group-wide training course. The training covered practical topics for sales employees, including key considerations when entering into customer contracts and case studies involving misconduct such as improper solicitation and the acceptance of improper benefits. New employees also received training on the procedures for using the corporate seal and appropriate responses to potential legal disputes.

In addition, **HS HYOSUNG Group** provides separate compliance training for executives, emphasizing their responsibilities and the ethical standards required in the decision-making process. The Group also delivers ethics and compliance training for all employees using case studies involving violations such as employee embezzlement, thereby strengthening ethical awareness across different job functions and organizational levels.

2. Identification | Operation of Reporting and Whistleblowing Channels

To eliminate unfair practices and foster a fair business environment, **HS HYOSUNG Group** operates reporting channels for employees and all stakeholders, including customers, business partners, and local communities. Reports requiring investigation—such as violations of the Code of Ethics, applicable laws and regulations, internal policies, or unfair business practices—may be submitted through the Company's website Reporting Center, by telephone, fax, or in person. Reports on improper benefits, improper solicitation, unfair transactions, and other misconduct are investigated by the audit organization, which verifies the facts and takes appropriate follow-up actions. The progress and outcome of each case are shared with the reporter. All procedures are operated anonymously to protect whistleblowers and maintain strict confidentiality.

Reporting Process and Whistleblower Protection Principles

Reportable Matters

- Violation Code of Ethics and applicable laws and regulations
- Corruption, improper solicitation, and the offering or acceptance of improper benefits and entertainment
- Transaction-related complaints and violations of fair trade regulations
- Business partner grievances
- Unauthorized disclosure of confidential Company information
- Illegal or improper use of Company assets
- Employee grievances
- Child labor, forced labor, and human rights violations
- Workplace harassment and abuse of authority
- Violations of information security and personal information protection
- Falsification of documents, records, or reports
- Other illegal or improper conduct

Reporting Process

1. Receipt	2. Review	3. Investigation	4. Closure
• Website, telephone, email, mail, in-person reporting, or the Reporting Center	• Review the credibility and validity of the report • Determine the investigating body based on the severity of the matter	• Secure objective evidence and implement appropriate actions • Review the investigation results and report them for approval	• Provide feedback on the investigation results • Take disciplinary action where disciplinary grounds are confirmed

Whistleblower Protection Principles

- Confidentiality: Prohibit the disclosure or implication of a whistleblower's identity without the whistleblower's consent.
- Protection Against Retaliation: Prohibit any form of disadvantage or discrimination, including disciplinary action, against individuals for making a report, providing a statement, or submitting evidence.
- Reduction or Waiver of Disciplinary Action: Where a whistleblower voluntarily reports their own negligence or misconduct, disciplinary action may be reduced or waived.

→ 2025 No. of Reports and Resolution Rate

2. Identification | Risk Identification Through Audits

HS HYOSUNG Group conducts regular and special audits led by the Audit Team in accordance with internal regulations. Regular audits cover key compliance risks, including improper benefits, embezzlement, violations of the Monopoly Regulation and Fair Trade Act, document falsification, and workplace harassment. Special audits verify facts and implement follow-up actions when violations of internal regulations or significant risks are identified.

Audits cover all business sites, including overseas subsidiaries and affiliates, as well as key functions such as ethics and anti-corruption, production and quality, procurement, and accounting. Throughout the audit process, HS HYOSUNG Group protects the identities of both audit subjects and whistleblowers, and uses audit results to strengthen internal controls and prevent recurrence. In 2025, the scope of ethics audits, which had previously focused primarily on the Advanced Materials Business, was expanded to include the AI/Data Solutions Business, covering 18% of the Group's global business sites. Going forward, the Group plans to expand its compliance risk management activities to the SCM Solutions and Mobility Businesses.

Material Issue Compliance

Compliance Risk Management

3. Management Actions for Violations of the Code of Ethics

HS HYOSUNG Group investigates alleged violations of the Code of Ethics identified through its reporting channels, internal audits, and monitoring activities, and takes appropriate actions in accordance with applicable regulations. All reports and alleged violations are reviewed by the responsible organization to determine whether disciplinary action should be taken. Where necessary, the opinions of relevant departments, including Human Resources and Legal, are also considered. The level of disciplinary action is determined by the Disciplinary Committee based on a comprehensive review of factors such as the type of violation, intent, recurrence, the impact on the Company and its stakeholders, and whether applicable laws and regulations have been violated. For serious violations, the Group reviews whether the matter should be reported to external authorities or referred to investigative agencies in accordance with applicable laws and internal policies.

2025 Code of Ethics Violations and Disciplinary Actions

Category	HS HYOSUNG and Subsidiaries[1]		HS HAMC		HIS	
	No. of Violations	No. of Employees Subject to Disciplinary Action[2]	No. of Violations	No. of Employees Subject to Disciplinary Action[2]	No. of Violations	No. of Employees Subject to Disciplinary Action[2]
Discrimination, Workplace Harassment, or Sexual Harassment	-	-	-	-	-	-
Corruption or Bribery	-	-	1	2	-	-
Conflict of Interest	-	-	-	-	-	-
Money Laundering or Insider Trading	-	-	-	-	-	-
Falsification of Supporting Documents	-	-	-	-	-	-
Information Leakage (Customer Personal Information)	-	-	-	-	-	-
Others[3]	-	-	-	-	1	1

1) Includes HS HYOSUNG and its subsidiaries (HS HYOSUNG TOYOTA, HS HYOSUNG Vina and HS HYOSUNG USA).
2) Refers to the No. of employees subject to disciplinary actions including reprimand, salary reduction, and dismissal. Written warnings are excluded.
3) Includes violations related to laws and self-regulatory standards governing marketing communications, product and service information and labeling management, conflicts of interest, and insider transactions.

3. Management Follow-up Management and Monitoring

HS HYOSUNG Group operates a follow-up management system to prevent the recurrence of the same or similar violations after corrective actions for Code of Ethics violations have been completed. For cases in which disciplinary actions or corrective measures have been finalized, key findings and lessons learned are summarized and incorporated into employee training, internal communications, and ethics and compliance training materials to the extent permitted by applicable laws and internal policies. During this process, personally identifiable and sensitive information is excluded to protect the identities of whistleblowers and other related parties. The Group also analyzes the root causes of violations and establishes preventive measures, including business process improvements, enhancements to internal controls, and revisions to policies and guidelines. These corrective actions are incorporated into regular internal audits and monitoring plans to verify implementation, while any outstanding issues are managed as additional improvement initiatives.

Fair Trade

Fair Trade Compliance System

HS HYOSUNG Group has established and operates Fair Trade Compliance Standards and internal guidelines to ensure compliance with the Monopoly Regulation and Fair Trade Act and other applicable laws and regulations. The Group defines required procedures and prohibited practices for key business activities, including contract execution, bidding, and transactions with business partners, and provides fair trade training for employees. Training is tailored to employees' job functions and organizational levels and is delivered through both online and instructor-led programs. It uses practical case studies to explain key compliance requirements, including the prohibition of collusion, unfair trade practices, and the improper exchange of information. In addition, HS HYOSUNG Group verifies compliance with fair trade requirements through internal audits and periodic inspections, and uses the results to improve its policies and business processes.

Internal Control over Financial Reporting

HS HYOSUNG Group operates an Internal Control over Financial Reporting (ICFR) system to ensure the reliability of its financial statements and compliance with applicable laws and regulations. The Board of Directors is responsible for overseeing the ICFR system, while the Chief Executive Officer is responsible for its design, implementation, and operation. The audit organization evaluates the adequacy and effectiveness of the system and monitors its operation. The Group identifies risks across key financial and accounting processes, documents related control activities, and conducts a self-assessment of the design and operating effectiveness of internal controls at least once a year. The assessment results and areas requiring improvement are reported to management and the audit organization. The Group also continuously reviews the effectiveness of its internal controls in coordination with external auditors.

Antitrust Penalties Paid in Korea

Category	Unit	2024	2025
Total Amount of Fines	KRW Mil.	0	0
Ratio to Revenue	%	0	0

Compliance with the Fair Transactions in Subcontracting Act

HS HYOSUNG

HS HYOSUNG Group is committed to complying with the Fair Transactions in Subcontracting Act and establishing a fair and transparent business environment. The Group makes timely and appropriate payments to its key business partners, including freight forwarders, truck drivers, and warehouse operators. It also prohibits unfair interference in the management of subcontractors and any requests for improper economic benefits.

Information Security

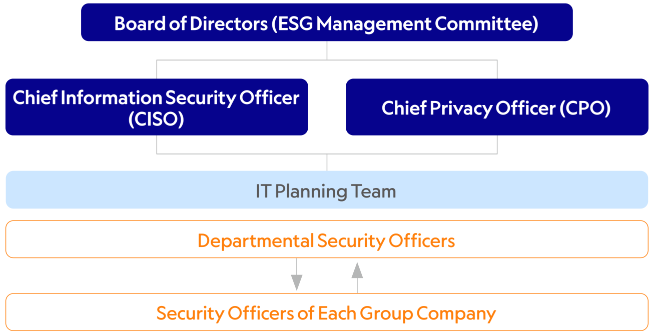
Information Security Management Framework

Governance

HS HYOSUNG Group operates an information security and personal information protection management system to ensure compliance with applicable laws, regulations, and internal standards. The Chief Information Security Officer (CISO) oversees the Group's information security activities and monitors the prevention of and response to information security incidents. The CISO also participates in global security councils to stay informed of the latest security issues and response strategies, while promoting continuous improvements in the Group's information security capabilities.

The Chief Privacy Officer (CPO) monitors risks that may arise throughout the personal information processing lifecycle and ensures that roles and responsibilities related to personal information protection are clearly defined and properly carried out. The CISO and CPO report major information security and personal information protection matters, operational status, risks, and improvement plans to the ESG Management Committee. When necessary, they also submit agenda items for review and decision-making.

Information Security Governance



Policies and Guidelines

HS HYOSUNG Group has established and operates an Information Security Policy framework to protect critical information assets, including personal information and to ensure their secure use. Following the establishment of the holding company in July 2024, the Group newly established information security regulations that clearly define roles and responsibilities for information security and personal information protection, as well as key management and monitoring procedures. Based on these regulations, the Group regularly reviews the information security practices of its affiliated companies and continuously enhances its Group-wide information security management system by incorporating improvements to its security policies and procedures where necessary.

→ HS HYOSUNG Information Security Policy

Information Security Policy Framework

Security Management	Security Risk	Security Rewards and Disciplinary Actions
• Personnel Security • Physical Security • Business Continuity • Security Incident Response • Personal Information Protection	• Information Asset Management • Information Security Compliance Monitoring • IT Infrastructure Security Management	• Procedures and Criteria for Security-related Rewards and Disciplinary Actions • Levels of Security-related Rewards and Disciplinary Actions

Privacy & Information Processing Policy

HS HYOSUNG Group collects, uses, and provides personal information based on applicable laws and regulations or with the consent of data subjects. Each Group company discloses its Privacy & Information Processing Policy on its corporate website. The Privacy & Information Processing Policy specifies key information regarding the processing of personal information, including the types of personal information collected, the purposes of collection and use, the retention and use period, third-party disclosures, and outsourced processing arrangements. The Group also provides procedures and contact channels through which data subjects may exercise their rights, including the right to access, correct, delete, or request the suspension of the processing of their personal information, thereby ensuring transparency in the handling of personal information. In 2025, there were no confirmed incidents involving information leakage, theft, or loss.

→ HS HYOSUNG Privacy & Information Processing Policy
→ HIS Privacy & Information Processing Policy
→ HS HYOSUNG TOYOTA Privacy & Information Processing Policy
→ HS HAMC Privacy & Information Processing Policy

HS HYOSUNG Privacy & Information Processing Policy

Collection

HS HYOSUNG collects only the minimum amount of personal information necessary to provide its services.

- Reporting Center Registration - Personal information is collected when users submit opinions, grievances, or reports through the Reporting Center using their real names.
- Website Use - Information generated automatically during a user's visit to the HS HYOSUNG website is collected.

Use

HS HYOSUNG uses personal information only for the purposes communicated to users in advance.

- Service Provision - User identification, response to user inquiries, email communications, reporting of misconduct and corruption, handling of complaints, and newsletter distribution.
- Service Improvement - Stable operation and continuous improvement of service quality through analysis of website traffic and service usage statistics.

Provision

HS HYOSUNG provides personal information only for the purposes to which users have given prior consent.

- Outsourcing of Personal Information Processing - Certain website management functions are outsourced to external service providers to ensure convenient and efficient service delivery.
- Provision to Third Parties - HS HYOSUNG does not currently provide personal information to third parties. If such provision becomes necessary in the future, the Company will obtain user consent and comply with all applicable procedures in accordance with applicable laws and regulations.[1]

Destruction

HS HYOSUNG securely destroys personal information when it is no longer required.

- Timing of Destruction - Personal information is destroyed when the applicable retention period expires or when the purpose of processing has been fulfilled and the information is no longer necessary.
- Method of Destruction - Personal information stored in electronic files is permanently destroyed using technical methods that prevent recovery. Personal information stored in paper documents is destroyed by shredding or incineration.

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[1] However, personal information may be provided without the user's consent where disclosure is required under applicable laws and regulations.

Information Security

Information Security Risk Management

Simulated Phishing Email Response Training

HS HYOSUNG Group conducts simulated phishing email response training for all employees as part of its annual information security risk management plan. The training uses scenarios based on actual email-based cyberattacks, including phishing and spear phishing, to assess employee responses such as opening emails, clicking on attachments or links, and reporting suspicious emails. Employees are also instructed on the basic response procedures for suspicious emails, including verifying the sender, domain, and email content, and reporting suspected phishing emails to the information security team. Training results are analyzed by department to evaluate participation and response performance, and the findings are shared across the Group. Response guidelines and training materials incorporating key case examples are also distributed to employees. In 2025, the Group conducted two simulated phishing exercises. The rate of risky behavior during the exercises improved slightly, declining from 9% in the first exercise to 8% in the second. The Group will continue to strengthen employees' security awareness and incident response capabilities by enhancing training scenarios and analyzing training results.

Establishment of a Security Incident Response Process

To enable a rapid response to Group-wide information security incidents, **HS HYOSUNG Group** operates a Computer Emergency Response Team (CERT) in cooperation with external cybersecurity specialists and maintains an emergency response contact network. The Group has also established common security incident response standards that classify security incidents into eight categories. Led by the CISO, the Group operates a structured response process covering every stage from incident detection and threat assessment to incident recovery and recurrence prevention.

Security Incident Response Process

1. Continuous Monitoring and Incident Detection
2. Incident Identification and Threat Level Assessment
3. Formation of the Response Team and Emergency Actions
4. Reporting on the Incident and Recovery Results
5. Vulnerability Assessment and Recurrence Prevention Training

Enhancement of the PC Security System

HS HYOSUNG Group enhanced its PC security system based on abnormal activities and security vulnerabilities identified during the operation of its existing endpoint protection system. The Group strengthened its security environment to enable early detection of and rapid response to cyber threats, including malware and ransomware. It also enhanced its security control standards to reduce variations in security levels across the Group and improve operational efficiency.

CASE STUDY **HIS Operates a Dedicated Information Security Incident Response Process Tailored to Its Business Characteristics**

Considering the nature of its business, which involves processing large volumes of data, the **AI/Data Solutions Business** has established and operates a dedicated information security incident response process in addition to the Group-wide information security incident response framework. The business has defined security incident types that may affect business operations, including information asset breaches and service disruptions, and has established corresponding response and reporting procedures.
Security incidents are classified into four severity levels—Critical (Red), High (Orange), Medium (Yellow), and Low (Blue). When an incident occurs, it is managed through a structured response process covering identification and classification, reporting, analysis and response, and post-incident follow-up. Through this consistent response framework, the business aims to minimize internal and external security risks to its information assets while ensuring the stability and continuity of its business operations.

Information Security Activities

Information Security Investment

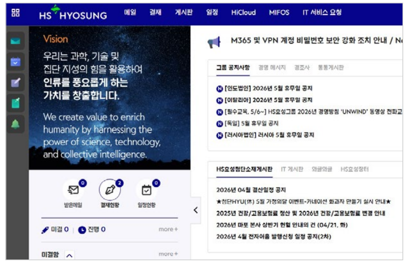
HS HYOSUNG Group manages information related to its information security investments, workforce, and key activities to strengthen its information security management system. The Group enhanced the security of business communications and document management by introducing a new groupware system. It is also reviewing the implementation of an Entra ID-based identity and access management system for employees at overseas subsidiaries and affiliates to further protect its information assets. HS HYOSUNG Group will continue to review its information security investment priorities and budget based on changes in the business environment and the evolving cyber threat landscape, while expanding investment in areas with the greatest security needs.

Information Security Investment Performance (based on HS HYOSUNG)

KRW **1,680** million

Introduction of a New Groupware System

HS HYOSUNG Group strengthened enterprise-wide access control for its information assets by introducing a new groupware system (HUB) and an integrated authentication system based on Active Directory (AD) and Microsoft 365 (M365). By implementing a centralized identity management system, the Group consistently manages user access privileges and standardizes its collaboration environment. These measures help mitigate the risk of unauthorized external access and information leakage during the use of business services.



우리는 과학, 기술 및
집단 지성의 힘을 활용하여
인류를 풍요롭게 하는
가치를 창출합니다.

We create value to enrich humanity by harnessing the power of science, technology, and collective intelligence.

M365 및 VPN 계정 비밀번호 보안 강화 조치 안내 / N

[인도법인] 2026년 5월 휴무일 공지
[이탈리아] 2026년 5월 휴무일 공지
[필수교육, 5/6~] HS효성그룹 2026년 경영방침 'UNWIND' 동영상 전파교
[독일] 5월 휴무일 공지
[러시아법인] 러시아 5월 휴무일 공지

2026년 04월 결산일정 공지
★첨단HYU(株) 5월 가정의달 이벤트-카네이션 화과자 만들기 실시 안내★
2025년 건강/고용보험료 정산 및 2026년 건강/고용보험료 변경 안내
2026년 마포 본사 상반기 헌혈 안내의 건 (04/21. 화)
2026년 4월 전자어음 발행신청 일정 공지(2차)

HS HYOSUNG HUB

Information Security

Information Security Activities

Protecting Customer Information Through Account Control and Personal Information Liability Mutual Aid Coverage

HS HYOSUNG

The **SCM Solutions Business** strengthens information security and personal information protection in consideration of the nature of its logistics business, where information is shared with numerous customers and business partners. The business regularly updates its subcontractor list to clearly define the scope of security management. Customer personal information managed through the SAP system is protected by automatically locking user accounts that have remained inactive for a specified period, thereby preventing unauthorized access. In addition, the business maintains Personal Information Liability Insurance to prepare for potential damages resulting from the leakage, loss, theft, falsification, alteration, or damage of customer information. This provides a foundation for responding effectively to customer losses and business risks in the event of a personal information incident.

Strengthening Information Protection Through Dedicated Servers

HIS

In the **AI/Data Solutions Business**, dedicated servers are established and operated separately from the Group's shared systems while complying with HS HYOSUNG Group's information security policies, taking into account the specific requirements of the business. As the business manages a wide range of customer and service data in the course of providing IT services, it maintains a dedicated security environment to protect its information assets. These dedicated servers are operated separately from externally exposed systems, and access is restricted to authorized personnel who meet predefined requirements through account and permission management. Through these measures, the business strengthens access control over customer data and other critical information assets.

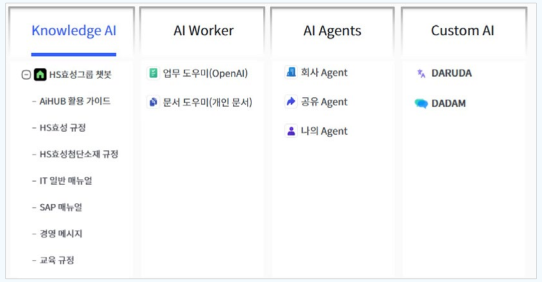
Protection of Customer Personal Information in the Mobility Business

HS HYOSUNG TOYOTA

The **Mobility Business** manages customers' personal information handled during vehicle sales, test drives, maintenance, and other services in accordance with applicable laws, regulations, and internal standards. Only the minimum personal information required to provide services is collected, and customers are informed in advance of the purpose of collection and the retention period before their consent is obtained. System access is granted only to personnel with a legitimate business need, while ID and password management and access log monitoring are implemented to prevent unauthorized use. Personal information stored in electronic form is encrypted and transmitted in compliance with established security standards. Personal information whose retention period has expired is securely destroyed in accordance with internal procedures. The business also provides personal information protection training for employees to strengthen awareness and maintain a high standard of personal information management.

Enhancing Work Efficiency and Information Security Through the Adoption of the In-house Generative AI Platform (AiHUB)

As the use of generative AI continues to expand, **HS HYOSUNG Group** has established and operates AiHUB, its in-house generative AI platform, to manage the risk of company and customer information being externally disclosed through the use of publicly available AI services. When employees perform tasks such as document drafting, translation, preparing meeting minutes, document search, and analysis, they are instructed to use AiHUB, which incorporates internal authentication and access controls, instead of external generative AI services in line with the Group's information security policy. User guidelines and security precautions are also provided through the Company's internal systems. AiHUB is an integrated platform that combines the Group's internal data with generative AI technologies. Through intranet-based access, account and permission management, and usage history monitoring, the platform ensures that information is used only within the scope of legitimate business needs while preventing the external disclosure of sensitive information. The Group provides training on AiHUB's functions and security requirements to employees in key departments and conducts pilot projects based on actual business tasks to promote the adoption of best practices across the organization. In addition, HS HYOSUNG Group regularly reviews the platform's operational status and information security issues, incorporating improvement measures as needed. Through these efforts, the Group mitigates information security risks associated with the adoption of generative AI while establishing a secure AI environment that complies with Group-wide security standards.



HS HYOSUNG Group Generative AI Platform, AiHUB

Key Features of AiHUB

Knowledge AI	AI Worker	AI Agent	Custom AI
Search and Summarization of Internal Documents and Knowledge	Document Drafting, Translation, External Information Search, Image Generation, and Q&A for Personal Documents	Creation and Operation of AI Chatbots for Repetitive Tasks	Automatic Generation of Meeting Minutes and Document Translation Support

Information Security

Business Continuity Management

IT Service Business Continuity Management System

HIS

The **AI/Data Solutions Business** operates a business continuity management system in accordance with its Business Continuity Operating Standards to minimize disruptions to critical IT operations in the event of incidents or system failures. The business has established and implements a Business Continuity Plan (BCP) covering the backup of critical systems and data, response procedures for system failures, and emergency response measures. Through these efforts, the business aims to restore services quickly and resume business operations in a stable manner following an incident.

Business Continuity Measures

Business Continuity Exercises	• Define the roles, responsibilities, and authorities of each responsible employee based on anticipated disaster scenarios. • Verify the effectiveness of the IT Business Continuity Plan through regular simulation exercises based on predefined scenarios and incorporate identified improvements.
Backup and Storage	• Perform regular backups of critical information systems. • Store backup media in multiple secure locations, including fire-resistant safes.
System Failure Response	• Establish response procedures, define the response organization, and specify recovery criteria and response standards. • Maintain an emergency contact network for incident reporting and communication. • Establish and operate emergency response measures to ensure the continued operation of facilities and the rapid restoration of normal operations during emergencies. • Conduct regular drills to verify the effectiveness of response measures.

CASE STUDY **HIS Establishes an Integrated Backup and Recovery System to Strengthen AI-based Cyber Resilience**

Based on its cybersecurity and data recovery solution partnership with Hitachi Vantara, a jointly controlled company, the **AI/Data Solutions Business** has introduced an AI-based cyber resilience solution. The solution combines an AI-based data integrity analysis tool with enterprise-grade hybrid cloud infrastructure to support data recovery using immutable snapshots in the event of a cyberattack. This enables the identification and restoration of clean data from a normal point in time, reducing business downtime and strengthening business continuity. The ransomware response framework integrates AI-based data corruption detection, data immutability, and clean data recovery procedures. In addition, detection and recovery performance is managed in accordance with predefined Service Level Agreements (SLAs), while automated validation processes help reduce the risk of reinfection.

Support for Fire Incident Recovery at the National Information Resources Service

Following a fire at the National Information Resources Service (NIRS) data center that disrupted certain public services, **HIS** deployed specialized personnel and equipment to support the rapid recovery of its equipment installed at the center/facility. Immediately after the incident, the Company established an internal control tower and worked closely with the relevant authorities and customers to prioritize recovery activities. Technical support was provided in stages, including system inspections, component replacement, and data recovery. In recognition of its contribution to the stable restoration of critical public services, the Company received letters of appreciation from the relevant organizations. Based on this experience, HIS has reviewed its disaster response and recovery support processes and is implementing initiatives to shorten response times and clarify recovery procedures for future incidents.

Key Incident Response Highlights

Control Tower and Dedicated Response Structure

① Dedicated Project Manager and Engineers
- Deploy dedicated personnel with a thorough understanding of the technical environment and system architecture to provide a single communication channel.
- Serve as the central control tower for overall incident management, enabling faster decision-making.

② Company-wide Response System
- Activate a company-wide collaboration framework, including second-line technical support organizations, rather than relying on a single team, to ensure uninterrupted technical support and parts supply.

Parts Supply and On-site Recovery Capabilities

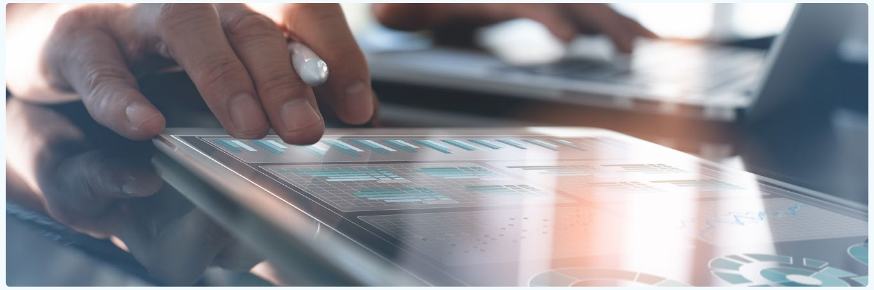
① Pre-positioning of Equipment
- Pre-position critical components and high-end storage systems required for storage recovery at the disaster site to enable immediate replacement and recovery.

② Real-time Technical Support
- Respond promptly to on-site conditions without delays in parts supply, minimizing recovery time and supporting the rapid restoration of business operations.

Data Protection-focused Recovery Strategy

① Protection of Critical Equipment
- Strictly control the handling of sensitive components, such as disk drives, to ensure that cleaning contractors cannot access or manipulate them without the supervision of vendor specialists.

② Hardware Stability Design
- Use nickel-metal hydride (NiMH) batteries to minimize the risk of equipment self-ignition while enhancing overall hardware stability.



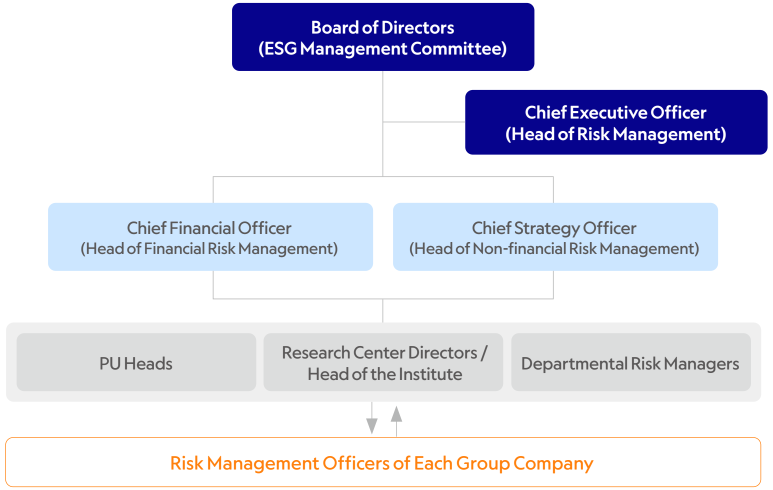
Risk Management

Risk Management Framework

Governance

HS HYOSUNG Group operates a risk management governance framework centered on the ESG Management Committee under the Board of Directors. The Chief Executive Officer, as the head of risk management, oversees the integrated management of both financial and non-financial risks. The Chief Financial Officer is responsible for financial risks, while the Chief Strategy Officer is responsible for non-financial risks. PU Heads, Research Center Directors, R&D Institute Heads, and departmental risk managers identify and assess risks relevant to their respective business operations and report significant issues to the ESG Management Committee and senior management. In addition, HS HYOSUNG Group shares information among the risk management governance systems established by each Group company and coordinates necessary actions, enabling the integrated management of financial and non-financial risks across the Group.

Risk Management Governance



Board of Directors
(ESG Management Committee)

Chief Executive Officer
(Head of Risk Management)

Chief Financial Officer
(Head of Financial Risk Management)

Chief Strategy Officer
(Head of Non-financial Risk Management)

PU Heads

Research Center Directors /
Head of the Institute

Departmental Risk Managers

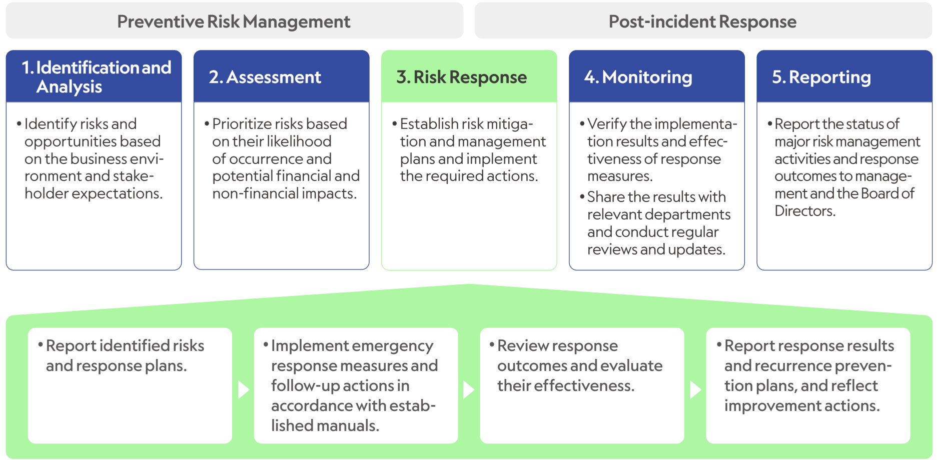
Risk Management Officers of Each Group Company

Operation of the Risk Management Process

HS HYOSUNG Group operates a risk management process that addresses both preventive risk management and post-incident response. During the preventive management stage, each department continuously monitors potential risks based on its business environment and operational characteristics. Risks are assessed according to their likelihood of occurrence and their potential financial and non-financial impacts. For risks classified as significant, the Group designates a responsible department and establishes response plans that include response objectives, implementation schedules, required resources, and communication procedures.

During the post-incident response stage, when a risk materializes, the Group carries out necessary actions, including emergency response, assessment of the extent of impact, and restoration of normal operations. Once the incident has been resolved, the Group analyzes its root causes, identifies improvement initiatives, and establishes measures to prevent recurrence. The response measures and implementation results are shared with relevant departments, and the risk management process is regularly reviewed and enhanced to improve the effectiveness of both preventive and post-incident management activities.

Risk Management Process



Preventive Risk Management

Post-incident Response

1. Identification and Analysis
- Identify risks and opportunities based on the business environment and stakeholder expectations.

2. Assessment
- Prioritize risks based on their likelihood of occurrence and potential financial and non-financial impacts.

3. Risk Response
- Establish risk mitigation and management plans and implement the required actions.

4. Monitoring
- Verify the implementation results and effectiveness of response measures.
- Share the results with relevant departments and conduct regular reviews and updates.

5. Reporting
- Report the status of major risk management activities and response outcomes to management and the Board of Directors.

- Report identified risks and response plans.
- Implement emergency response measures and follow-up actions in accordance with established manuals.
- Review response outcomes and evaluate their effectiveness.
- Report response results and recurrence prevention plans, and reflect improvement actions.

Integrated Risk Reporting to the Board of Directors

HS HYOSUNG Group operates an integrated reporting system that manages financial and non-financial risks and reports major risks and response activities to the Board of Directors and the ESG Management Committee. Risks identified and assessed by each department are consolidated and analyzed at the enterprise level. Through management review, key risks and corresponding response measures are identified and refined. Significant risks and major response initiatives are reviewed and approved by the ESG Management Committee under the Board of Directors, and key resolutions are subsequently reported to the Board. The outcomes of the reviews conducted by the Board and the ESG Management Committee are shared with relevant departments and subsidiaries, and affiliates, and incorporated into action plans and business processes.

Major Board Reporting Items Related to Integrated Risk Management in 2025

Session	Meeting Date	Agenda	Related Risk Category
1	February 4, 2025	2024 Group Employee Opinion Survey Results and Follow-up Actions	Human Rights Risk
		Appointment of the Compliance Officer	Compliance Risk
		Report on the Evaluation of the Operation of the Internal Control over Financial Reporting (ICFR) System	Market Risk
		Report on Amendments to the Audit Committee Charter	Compliance Risk
		Report on Changes to Accounting Policies	Financial Risk
2	May 1, 2025	Approval of the HS HYOSUNG Group Code of Ethics and Code of Ethics Practice Guidelines	Compliance Risk
		Report on HS HYOSUNG Group's 2025 Social Contribution Plan	ESG and Reputational Risk
3	July 30, 2025	Report on the Evaluation of the Operating Status of the Internal Control over Financial Reporting System	Market Risk

Risk Management

Risk Assessment and Response

Financial Risks

Key Risks	Description	Response
Market Risk	• Risk associated with financial factors such as exchange rates, stock prices, and interest rates	• Minimize foreign exchange exposure by matching functional currencies with settlement currencies for trade transactions, deposits, and borrowings. • When foreign exchange exposure arises, manage risks in accordance with established risk management principles, policies, and procedures covering risk definition, measurement frequency, governance, hedging period, and hedge ratio. • Establish and operate policies to minimize uncertainty and financing costs resulting from interest rate fluctuations. • Measure, analyze, and manage financial risks, including hedging activities, through dedicated treasury and trade finance specialists. • Operate the Internal Control over Financial Reporting (ICFR) system.
Credit Risk	• Risk arising when customers or counterparties fail to fulfill their contractual obligations	• Conduct periodic credit assessments of customers and counterparties based on their financial condition, transaction history, and other relevant factors. • Establish and manage credit limits for customers and counterparties.
Liquidity Risk	• Risk of financial loss resulting from unexpected deterioration in liquidity	• Proactively manage liquidity risk through regular forecasting of future cash flows. • Secure adequate liquidity to meet emergency funding needs. • Maintain trade finance facilities and committed bank credit lines available for withdrawal.

Non-financial Risks (Business Continuity)

Key Risks	Description	Response
Supply Chain Risk	• Risk of product delivery delays caused by disruptions in raw material supply and reduced production continuity	• Conduct ESG assessments of new business partners, including raw material business partners. • Monitor key raw material supply chains and identify alternative business partners. • Strengthen supply chain ESG capabilities through consulting, equipment support, and quality and technical assistance.
Disaster and Safety Risk	• Business operational risks resulting from disasters such as earthquakes and fires or workplace safety incidents	• Operate a Group-wide occupational safety and health governance framework and establish related policies and guidelines. • Prevent property damage and personal injury through regular occupational safety, health, and fire safety inspections. • Identify potential hazards through risk assessments and implement corrective actions. • Provide role-specific safety training, including safe production training, fire safety training for new employees, and supervisory training for managers. • Establish a reporting system to enable prompt incident response.
Customer Safety Risk	• Health, safety, and quality risks arising from heavy metals or hazardous substance releases during product use	• Conduct product hazard and exposure assessments. • Enhance product reliability by advancing quality assurance and response processes.
Environmental Risk	• Risk of legal sanctions and penalties resulting from inadequate compliance with environmental regulations related to GHG emissions and hazardous substances	• Operate an environmental management governance framework and establish related policies and guidelines. • Establish phased plans to reduce hazardous chemicals. • Conduct regular inspections of pollutant emissions and expand the installation of pollution control facilities.

Non-financial Risks (Management)

Key Risks	Description	Response
Climate Change Risk	• Risk associated with business transformation to address emissions regulations and physical climate risks.	• Establish a Group-wide GHG inventory and monitor emissions. • Establish and implement GHG reduction roadmaps for each Group company. • Expand the use of renewable energy and implement energy efficiency improvement initiatives. • Strengthen climate-related capabilities through participation in climate change initiatives.
Quality Management Risk	• Risk that may affect the stable supply of products and services.	• Operate product and service quality standards and management procedures. • Maintain consistent operating processes through standardized service procedures and internal training. • Identify improvement initiatives by analyzing customer complaints and quality issues. • Review quality and operational risks before introducing new services.
Human Rights Risk	• Human rights risks affecting stakeholders, including employees, business partners, and customers.	• Conduct regular human rights impact assessments, implement corrective actions, and monitor progress. • Establish and distribute the Human Rights Policy and Human Rights Management Principles. • Operate the Reporting Center to address stakeholder grievances. • Provide regular human rights training for all employees.
Information Security Risk	• Risk of information asset leakage and loss resulting from cyberattacks or internal data breaches.	• Operate an information security governance framework. • Establish information security policies and guidelines. • Operate an information security incident response process and conduct regular simulation exercises. • Strengthen security infrastructure through the introduction of the new Groupware system and the development of internal servers.
Compliance Risk	• Legal and ethical risks, including unfavorable contracts, litigation, unfair trade practices, and corruption.	• Establish and distribute the Code of Ethics and the Code of Ethics Practice Guidelines. • Require new employees to sign the Code of Ethics Compliance Pledge. • Provide ethics, anti-corruption, and fair trade training for employees. • Assess compliance risks through regular and special audits. • Operate a Fair Trade Compliance Program and the Internal Control over Financial Reporting (ICFR) system. • Operate reporting channels and strengthen the whistleblower protection system.
Reputational Risk	• Risk of damage to the Company's reputation caused by the spread of inaccurate information, media issues, or greenwashing controversies.	• Conduct continuous monitoring of media and online channels. • Review situations and develop response messages when issues arise. • Operate a Company-wide crisis communication framework. • Provide communication standards training for employees.
Brand and Marketing Risk	• Risk that may affect customer trust and brand value due to brand or trademark infringement, false, exaggerated, or misleading advertising and marketing claims, or inadequate information accessibility.	• Operate a pre-review process for advertising and marketing materials. • Monitor compliance with applicable laws and internal communication guidelines. • Apply standards restricting false, exaggerated, or misleading claims. • Review communication channels and expressions to ensure accessibility for information-vulnerable groups.

Governance

Board Structure

Board Independence and Transparency

To respond effectively to a changing business environment and ensure consistency in management strategy and efficient decision-making, the Chief Executive Officer (CEO) also concurrently serves as Chair of the Board. To maintain the Board's independence and transparency, **HS HYOSUNG** appoints four independent directors out of a total of seven Board members, ensuring that independent directors account for more than 50% of the Board. This governance structure enables the Board to make independent decisions even when the CEO concurrently serves as the Chair of the Board.

Candidates for inside director are nominated by the Board of Directors, while candidates for independent director are nominated by the Independent Director Candidate Recommendation Committee and are subject to final approval by shareholders at the General Meeting of Shareholders. If shareholders submit director nominations in accordance with applicable laws and regulations, the Board may submit such proposals to the General Meeting of Shareholders within the scope permitted by law. If the Chair of the Board is unable to perform his or her duties, another director assumes the role according to the succession order established by the Board.

Board Operations

In accordance with Article 6 of the Board of Directors Regulations, the Board holds regular meetings once every quarter in principle, while special meetings are convened as necessary. Board resolutions require the attendance of a majority of all directors and the approval of a majority of the directors present. To prevent conflicts of interest, directors with a conflict of interest in an agenda item are prohibited from exercising their voting rights on that item.

In 2025, the Board held a total of five meetings, during which it deliberated on 30 agenda items, including approvals related to transactions between directors and the Company and reports on major management activities. At the regular Board meeting held at the end of October each year to review third-quarter results, the Board discusses and finalizes the annual Board meeting schedule for the following year. The schedule is adjusted as necessary when changes arise. To allow directors sufficient time to review items in advance, notices specifying the meeting venue and agenda are provided 9 to 23 days before regular Board meetings and 3 to 7 days before special Board meetings, depending on the expected number of agenda items. In addition, pre-meeting briefings and Q&A sessions are conducted for each agenda item, and any supplementary materials requested by directors are provided before the meeting date.

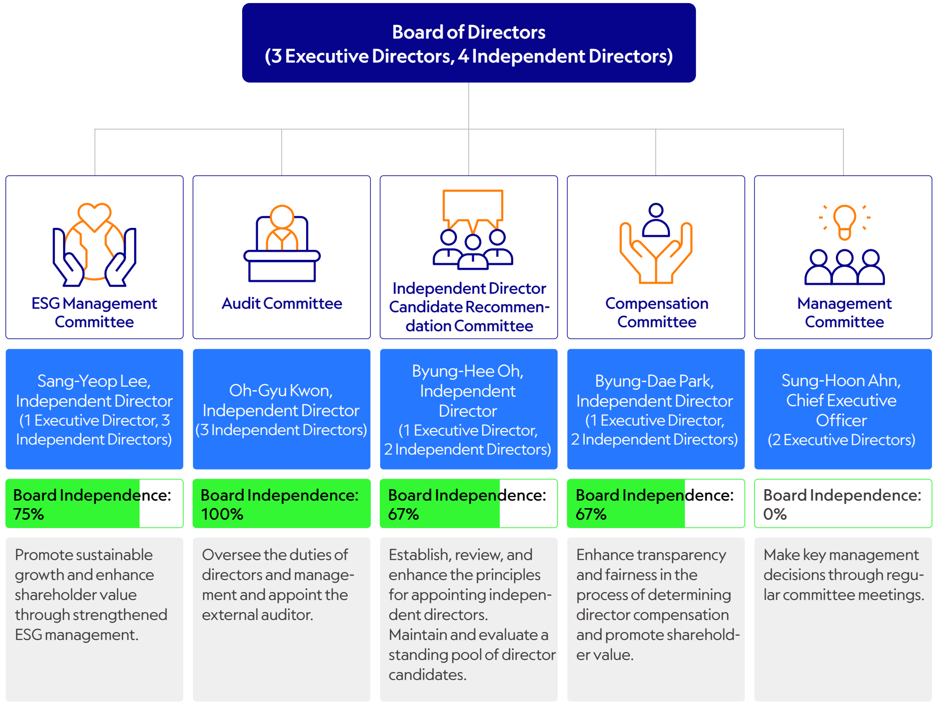
Board Committees

Board Committee Structure

The Board of Directors of **HS HYOSUNG** operates five committees: the ESG Management Committee, Audit Committee, Independent Director Candidate Recommendation Committee, Compensation Committee, and Management Committee. Each committee is composed of directors with the experience and expertise appropriate to its respective responsibilities. The committees review and approve matters delegated by the Board or conduct preliminary reviews of major agenda items, thereby supporting professional and efficient decision-making.

Matters related to sustainability management, including major ESG management activities and the establishment or revision of related policies, are reviewed and approved by the ESG Management Committee under the Board. Key resolutions are subsequently reported to the Board of Directors. Through this governance structure, the Board oversees and supervises the Group's overall ESG management activities. The Audit Committee oversees accounting and business operations through its audit function. The Independent Director Candidate Recommendation Committee ensures the fairness and independence of the process for nominating independent director candidates. The Compensation Committee reviews matters related to director compensation, while the Management Committee deliberates on key management matters delegated by the Board, supporting timely and efficient decision-making.

HS HYOSUNG Board Structure



Board of Directors
(3 Executive Directors, 4 Independent Directors)

ESG Management Committee	Audit Committee	Independent Director Candidate Recommendation Committee	Compensation Committee	Management Committee
Sang-Yeop Lee, Independent Director (1 Executive Director, 3 Independent Directors)	Oh-Gyu Kwon, Independent Director (3 Independent Directors)	Byung-Hee Oh, Independent Director (1 Executive Director, 2 Independent Directors)	Byung-Dae Park, Independent Director (1 Executive Director, 2 Independent Directors)	Sung-Hoon Ahn, Chief Executive Officer (2 Executive Directors)
Board Independence: 75%	Board Independence: 100%	Board Independence: 67%	Board Independence: 67%	Board Independence: 0%
Promote sustainable growth and enhance shareholder value through strengthened ESG management.	Oversee the duties of directors and management and appoint the external auditor.	Establish, review, and enhance the principles for appointing independent directors. Maintain and evaluate a standing pool of director candidates.	Enhance transparency and fairness in the process of determining director compensation and promote shareholder value.	Make key management decisions through regular committee meetings.

Status of Committees under the Board in 2025

Category	ESG Management Committee	Audit Committee	Independent Director Candidate Recommendation Committee	Compensation Committee	Management Committee
No. of Meetings Held	3	7	-	1	27
No. of Reports / Resolutions	5	17	-	2	27
Attendance Rate	91%	95%	-	100%	100%

Governance

Board Composition

2025 HS HYOSUNG Board Skill and Diversity Matrix

Category		Executive Directors			Independent Directors			
		Hyun-Sang Cho (Chief Executive Officer)[1]	Sung-Hoon Ahn (Chief Executive Officer)[1]	Duk-Soo Shin[1]	Oh-Gyu Kwon[1]	Sang-Yeop Lee[1]	Byung-Hee Oh[1]	Byung-Dae Park[1]
Gender		Male	Male	Male	Male	Male	Male	Male
Year of Birth		November 1971	September 1971	December 1967	June 1952	April 1964	February 1953	September 1957
Term of Office (Until the Annual General Meeting of Shareholders)		July 2024 - March 2026	July 2024 - March 2026	July 2024 - March 2026	July 2024 - March 2026	July 2024 - March 2026	July 2024 - March 2026	July 2024 - March 2026
Current Position		• Chief Executive Officer	• Chief Executive Officer	• Head of Corporate Support Division, HS HYOSUNG Co., Ltd.				
Committee Membership		-	• Management Committee (Chair) • Independent Director Candidate Recommendation Committee • ESG Management Committee • Compensation Committee	• Management Committee	• Audit Committee (Chair) • ESG Management Committee	• ESG Management Committee (Chair) • Audit Committee • Compensation Committee	• Independent Director Candidate Recommendation Committee (Chair) • Audit Committee • ESG Management Committee	• Compensation Committee (Chair) • Independent Director Candidate Recommendation Committee
Experience and Expertise	Education	• B.A. in Business Administration, Brown University	• B.A. in Business Administration, Seoul National University • MBA, The Wharton School	• B.A. in Public Administration, Hanyang University	• B.A. in Economics, Seoul National University	• B.S. in Chemical Engineering, Seoul National University • Ph.D. in Chemical Engineering, Northwestern University	• M.D., Seoul National University College of Medicine • Ph.D. in Medical Engineering, Seoul National University	• LL.B., Seoul National University
	Key Career Experience	• Former Vice Chairman, HYOSUNG Corporation • Former Executive Director, HYOSUNG Advanced Materials Corporation	• Former Executive Vice President, HYOSUNG Heavy Industries Corporation • Former Head of the Power PU, HYOSUNG Heavy Industries Corporation	• Former Executive, Strategy Division, HYOSUNG Corporation	• Former Deputy Prime Minister and Minister of Finance and Economy • Current Independent Director and Chair of the Board, S-OIL Corporation	• Former President of Research, KAIST • Current Executive Vice President for Research, KAIST	• Former President, Seoul National University Hospital • Current President, Incheon Sejong Hospital	• Former Justice, Supreme Court of Korea • Current Attorney, Kim & Chang
	Leadership	○	○	○	○	○	○	○
	Independence				○	○	○	○
	Business Management	○	○	○				
	Accounting / Finance				○			
	Legal / Ethics							○
	Research & Development					○	○	
	Risk Management (Area of Expertise)	○ (Management)	○ (Management)	○ (Management)	○ (Accounting / Finance)	○ (Research & Development, Climate Change / Environment / Biodiversity)	○ (Research & Development)	○ (Legal / Ethics)

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[1] As of the Annual General Meeting of Shareholders held on March 20, 2026, the existing directors were reappointed, and Ki-soo Noh was newly appointed as a director.

Governance

Board Operations

Board Meetings Held in 2025

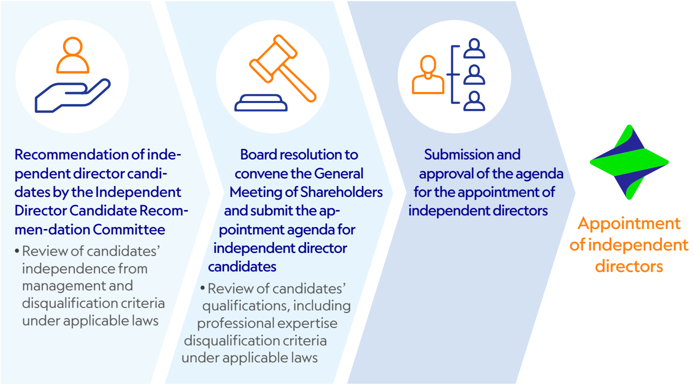
Session	Meeting Date	Category	Agenda	Resolution Status	Attendance / Quorum
1	February 4, 2025	Report	• Report on the Operation of the Internal Control over Financial Reporting (ICFR) System • Report on Amendments to the Audit Committee Charter • Report on Changes to Accounting Policies • Report on Resolutions Adopted by the ESG Management Committee for the Fourth Quarter of 2024 • Report on Resolutions Adopted by the Management Committee for the Fourth Quarter of 2024	-	7/7
		Resolution	• Approval of the Financial Statements and Business Report for the First Fiscal Year (2024) • Appointment of the Compliance Officer	Approved Approved	
2	February 26, 2025	Report	• Report on Transactions with the Largest Shareholder and Related Parties • Report on the Evaluation of the Operation of the Internal Control over Financial Reporting (ICFR) System	-	7/7
		Resolution	• Resolution on the Date, Venue, and Agenda of the First Annual General Meeting of Shareholders • Approval of the Reduction of Capital Reserves • Approval of Transactions between Directors and the Company	Approved Approved Approved	
3	May 1, 2025	Report	• Report on Major Management Activities and Financial Statements for the First Quarter of 2025 • Report on Resolutions Adopted by the Audit Committee for the First Quarter of 2025 • Report on Resolutions Adopted by the Compensation Committee for the First Quarter of 2025 • Report on Resolutions Adopted by the Management Committee for the First Quarter of 2025	-	7/7
4	July 30, 2025	Report	• Report on Major Management Activities and Financial Statements for the Second Quarter of 2025 • Report on the Evaluation of the Operation of the Internal Control over Financial Reporting (ICFR) System for the First Half of 2025 • Report on Resolutions Adopted by the ESG Management Committee for the Second Quarter of 2025 • Report on Resolutions Adopted by the Management Committee for the Second Quarter of 2025	-	7/7
		Resolution	• Approval of Amendments to the Executive Compensation Regulations • Approval of Amendments to the Executive Severance Payment Regulations • Approval of Amendments to the Board of Directors Regulations	Pending Pending Approved	
5	November 7, 2025	Report	• Report on Major Management Activities and Financial Statements for the Third Quarter of 2025 • Report on Resolutions Adopted by the Audit Committee for the Third Quarter of 2025 • Report on Resolutions Adopted by the Management Committee for the Third Quarter of 2025	-	7/7
		Resolution	• Approval of Transactions between Directors and the Company • Approval of Amendments to the Board of Directors Regulations • Approval of Amendments to the Executive Compensation Regulations • Approval of Amendments to the Executive Severance Payment Regulations	Approved Approved Approved Approved	

Enhancing Board Expertise

Fair and Transparent Appointment of Independent Directors

To ensure transparency and fairness in the appointment of independent directors, **HS HYOSUNG** has established and operates the Independent Director Candidate Recommendation Committee. The Committee is responsible for recommending candidates for independent director positions, establishing and revising the principles for their appointment, and continuously managing and reviewing the candidate pool. It also identifies candidates with the expertise and independence required to act in the best interests of the Company and its shareholders, thereby enhancing the objectivity of the nomination process.

HS HYOSUNG Independent Director Appointment Process



Strengthening the Expertise of Independent Directors

HS HYOSUNG supports the professional development of its independent directors and enhances their understanding of the Company's business by providing Board and committee meeting materials in advance and arranging management briefings when necessary. The Company also helps independent directors gain a deeper understanding of management activities through updates on key management issues, visits to business sites, and reports on business operations. In particular, external training was provided to strengthen the capabilities of the four independent directors serving on the ESG Management Committee, which reviews major sustainability-related agenda items.

Independent Director Training in 2025

Training Date	Training Provider	Training Topics	Attendance Rate
November 7, 2025	Korea Chamber of Commerce and Industry (Online Training)	• Trends in global ESG policies and regulatory developments • Changes in ESG policies in the United States and the European Union, and their political and economic implications • Key regulatory developments	75%

Governance

Fair Evaluation and Compensation

Evaluation and Compensation

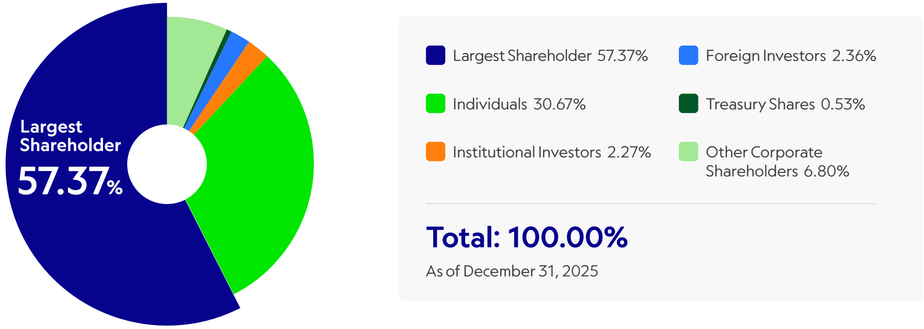
HS HYOSUNG classifies director compensation into base salary and performance-based incentives. Performance-based incentives are determined based on both financial indicators, such as sales and profit, and ESG indicators, including climate change, safety, and environmental performance. For executive directors, performance evaluations are conducted twice a year and reflected in compensation. The Compensation Committee reviews and determines the compensation framework for registered executives and non-registered executives at the president level and above. Director compensation and severance benefits are paid within the limits approved by the General Meeting of Shareholders and in accordance with the relevant regulations. The Compensation Committee reviews the appropriateness of each director's annual compensation and prepares the proposed director compensation limit for the following year.

Maximizing Shareholder Value

Strengthening Shareholder Participation and Communication

HS HYOSUNG discloses key management information, including its financial performance, in a timely and transparent manner through the Company's website and the Financial Supervisory Service's Electronic Disclosure System (DART). The Company also holds the General Meeting of Shareholders to actively engage with shareholders and reflect their views in management activities.

Shareholder Composition



Total: 100.00%

As of December 31, 2025

General Meeting of Shareholders

To protect shareholder rights and provide shareholders with sufficient time to review agenda items, HS HYOSUNG issues a notice of the General Meeting of Shareholders at least 15 days before the meeting, including the venue, agenda, and meeting date. The Company also participates in the Korea Corporate Governance Service's Voluntary Program for Dispersing General Meeting of Shareholders Dates, holding its meeting outside the concentrated shareholders' meeting period to encourage greater shareholder participation.

Proxy Voting Solicitation System

HS HYOSUNG operates a proxy voting solicitation system to encourage shareholders to exercise their voting rights more actively. Shareholders may appoint a proxy by submitting a written proxy form or other authorized documentation. The Company also provides guidance on the relevant procedures to facilitate the exercise of shareholders' voting rights.

Electronic Voting System

To enhance shareholder convenience in exercising voting rights, HS HYOSUNG introduced an electronic voting system and an electronic proxy voting system beginning with the 2026 Annual General Meeting of Shareholders. Shareholders may exercise their voting rights or appoint a proxy electronically through the Korea Securities Depository's Electronic Voting System from 10 days before the meeting until the day before the meeting, even without attending in person.

Protecting Shareholder Value

HS HYOSUNG continues to strengthen the foundation of its dividend policy and secure stable dividend resources to enhance shareholder value and protect shareholders' rights.

Voting Rights Status

Category	Class of Shares	No. of Shares	Remarks
Total No. of Issued Shares[1]	Common Shares	3,725,927	-
No. of Non-voting Shares	Common Shares	19,700	Treasury Shares
No. of Shares with Voting Rights	Common Shares	3,652,792	-

1) Includes 53,435 shares for which voting rights are restricted under applicable laws.

Dividend Status

Fiscal Year	Class of Shares	Cash Dividend			
		Dividend per Share[2] (KRW)	Total Dividend (KRW 100million)	Dividend Yield[3] (%)	Dividend Payout Ratio (Consolidated) (%)
Second Fiscal Year (2025)	Common Shares	1,000	37	1.63	18.90
First Fiscal Year (2024)[1]	-	-	-	-	-

1) HS HYOSUNG was established as a holding company through the spin-off from HYOSUNG Corporation on July 1, 2024. Accordingly, no dividends were paid for the first fiscal year (2024).
2) Total annual dividend paid per share.
3) The ratio of the dividend per share to the arithmetic average of the closing market prices formed on the Korea Exchange during the one-week period ending two trading days before the record date for shareholder registry closure.

CASE STUDY **HS HYOSUNG Strengthens Shareholder Rights and Participation**

HS HYOSUNG continues to improve its General Meeting of Shareholders procedures and voting systems to encourage shareholder participation in key corporate decisions. In its notice of the General Meeting of Shareholders, the Company provides advance information on the meeting venue, date, and agenda. It also participates in the Voluntary Program for Dispersing General Meeting of Shareholders Dates to avoid peak dates for shareholders' meetings and broaden opportunities for shareholder participation. Beginning with the 2026 Annual General Meeting of Shareholders, HS HYOSUNG introduced electronic voting and electronic proxy solicitation, enabling shareholders to exercise their voting rights without attending in person. In 2025, the Company reduced its capital reserves to create a potential source of funds for future dividends. Going forward, HS HYOSUNG will continue to refine its shareholder return policy by considering financial soundness, investment plans, business performance, and shareholder value.

APPENDIX

1) The environmental and social performance data presented in this Report include data from HS HYOSUNG (headquarters, Transworld PU, HS HYOSUNG R&D Center), its subsidiaries (HS HYOSUNG TOYOTA, HS HYOSUNG USA, and HS HYOSUNG Vina), and its major affiliates (HS HAMC and HIS). Where the reporting scope differs from this basis, the relevant data are identified through footnotes. Economic performance data are prepared based on the K-IFRS consolidated financial statements of HS HYOSUNG.

2) 'N/A' indicates that the item is not applicable or not relevant. '-' indicates that no value exists or that the data were not collected. Other exceptional cases are separately explained in the relevant footnotes.

Performance Data Book

Environmental Performance

Energy Consumption and GHG Emissions (Scope 1 and 2)[1)2)]

		Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HYOSUNG Vina		HS HAMC		HIS	
			2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Energy Consumption														
Total Energy Consumption[3)]		TJ	3	19	5	5	342	320	0	0	11,067	10,754	5	5
Energy Consumption Intensity		TJ/KRW Bil.	0.004	0.013	-	-	-	-	-	-	3.342	3.276	-	-
Renewable Energy Consumption[4)]		TJ	0	0	0	0	0	0	0	0	331	963	0	0
Renewable Energy Share		%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	9.0	0.0	0.0
Non-renewable Energy Consumption														
Energy Source	Fuel	TJ	2	11	2	2	249	240	0	0	3,692	2,947	1	1
	Electricity	TJ	0.5	8.0	3	3	93	80	0	0	6,025	5,350	4	4
	Steam	TJ	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,019	1,494	0.0	0.0
Renewable Energy Consumption														
Procurement Method	On-site Generation[5)] and Consumption	TJ	0	0	0	0	0	0	0	0	30	67	0	0
	PPA	TJ	0	0	0	0	0	0	0	0	53	54	0	0
	Purchase of Certificates	TJ	0	0	0	0	0	0	0	0	248	840	0	0
	Green Premium Program	TJ	0	0	0	0	0	0	0	0	0	3	0	0
Scope 1, 2														
Scope 1 and 2 GHG Emissions	Location-based	tonnes CO_2e	208	1,633	474	475	21,951	19,627	19	21	1,204,226	1,194,750	536	554
	Market-based[6)]	tonnes CO_2e	208	1,633	474	475	21,951	19,627	19	21	1,140,462	1,016,345	536	554
Scope 1 and 2 Emissions Intensity	Location-based	tonnes CO_2e/ KRW Mil.	0.000	0.001	-	-	-	-	-	-	0.364	0.364	-	-
	Market-based	tonnes CO_2e/ KRW Mil.	0.000	0.001	-	-	-	-	-	-	0.344	0.310	-	-
Scope 1														
Scope 1 GHG Emissions		tonnes CO_2e	144	610	129	125	12,766	12,276	5	4	214,007	168,674	37	41
Scope 1 Emissions Intensity		tonnes CO_2e/ KRW Mil.	0.000	0.000	-	-	-	-	-	-	0.065	0.051	-	-
Scope 2														
Scope 2 GHG Emissions	Location-based	tonnes CO_2e	64	1,023	345	350	9,184	7,350	14	17	990,219	1,026,076	499	513
	Market-based	tonnes CO_2e	64	1,023	345	350	9,184	7,350	14	17	926,456	847,672	499	513
Scope 2 Emissions Intensity	Location-based	tonnes CO_2e/ KRW Mil.	0.000	0.001	-	-	-	-	-	-	0.299	0.313	-	-
	Market-based	tonnes CO_2e/ KRW Mil.	0.000	0.001	-	-	-	-	-	-	0.280	0.258	-	-

1) GHG emissions include CO_2, CH_4, and N_2O. Energy consumption and GHG emissions are calculated and reported using emission factors and 100-year Global Warming Potentials (GWP 100) based on the Guidelines for Reporting and Certification of GHG Emissions under the Korean Emissions Trading Scheme (K-ETS) for operations in Korea, and ISO 14064-1:2018, the WRI/WBCSD GHG Protocol, and the 2006 IPCC Guidelines for overseas operations.
2) Intensity metrics are calculated using financial information disclosed in the Company's business report. However, intensity metrics requiring detailed data not publicly disclosed in the business report are not presented in order to protect confidential business information.
3) Total Energy Consumption = Non-renewable Energy Consumption + Renewable Energy Consumption.
4) Renewable Energy Consumption = On-site Renewable Energy Generation and Consumption + Power Purchase Agreements (PPA) + Renewable Energy Certificate (REC) Purchases + Green Premium Program.
5) All electricity generated from on-site renewable energy facilities is consumed internally by the relevant entity.
6) Market-based emissions are calculated by reflecting GHG emission reductions achieved through Renewable Energy Certificate (REC) purchases and participation in the Green Premium Program.

Performance Data Book

Environmental Performance

GHG Emissions (Scope 3)[1][2][3]

	Unit	HS HYOSUNG USA		HS HAMC	
		2024	2025	2024	2025
Scope 3					
Total Emissions (Categories 1 and 3)	tonnes CO₂e	164,985	160,064	3,204,290	2,786,621
Total Emissions Intensity (Categories 1 and 3)	tonnes CO₂e /KRW Mil.	-	-	0.968	0.849
Category 1 Emissions	tonnes CO₂e	158,801	153,679	2,888,984	2,530,868
Category 1 Emissions	tonnes CO₂e /KRW Mil.	-	-	0.872	0.771
Category 3 Emissions	tonnes CO₂e	6,184	6,385	315,306	255,753
Category 3 Emissions Intensity	tonnes CO₂e /KRW Mil.	-	-	0.095	0.078

1) The Scope 3 disclosure covers Category 1 (Purchased Goods and Services) and Category 3 (Fuel- and Energy-related Activities).
2) Scope 3 GHG emissions are calculated and reported in accordance with ISO 14064-1:2018 and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
3) Intensity metrics are calculated using financial information disclosed in the Company's business report. However, intensity metrics requiring detailed data not publicly disclosed in the business report are not presented in order to protect confidential business information.

Water Resources

	Unit	HS HYOSUNG		HS HYOSUNG USA		HS HAMC	
		2024	2025	2024	2025	2024	2025
Water Withdrawal							
Total Water Withdrawal	1,000 tonnes	4	3	55	56	8,825	8,263
Municipal Water	1,000 tonnes	4	3	55	56	686	564
Industrial Water	1,000 tonnes	0	0	0	0	8,139	7,699
Wastewater Discharge							
Total Wastewater Discharge	1,000 tonnes	0	0	6	17	4,231	4,192
Direct Discharge to Water Bodies after On-site Treatment	1,000 tonnes	0	0	6	17	3,190	3,032
Discharge through Third-party Treatment Facilities	1,000 tonnes	0	0	0	0	1,041	1,160
Water Consumption[1]							
Total Water Consumption	1,000 tonnes	4	3	49	39	4,593	4,072
Water Reuse and Recycling							
Total Water Reused and Recycled	1,000 tonnes	0	0	0	0	201	194
Water Recycling Rate[2]	%	0	0	0	0	2	2

1) Water Consumption = Water Withdrawal - Wastewater Discharge.
2) Water Recycling Rate (%) = Total Water Reused and Recycled ÷ Total Water Withdrawal × 100.

Water Pollutants[1]

	Unit	HS HYOSUNG		HS HYOSUNG USA		HS HAMC	
		2024	2025	2024	2025	2024	2025
Chemical Oxygen Demand (COD)	tonnes	0.0	0.0	0.6	1.4	334.4	178.5
Suspended Solids (SS)	tonnes	0.0	0.0	0.2	0.8	43.9	39.7
Total Phosphorus (T-P)	tonnes	0.0	0.0	0.0	0.0	0.9	0.5

1) Indicators are reported in accordance with the regulatory requirements applicable to each operating site's location.

2025 Water Risk Assessment[1]

Company	Country	Site	Integrated Water Risk[2]	Water Stress[3]	Water Withdrawal Ratio (%)	Unit	Water Withdrawal			Water Consumption[4]
							Total Water Withdrawal	Municipal Water	Industrial Water	
HS HYOSUNG	Korea	Headquarters (Gongdeok)	L-M	M-H	26.52	1,000 tonnes	1	1	0	1
		Transworld PU (Gongdeok)	L-M	M-H	73.48	1,000 tonnes	2	2	0	2
	Total				100.00	1,000 tonnes	3	3	0	3
HS HYOSUNG USA	USA	Decatur	L	L	100.00	1,000 tonnes	56	56	0	39
HS HAMC	Korea	Headquarters (Gongdeok)	L-M	M-H	0.05	1,000 tonnes	4	4	0	4
		Ulsan	M-H	M-H	19.46	1,000 tonnes	1,608	0	1,608	817
		Jeonju	M-H	H	15.54	1,000 tonnes	1,284	30	1,253	476
		Daejeon	L-M	H	0.04	1,000 tonnes	3	1	2	3
	Vietnam	Vietnam	H	L-M	33.98	1,000 tonnes	2,808	0	2,808	1,667
		Quang Nam	Ext. H	H	11.30	1,000 tonnes	933	0	933	495
	China	Jiaxing	H	Ext. H	4.85	1,000 tonnes	400	400	0	245
		Qingdao	Ext. H	Ext. H	1.17	1,000 tonnes	97	97	0	0
		Changshu	H	Ext. H	4.72	1,000 tonnes	390	0	390	102
		Jiangsu	H	H	2.93	1,000 tonnes	242	16	226	90
	Luxembourg	Luxembourg	L-M	M-H	0.27	1,000 tonnes	22	9	13	22
	Romania	Albesti	H	H	3.88	1,000 tonnes	320	0	320	0
		Sighisoara								
	Mexico	Ensenada	Ext. H	Ext. H	0.07	1,000 tonnes	6	6	0	6
		Torreon	H	Ext. H	1.74	1,000 tonnes	144	0	144	144
	Total				100.00	1,000 tonnes	8,263	564	7,699	4,072

1) Water risk was assessed using the WRI Aqueduct Tool (Version 4.0).
2) Water risk is classified into five levels: Low (L), Low-Medium (L-M), Medium-High (M-H), High (H), and Extremely High (Ext. H). Integrated Water Risk includes not only Water Stress, which affects water withdrawal, but also drought, flood, and riverine flood risks.
3) Water Stress is the ratio of total annual water withdrawal to the total available renewable water resources. It indicates the extent to which water demand places pressure on renewable water resources.
4) Water Consumption = Water Withdrawal - Wastewater Discharge.

Performance Data Book

Environmental Performance

Waste[1]

			Unit	HS HYOSUNG		HS HYOSUNG USA		HS HAMC	
				2024	2025	2024	2025	2024	2025
Waste Generation									
Total Waste Generated			tonnes	3	6	2,892	2,148	66,693	66,303
Non-hazardous Waste			tonnes	3	6	1,290	1,194	33,378	34,342
Hazardous Waste			tonnes	0	0	1,602	954	33,315	31,961
Waste Treatment									
Total Waste Treated			tonnes	3	6	2,892	2,148	66,693	66,303
Total Waste Recycled			tonnes	2	4	2,892	2,148	47,293	46,447
Recycling Rate[2]			%	56	65	100	100	71	70
Non-hazardous Waste	Subtotal Treated		tonnes	3	6	1,290	1,194	33,378	34,342
	Outsourced Treatment	Landfill	tonnes	0	0	0	0	2,334	2,829
		Incineration (with Energy Recovery)	tonnes	0	0	0	0	2,237	1,237
		Incineration (without Energy Recovery)	tonnes	1	2	0	0	2,175	2,877
		Recycling	tonnes	2	4	1,290	1,194	26,633	27,398
Hazardous Waste	Subtotal Treated		tonnes	0	0	1,602	954	33,315	31,961
	Outsourced Treatment	Landfill	tonnes	0	0	0	0	2,332	3,621
		Incineration (with Energy Recovery)	tonnes	0	0	0	0	154	222
		Incineration (without Energy Recovery)	tonnes	0	0	0	0	10,168	9,070
		Recycling	tonnes	0	0	1,602	954	20,660	19,048

1) Waste is classified as hazardous or non-hazardous in accordance with the regulations of the country in which each operating site is located.
2) Waste Recycling Rate (%) = Total Waste Recycled ÷ Total Waste Treated × 100.

Chemicals[1]

		Unit	HS HYOSUNG		HS HYOSUNG USA		HS HAMC	
			2024	2025	2024	2025	2024	2025
Total Consumption	Total	tonnes	0	0	-	-	123,705	119,178
Total Emissions	Korea	tonnes	0	0	-	-	10	8

1) Includes hazardous chemicals, such as prohibited substances, accident preparedness substances, carcinogenic and mutagenic substances, restricted substances, toxic substances, and priority control substances.

Air Pollutants

	Unit	HS HYOSUNG		HS HYOSUNG USA		HS HAMC	
		2024	2025	2024	2025	2024	2025
Nitrogen Oxides (NOx)	tonnes	0.00	0.00	-	-	375.20	306.63
Sulfur Oxides (SOx)	tonnes	0.00	0.00	-	-	139.30	119.87
Particulate Matter (PM)	tonnes	0.00	0.00	-	-	135.58	169.69
Volatile Organic Compounds (VOCs)	tonnes	0.00	0.00	-	-	423.57	407.63

Ozone-Depleting Substances (ODS)[1]

	Unit	HS HYOSUNG		HS HYOSUNG USA		HS HAMC	
		2024	2025	2024	2025	2024	2025
Consumption of Hydrochlorofluorocarbons (HCFCs)	tonnes	0.00	0.00	0.00	0.00	0.00	0.01

1) Refrigerants in the HFC family with an Ozone Depletion Potential (ODP) of zero are excluded from the reporting scope.

Performance Data Book

Social Performance

Employee Status[1]

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HYOSUNG Vina		HS HAMC		HIS	
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
No. of Employees													
Total No. of Employees	persons	114	192	80	80	288	256	68	70	10,718	11,981	272	277
No. of Employees by Gender													
Male	persons	60	126	63	65	208	187	15	15	7,716	8,265	241	245
Female	persons	54	66	17	15	80	69	53	55	3,002	3,716	31	32
No. of Employees by Age Group													
Under 30	persons	46	41	19	15	29	25	56	56	3,134	3,471	19	13
30-50	persons	46	115	51	56	124	109	12	13	6,548	7,245	191	186
51 and Above	persons	22	36	10	9	135	122	0	1	1,036	1,265	62	78
No. of Employees by Employment Type													
Permanent	persons	79	158	69	69	288	256	61	69	10,589	11,900	259	265
Temporary	persons	35	34	11	11	0	0	7	1	129	81	13	12
No. of Employees by Job Category[2]													
Administrative	persons	79	156	48	47	98	97	61	69	2,003	2,146	259	265
Technical	persons	0	2	21	22	190	159	0	0	8,586	9,754	0	0
No. of Contractors[3]													
Male	persons	0	0	0	0	0	0	0	0	280	184	0	0
Female	persons	0	0	1	1	0	0	0	0	60	62	0	0

[1] As of December 31 of the reporting year.
[2] Figures are based on permanent employees.
[3] This refers to workers classified as 'subcontracted workers who are not employees' in the business report, who perform tasks such as logistics support, production assistance, security, and cleaning.

Diversity

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HYOSUNG Vina		HS HAMC		HIS	
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Board Diversity by Gender													
Male	persons	7	7	5	5	2	3	2	3	30	25	5	5
Female	persons	0	0	0	0	0	0	1	1	3	3	1	1
Total	persons	7	7	5	5	2	3	3	4	33	28	6	6
Board Diversity by Age Group													
Under 30	persons	0	0	0	0	0	0	0	0	0	0	0	0
30-50	persons	0	0	0	0	2	1	2	2	10	9	1	1
51 and Above	persons	7	7	5	5	0	2	1	2	23	19	5	5
Female Talent by Position													
Executives	persons	1	1	0	0	0	0	0	0	5	5	0	0
Managers[1]	persons	3	5	6	6	5	6	0	0	188	195	10	10
Non-managers[2]	persons	50	60	11	9	75	63	53	55	2,809	3,516	21	22
Total	persons	54	66	17	15	80	69	53	55	3,002	3,716	31	32
Rate of Female Employees by Position													
Executives	%	8	6	0	0	0	0	0	0	6	6	0	0
Managers[1]	%	25	21	18	15	14	15	0	0	24	23	5	5
Total	%	47	34	21	19	28	27	78	79	28	31	11	12
Employee Diversity													
Employees with Disabilities	persons	2	2	1	2	2	1	0	0	80	95	4	4
Veterans	persons	0	0	0	0	27	26	0	0	27	30	1	1
Foreigners	persons	0	0	0	0	22	25	3	3	167	180	0	0
Total	persons	2	2	1	2	51	52	3	3	274	305	5	5

[1] Managers refers to employees at the Performance Manager (PM) level and manager level or above.
[2] Non-management employees refer to Professionals (Pro), assistant managers and below, and junior managers.

Performance Data Book

Social Performance

New Hires & Turnover

		Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HYOSUNG Vina		HS HAMC		HIS	
			2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
New Hires Status[1]														
By Gender	Male	persons	9	3	6	13	114	58	9	4	1,938	2,145	18	19
	Female	persons	9	13	8	4	45	20	35	6	663	1,062	7	1
	Total	persons	18	16	14	17	159	78	44	10	2,601	3,207	25	20
By Age	Under 30	persons	11	10	11	5	33	20	41	8	1,650	1,864	5	0
	31-50	persons	5	5	3	11	98	43	3	2	907	1,220	19	13
	51 and Above	persons	2	1	0	1	28	15	0	0	44	123	1	7
By Nationality	Country of operation	persons	18	16	14	17	159	78	44	10	2,593	3,189	25	20
	Other Countries	persons	0	0	0	0	0	0	0	0	8	18	0	0
Turnover Status														
By Gender	Male	persons	6	11	8	11	90	79	2	4	2,564	2,386	14	15
	Female	persons	8	12	4	6	44	31	5	4	964	1,152	7	0
	Total	persons	14	23	12	17	134	110	7	8	3,528	3,538	21	15
By Age Group	Under 30	persons	5	9	5	5	23	24	5	7	1,824	1,867	13	0
	31-50	persons	8	11	7	10	75	58	2	1	1,549	1,486	3	8
	51 and Above	persons	1	3	0	2	36	28	0	0	155	185	5	7
By Nationality	Country of operation	persons	14	23	12	17	134	110	7	8	3,487	3,523	21	15
	Other Countries	persons	0	0	0	0	0	0	0	0	41	15	0	0
Voluntary Turnover Rate[2]		%	9	21	15	19	30	29	10	11	24	23	5	3

1) New hires include new graduate recruits, permanent employees, contract employees, experienced hires, and employees transferred from affiliated companies.

2) Refers to the rate of employees who voluntarily resigned. Excludes company-initiated resignations, mandatory retirement, and transfers to affiliated companies.

Maternity Leave and Parental Leave[1]

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HYOSUNG Vina		HS HAMC		HIS	
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Maternity Leave													
No. of Male Employees on Maternity Leave	persons	0	4	1	0	0	0	0	0	392	328	9	7
Rate of Male Employees Returning to Work After Maternity Leave	%	N/A	100	100	N/A	N/A	N/A	N/A	N/A	97	99	100	100
No. of Female Employees on Maternity Leave	persons	1	0	0	0	0	0	0	0	191	188	1	2
Rate of Female Employees Returning to Work After Maternity Leave	%	100	N/A	N/A	N/A	N/A	N/A	N/A	N/A	90	76	0	0
Parental Leave for Male Employees													
No. of Employees Entitled to Parental Leave[2]	persons	51	113	60	62	208	187	14	14	3,076	3,042	234	239
No. of on Parental Leave	persons	0	0	1	0	0	0	0	0	128	132	0	0
No. of Employees Returning to Work After Parental Leave	persons	0	0	1	0	0	0	0	0	117	125	0	0
Return Rate After Parental Leave	%	N/A	N/A	100	N/A	N/A	N/A	N/A	N/A	81	89	N/A	N/A
Rate of Employees Who Remained Employed for at Least 12 Months After Returning to Work[3]	%	N/A	N/A	100	N/A	N/A	N/A	N/A	N/A	84	84	N/A	N/A
Parental Leave for Female Employees													
No. of Employees Entitled to Parental Leave[2]	persons	28	43	9	7	80	69	47	55	1,238	1,199	25	26
No. of on Parental Leave	persons	1	1	0	0	0	3	0	0	62	64	1	1
No. of Employees Returning to Work After Parental Leave	persons	1	1	0	0	2	2	0	0	46	45	2	0
Return Rate After Parental Leave	%	100	100	N/A	0	N/A	0	N/A	0	61	74	100	100
Rate of Employees Who Remained Employed for at Least 12 Months After Returning to Work[3]	%	N/A	0	N/A	N/A	N/A	100	N/A	N/A	83	83	N/A	100

1) Where rate of employees returning to work after maternity/parental leave or similar indicators cannot be calculated because there were no employees who took maternity or parental leave, 'N/A' is reported.

2) Refers to all employees entitled to parental leave under the Company's parental leave policy.

3) Refers to the rate of employees who remained employed for at least 12 months after returning to work, based on the reporting year.

Performance Data Book

Social Performance

Employee Compensation

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HYOSUNG Vina		HS HAMC		HIS	
		2024[1]	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
New Hire Compensation													
Total Compensation for Entry Level Employees	KRW Mil.	12	46	13	17	57	58	139	35	56	81	30	96
Rate of Entry-level Compensation to Legal Minimum Wage (Male)	%	36	346	77	72	257	262	1,200	100	244	304	34	32
Rate of Entry-level Compensation to Legal Minimum Wage (Female)	%	46	116	36	49	257	262	3,467	1,100	203	179	38	92
Ratio of Total Compensation of Female to Male Employees[2]													
Executives	%	23	17	N/A	N/A	N/A	N/A	N/A	N/A	135	121	N/A	N/A
Managerial Positions or Higher	%	107	91	69	72	86	87	106	100	95	94	85	83
Non-managerial Positions	%	83	100	25	34	91	87	100	129	80	77	78	85
Highest-paid Individual[3]													
Total Annual Compensation	KRW Mil.	439	7,350	-	-	-	-	-	-	514	596	300	369
Increase in Total Compensation (YoY)	%	N/A	1,431	-	-	-	-	-	-	157	116	96	123
Employees (Excluding Highest Paid Individual)[3]													
Average Total Annual Compensation	KRW Mil.	38	72	-	-	-	-	-	-	72	80	96	108
Median Annual Total Compensation	KRW Mil.	28	55	-	-	-	-	-	-	68	71	98	108
Median Annual Total Compensation Growth Rate (YoY)	%	N/A	81	-	-	-	-	-	-	104	105	104	110
Ratio of the Annual Total Compensation of the Highest Paid Individual to the Median Annual Total Compensation of All Employees[2]	times	15	134	-	-	-	-	-	-	8	8	3	3

[1] As HS HYOSUNG was established in July 2024, compensation for 2024 was calculated based on performance from July to December 2024. Accordingly, year-on-year comparisons are not provided due to the absence of prior-year data.
[2] 'N/A' is reported where there are no female executives.
[3] The highest-paid individual compensation ratio and the employee compensation ratio are not disclosed for subsidiaries (HS HYOSUNG TOYOTA, HS HYOSUNG USA, and HS HYOSUNG Vina).

Employee Retirement Pension

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HYOSUNG Vina		HS HAMC		HIS	
		2024[1]	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Retirement Pension													
Total Operation Fund for Retirement Pensions (DB+DC)	KRW Mil.	8,863	12,434	1,814	2,155	-	-	-	-	64,337	63,573	16,006	17,770
Operation Fund for DB Pension	KRW Mil.	8,850	12,285	1,623	1,965	-	-	-	-	63,148	62,162	16,006	17,770
Operation Fund for DC Pension	KRW Mil.	13	149	191	190	-	-	-	-	1,189	1,411	-	-
Retirement Pension Enrollment													
Total No. of Members	persons	114	19	66	68	-	-	-	-	1,063	1,074	253	263
No. of DB Pension Members	persons	111	-	47	47	-	-	-	-	883	875	223	224
No. of DC Pension Members	persons	3	19	19	21	-	-	-	-	180	199	30	39

[1] As HS HYOSUNG was established in July 2024, compensation for 2024 was calculated based on performance from July to December 2024.

Labor Union

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HYOSUNG Vina		HS HAMC		HIS	
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Labor Union Membership													
No. of Employees Covered by the Collective Bargaining Agreement[1]	persons	2	2	0	0	190	159	68	70	9,510	10,229	0	0
Employees Covered by Collective Bargaining Agreements to Total Employees	%	2	1	0	0	66	62	100	100	88	85	0	0
No. of Union Workers	persons	0	0	0	0	90	92	58	62	7,487	8,622	N/A	N/A
Ratio of Union Workers	%	0	0	N/A	N/A	47	58	85	89	79	84	N/A	N/A
Minimum Notice Periods Regarding Operational Changes													
Minimum Notice Period	days	0	0	30	30	5	5	0	0	0	0	0	0

[1] Employees covered by collective bargaining agreements include technical employees and certain office employees.

Performance Data Book

Social Performance

Regular Performance Evaluation

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HYOSUNG Vina		HS HAMC		HIS	
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Regular Performance Evaluation													
No. of Employees Subject to Regular Performance Evaluation	persons	103	203	70	66	79	83	60	69	10,087	9,233	253	267
Performance Evaluation Rate	%	90	107	88	83	27	32	88	99	93	77	93	96
Employees by Gender Subject to Performance Evaluation													
Male	persons	52	129	61	57	56	61	14	14	7,226	6,869	225	239
Female	persons	51	74	9	9	23	22	46	55	2,861	2,364	28	28
Employees by Position Subject to Performance Evaluation													
Executives	persons	9	16	3	2	2	2	0	0	55	58	6	6
Managerial Positions or Higher	persons	13	23	31	33	37	35	8	8	696	686	183	198
Non-managerial Positions	persons	81	164	36	31	40	35	52	61	9,336	8,489	64	63

Information Security

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HYOSUNG Vina		HS HAMC		HIS	
		2024[1]	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Information Security Status													
Rate of Employees Who Have Pledged Compliance with Information Security Policy	%	N/A	83	100	100	N/A	97	N/A	N/A	100	100	100	100
No. of Legal Violations Regarding Customer Information	cases	0	0	0	0	0	0	0	0	0	0	0	0

1) As HS HYOSUNG was established in July 2024, information security pledges were not conducted in 2024. HS HYOSUNG USA began conducting information security pledges in 2025, while HS HYOSUNG Vina plans to implement the program in the future.

Social Contribution[1]

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HAMC		HIS	
		2024	2025	2024	2025	2024	2025	2024	2025
Local Community Engagement									
No. of Business Sites Joining Social Contribution within Local Communities	cases	1	1	5	5	10	11	1	1
No. of Social Contribution Programs	cases	14	11	2	4	80	91	3	6
Investments in Social Contribution	KRW Mil.	58	52	8	8	1,074	1,248	14	60

1) In accordance with the 'Political Funds Act,' which strictly prohibits companies from making political donations in Korea, we have not made any political contributions. The same policy applies to our overseas subsidiaries.

Employee Health Check-up

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HYOSUNG Vina		HS HAMC		HIS	
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Health Checkup													
Employees Eligible for Health Check-ups	persons	63	109	63	67	177	170	61	69	16,714	13,832	272	277
Employees Who Received Health Check-ups	persons	63	109	63	67	176	170	61	68	16,364	13,616	272	277
Employee Health Check-up Participation Rate	%	100	100	100	100	99	100	100	99	98	98	100	100

Performance Data Book

Social Performance

Occupational Safety and Health Management and Occupational Incidents

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HYOSUNG Vina		HS HAMC		HIS	
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Safety and Health Management System													
Rate of Employees Working at Sites Covered by Occupational Safety and Health Control Procedures[1]	%	100	100	100	100	100	100	100	100	100	100	100	100
Rate of Employees Working at Sites Certified under an Occupational Safety and Health Management Standard[2]	%	0	0	0	0	0	0	0	0	87	76	0	0
Employees[3]													
No. of Work-related Fatalities	persons	0	0	0	0	0	0	0	0	0	0	0	0
No. of Work-related Injuries and Ill Health	persons	0	0	0	1	9	0	0	0	45	37	0	0
Rate of Work-related Injuries and Ill Health[4]	%	0.00	0.00	0.00	1.25	3.13	0.00	0.00	0.00	0.43	0.31	0.00	0.00
Fatality Rate per Ten Thousand Employees[5]	bp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTIFR[6]	-	0.00	0.00	0.00	6.01	17.85	0.00	0.00	0.00	1.96	1.42	0.00	0.00
LTISR[7]	-	0.00	0.00	0.00	0.02	0.13	0.00	0.00	0.00	0.06	0.06	0.00	0.00

1) Refers to the rate of employees working at sites operated in accordance with the HS HYOSUNG Group's Occupational Safety and Health Management Procedures.
2) Refers to the rate of employees working at sites certified under an externally recognized occupational safety and health management standard, such as ISO 45001.
3) HS HYOSUNG Group also calculates and manages Rate Of Work-related Injuries And Ill Health for non-employees, including subcontracted workers and resident contractor employees working at its business sites. However, HS HYOSUNG, HS HYOSUNG USA, HS HYOSUNG Vina, and HIS had no such non-employees during the reporting period; therefore, the occupational injury rate for non-employees is reported as N/A. For HS HYOSUNG TOYOTA, the 2025 occupational injury rate for non-employees was 0.00 (Fatality Rate: 0.00; LTIFR: 0.00). The occupational safety and health performance of HS HAMC is disclosed in the HS HAMC 2025 Sustainability Report, p. 84.
4) Rate Of Work-related Injuries And Ill Health = Work-related Injuries And Ill Health ÷ No. of Workers × 100
5) Fatality Rate Per Ten Thousand Employees = No. of Work-related Fatalities ÷ No. of Workers × 10,000
6) LTIFR (Lost Time Injury Frequency Rate) = No. of Lost Time Injuries ÷ Total Hours Worked × 1,000,000
7) LTISR (Lost Time Injury Severity Rate) = No. of Lost Workdays Due to Work-related Injuries And Ill Health ÷ Total Hours Worked × 1,000

2025 Whistleblowing Status

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HYOSUNG Vina		HS HAMC		HIS	
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
No. of Reports													
Discrimination, Harassment, or Sexual Harassment	cases	0	0	0	0	0	0	0	0	1	0	0	0
Corruption or Bribery	cases	0	0	0	0	0	0	0	0	4	0	0	0
Conflict of Interest	cases	0	0	0	0	0	0	0	0	2	0	0	0
Money Laundering or Insider Trading	cases	0	0	0	0	0	0	0	0	0	0	0	0
Falsified Documentation	cases	0	0	0	0	0	0	0	0	0	0	0	0
Information Leakage (Customer Personal Data)	cases	0	0	0	0	0	0	0	0	0	0	0	0
Others	cases	0	0	0	0	0	0	0	0	2	0	0	0
No. of Cases Processed													
Discrimination, Harassment, or Sexual Harassment	cases	0	0	0	0	0	0	0	0	1	0	0	0
Corruption or Bribery	cases	0	0	0	0	0	0	0	0	4	0	0	0
Conflict of Interest	cases	0	0	0	0	0	0	0	0	2	0	0	0
Money Laundering or Insider Trading	cases	0	0	0	0	0	0	0	0	0	0	0	0
Falsified Documentation	cases	0	0	0	0	0	0	0	0	0	0	0	0
Information Leakage (Customer Personal Data)	cases	0	0	0	0	0	0	0	0	0	0	0	0
Others	cases	0	0	0	0	0	0	0	0	2	0	0	0
Processing Rate													
Discrimination, Harassment, or Sexual Harassment	%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100	N/A	N/A	N/A
Corruption or Bribery	%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100	N/A	N/A	N/A
Conflict of Interest	%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100	N/A	N/A	N/A
Money Laundering or Insider Trading	%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Falsified Documentation	%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Information Leakage (Customer Personal Data)	%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Others	%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100	N/A	N/A	N/A

Performance Data Book

Social Performance

Employee Training

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HAMC		HIS	
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Employee Training Status											
Total No. of Employees	persons	114	190	80	80	288	256	10,718	11,981	272	277
Total No. of Training Completers	persons	643	3,604	466	479	2,687	2,370	205,234	230,589	4,222	3,748
Total Training Hours	hours	3,375	8,445	1,103	1,145	3,087	2,418	904,664	1,347,827	13,928	11,028
Average Training Hours per Employee	hours/ person	30	44	14	14	11	9	84	113	51	40

General Training

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HAMC		HIS	
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
No. of General Training Completers											
Business Philosophy	persons	0	0	0	0	144	78	2,680	2,152	355	232
On-the-job Training	persons	48	391	77	79	0	0	8,822	9,821	1,790	669
No. of Job-specific Training Completers											
Regular PU Learning	persons	245	1,056	0	0	0	0	35,497	31,979	112	326
No. of Completers of Global Training and Training by Position											
Global Training	persons	22	47	0	0	0	0	263	322	150	113
Entry-level Employee Training	persons	46	38	0	0	144	78	5,339	4,077	18	18
Leadership Skill Training	persons	19	88	5	6	0	0	500	520	166	144

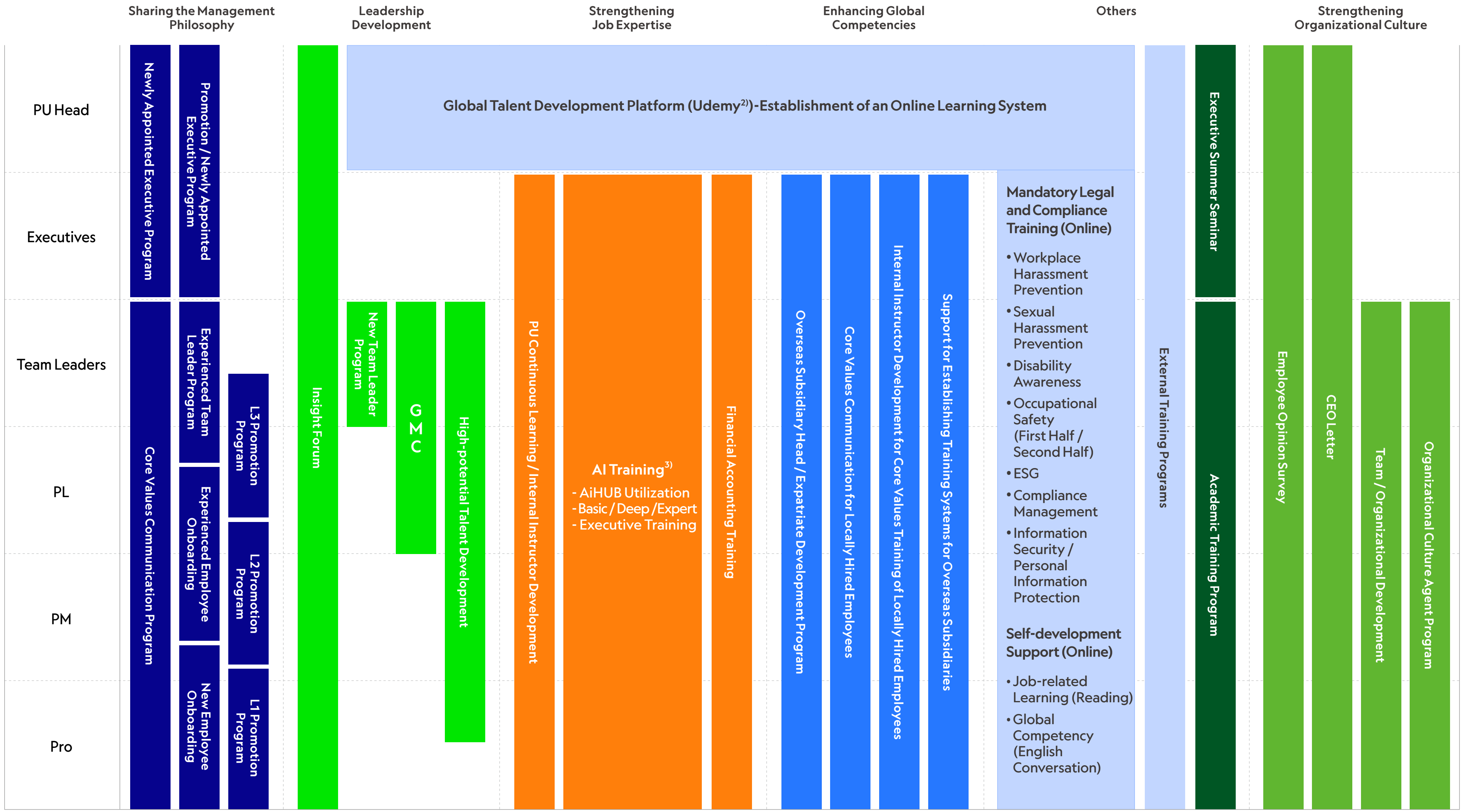
Social and Environmental Training

	Unit	HS HYOSUNG		HS HYOSUNG TOYOTA		HS HYOSUNG USA		HS HAMC		HIS	
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
No. of Sustainability Management Training Completers											
ESG Awareness Training	persons	0	0	0	0	0	0	2,782	4,643	0	0
No. of Human Rights Training Completers											
Sexual Harassment Prevention Training	persons	27	191	77	79	0	0	3,071	3,508	279	283
Disability Awareness and Diversity Training	persons	26	280	280	342	332	159	177	100	0	0
Discrimination & Harassment prevention Training	persons	30	194	77	79	0	0	20,676	15,361	276	283
No. of Ethical Management Training Completers											
Ethics & Anti-corruption Training	persons	1	130	0	0	0	0	15,466	16,879	0	1
Fair Trade Training	persons	0	168	0	0	0	0	9,764	11,548	1	277
No. of Procurement Training Completers											
Sustainable Procurement Training	persons	0	3	0	0	0	78	2,515	6,613	0	0
No. of Security Training Completers											
Information Security Training	persons	80	257	77	79	0	0	11,324	11,663	528	273
Physical Security Training	persons	0	0	0	0	0	0	467	120	0	0
No. of Environmental Training Completers											
Environmental Training	persons	1	93	0	0	0	0	3,057	2,507	0	0
Energy Saving & Climate Change Training	persons	8	93	0	0	0	0	8,887	10,374	0	277
Chemical Substance Management Training	persons	2	2	0	0	0	0	0	2,678	0	0
No. of Occupational Safety & Health Training Completers											
Occupational Safety & Health Training	persons	89	580	76	78	1,840	1,623	41,567	44,508	271	14
Risk Assessment Training	persons	0	0	0	0	0	0	6,932	5,111	1	0
Emergency Response Drills	persons	0	0	0	0	559	513	4,150	6,460	0	0

Performance Data Book

Social Performance

2026 HS HYOSUNG Group Training Framework[1]



Sharing the Management Philosophy

Leadership Development

Strengthening Job Expertise

Enhancing Global Competencies

Others

Strengthening Organizational Culture

PU Head

Executives

Team Leaders

PL

PM

Pro

Newly Appointed Executive Program

Promotion / Newly Appointed Executive Program

Core Values Communication Program

Experienced Team Leader Program

Experienced Employee Onboarding

New Employee Onboarding

L3 Promotion Program

L2 Promotion Program

L1 Promotion Program

Insight Forum

New Team Leader Program

GMC

High-potential Talent Development

Global Talent Development Platform (Udemy[2])-Establishment of an Online Learning System

PU Continuous Learning / Internal Instructor Development

AI Training[3]
- AiHUB Utilization
- Basic / Deep / Expert
- Executive Training

Financial Accounting Training

Overseas Subsidiary Head / Expatriate Development Program

Core Values Communication for Locally Hired Employees

Internal Instructor Development for Core Values Training of Locally Hired Employees

Support for Establishing Training Systems for Overseas Subsidiaries

Mandatory Legal and Compliance Training (Online)
- Workplace Harassment Prevention
- Sexual Harassment Prevention
- Disability Awareness
- Occupational Safety (First Half / Second Half)
- ESG
- Compliance Management
- Information Security / Personal Information Protection

Self-development Support (Online)
- Job-related Learning (Reading)
- Global Competency (English Conversation)

External Training Programs

Executive Summer Seminar

Academic Training Program

Employee Opinion Survey

CEO Letter

Team / Organizational Development

Organizational Culture Agent Program

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[1] Some subsidiaries operate separate training systems reflecting the characteristics of their respective business divisions.
[2] The HS HYOSUNG Group learning platform introduced in 2026.
[3] Training is planned to enhance the use of business automation capabilities following the introduction of the HS HYOSUNG generative AI infrastructure (AiHUB) and Microsoft 365.

Performance Data Book

Economic Performance

Summary Financial Information[1]

		Unit	2024	2025
Total Assets		**KRW Mil.**	**1,143,493**	**908,410**
Current Assets		KRW Mil.	683,891	500,133
	Cash and Cash Equivalents	KRW Mil.	31,790	40,977
	Trade and Other Receivables	KRW Mil.	271,722	175,888
	Other Current Financial Assets	KRW Mil.	1,208	-
	Other Current Assets	KRW Mil.	23,700	19,562
	Inventories	KRW Mil.	348,134	262,158
	Current Income Tax Assets	KRW Mil.	7,336	1,548
Non-current Assets		KRW Mil.	459,601	408,278
	Long-term Trade and Other Receivables	KRW Mil.	3,883	5,094
	Tangible Assets	KRW Mil.	106,250	41,112
	Investments in Properties	KRW Mil.	-	24,071
	Intangible Assets	KRW Mil.	15,968	20,241
	Investments in Associates and Joint Ventures	KRW Mil.	323,160	308,367
	Net Defined Benefit Assets	KRW Mil.	-	150
	Other Non-current Financial Assets	KRW Mil.	1,713	1,713
	Other Non-current Assets	KRW Mil.	182	122
	Deferred Tax Assets	KRW Mil.	8,446	7,408
Total Liabilities		**KRW Mil.**	**590,154**	**386,080**
Current Liabilities		KRW Mil.	565,636	359,439
	Trade and Other Payables	KRW Mil.	304,371	173,635
	Short-term Borrowings and Current Portion of Long-term Borrowings	KRW Mil.	229,232	158,532
	Other Current Financial Liabilities	KRW Mil.	4,021	4,512
	Current Income Tax Liabilities	KRW Mil.	2,985	405
	Other Current Liabilities	KRW Mil.	25,026	22,356
Non-current Liabilities		KRW Mil.	24,518	26,641
	Long-term Trade and Other Payables	KRW Mil.	150	3,377
	Net Defined Benefit Liabilities	KRW Mil.	2,274	4,139
	Deferred Tax Liabilities	KRW Mil.	16,113	12,610
	Other Non-current Liabilities	KRW Mil.	5,830	6,406
	Provisions	KRW Mil.	152	109
Total Equity		**KRW Mil.**	**553,339**	**522,330**
Equity Attributable to Owners of the Parent		KRW Mil.	548,566	517,091
	Capital stock	KRW Mil.	18,630	18,630
	Share Premium	KRW Mil.	399,696	99,696
	Retained Earnings	KRW Mil.	17,991	338,415
	Other Components of Equity	KRW Mil.	112,249	60,351
Non-controlling Interests		KRW Mil.	4,773	5,239
Total Equity and Liabilities		**KRW Mil.**	**1,143,493**	**908,410**

[1] Based on the HS HYOSUNG K-IFRS Consolidated Financial Statements.

Statement of Comprehensive Income

	Unit	2024	2025
Revenue and Equity Method Gain (Loss)	KRW Mil.	721,844	1,409,897
Cost of Sales	KRW Mil.	666,659	1,297,136
Gross Profit	KRW Mil.	55,186	112,761
SG&A	KRW Mil.	33,801	66,327
Operating Income	KRW Mil.	21,385	46,434
Other Income	KRW Mil.	483	535
Other Expenses	KRW Mil.	241	110
Finance Income	KRW Mil.	9,033	8,806
Finance Expenses	KRW Mil.	14,777	24,789
Profit (Loss) from Continuing Operations Before Income Tax	KRW Mil.	15,883	30,878
Income Tax Expense (Benefit) from Continuing Operations	KRW Mil.	2,764	7,958
Profit (Loss) from Continuing Operations	KRW Mil.	13,119	22,920
Profit (Loss) from Discontinued Operations	KRW Mil.	- 10,740	- 2,855
Profit (Loss) for the Year	KRW Mil.	2,380	20,065
Profit (Loss) Attributable to:			
Owners of the Parent	KRW Mil.	2,212	19,610
Profit (Loss) from Continuing Operations Attributable to Owners of the Parent	KRW Mil.	12,952	22,466
Profit (Loss) from Discontinued Operations Attributable to Owners of the Parent	KRW Mil.	- 10,740	- 2,855
Non-controlling Interests	KRW Mil.	168	454
Profit (Loss) from Continuing Operations Attributable to Non-controlling Interests	KRW Mil.	168	454
Earnings per Share Attributable to Owners of the Parent			
Basic Earnings (Loss) per Share from Continuing Operations	KRW Mil.	0	0
Basic Earnings (Loss) per Share from Discontinued Operations	KRW Mil.	- 0	- 0

Production by Business Segment

	Unit	2024	2025
Industrial Yarn and Fabrics, Including Tire Reinforcement Materials, Carbon Fiber, and Airbags	KRW Mil.	211,056	193,952

Compliance with Laws and Regulations[1),2)]

	Unit	2024	2025
Significant Legal Violations			
Violations Resulting in Fines	cases	0	0
Violations Resulting in Non-monetary Sanctions	cases	0	0

1) Cases involving fines of USD 10,000 or more. For sanctions imposed on the Company other than fines, such as administrative fines, refer to the sanctions section of the Business Report.
2) This includes cases of non-compliance with regulations related to the health and safety impacts of products and services, laws and voluntary codes concerning product and service information and labeling, environmental laws and regulations, and laws and voluntary codes concerning marketing communications

Trusted Value & Initiatives

GRI Standards

Statement of use	HS HYOSUNG Group reports its ESG performance and data for the period from January 1 to December 31, 2025, in accordance with the GRI Standards. For certain material disclosures, the Report also includes significant activities conducted through the first half of 2026.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable. As of the publication date of this Report (June 2026), no GRI Sector Standard applicable to the Group's industries had been issued.

GRI 2: General Disclosures 2021

GRI Standards	Index	Disclosure	Page
The organization and its reporting practices	2-1	Organizational details	6, 9
	2-2	Entities included in the organization's sustainability reporting	2, 9
	2-3	Reporting period, frequency and contact point	2
	2-4	Restatements of information	Not Applicable
	2-5	External assurance	91-92
Activities and workers	2-6	Activities, value chain and other business relationships	5, 10-12
	2-7	Employees	6, 77
	2-8	Workers who are not employees	77
Governance	2-9	Governance structure and composition	69-72, Business report (p.268)
	2-10	Nomination and selection of the highest governance body	68-71, Board of Directors Regulations (Article 14 Independent Director Recommendation Committee)
	2-11	Chair of the highest governance body	69, Board of Directors Regulations (Article 5, the Chair)
	2-12	Role of the highest governance body in overseeing the management of impacts	14, 18, 69-72
	2-13	Delegation of responsibility for managing impacts	14, 69-72
	2-14	Role of the highest governance body in sustainability reporting	14, 69-72
	2-15	Conflicts of interest	69-72, Board of Directors Regulations (Article 9 Resolution Procedures)
	2-16	Communication of critical concerns	14, 18, 69-72
	2-17	Collective knowledge of the highest governance body	70-71
	2-18	Evaluation of the performance of the highest governance body	72, Board of Directors Regulations
	2-19	Remuneration policies	72, Board of Directors Regulations
	2-20	Process to determine remuneration	72, Board of Directors Regulations
	2-21	Annual total compensation ratio	79
Strategy, policies and practices	2-22	Statement on sustainable development strategy	5
	2-23	Policy commitments	26, 28-29, 36, 46, 52, 60, 63
	2-24	Embedding policy commitments	26-28, 36-40, 46-48, 52-54, 60-62
	2-25	Processes to remediate negative impacts	37, 53, 61-62
	2-26	Mechanisms for seeking advice and raising concerns	37, 53, 61-62
	2-27	Compliance with laws and regulations	84
	2-28	Membership associations	88
Stakeholder engagement	2-29	Approach to stakeholder engagement	16
	2-30	Collective bargaining agreements	79

GRI 3: Material Topics

GRI Standards	Index	Disclosure	Page
Material Topics	3-1	Process to determine material topics	18
	3-2	List of material topics	19-20

Material Topic 1. Customer Satisfaction

GRI Standards	Index	Disclosure	Page
GRI 3: Material Topics	3-3	Management of material topics	20, 49-51
GRI 416: Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	84
GRI 417: Marketing and Labeling	417-1	Requirements for product and service information and labeling	51
	417-2	Incidents of non-compliance concerning product and service information and labeling	84
	417-3	Incidents of non-compliance concerning marketing communications	84
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	80, Business report (p.295)

Material Topic 2. Occupational Safety & Health

GRI Standards	Index	Disclosure	Page
GRI 3: Material Topics	3-3	Management of material topics	20, 46-48, 80
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	46-48, 80-81
	403-2	Hazard identification, risk assessment, and incident investigation	46-48
	403-3	Occupational health services	48
	403-4	Worker participation, consultation, and communication on occupational health and safety	46-48
	403-5	Worker training on occupational health and safety	48, 82
	403-6	Promotion of worker health	48, 80
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	48
	403-8	Workers covered by an occupational health and safety management system	81
	403-9	Work-related injuries	81
	403-10	Work-related ill health	81

Trusted Value & Initiatives

GRI Standards

Material Topic 3. Compliance

GRI Standards	Index	Disclosure	Page
GRI 3: Material Topics	3-3	Management of material topics	20, 59-61, 81, 83
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	61
	205-2	Communication and training about anti-corruption policies and procedures	60-62, 82
	205-3	Confirmed incidents of corruption and actions taken	62
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	62

Material Topic 4. Eco-friendly Portfolio

GRI Standards	Index	Disclosure	Page
GRI 3: Material Topics	3-3	Management of material topics	20, 32-33
Non-GRI	-	As no GRI Topic Standard is available for this material topic, HS HYOSUNG Group reports its management approach based on its own reporting framework.	

Material Topic 5. Climate Change Response

GRI Standards	Index	Disclosure	Page
GRI3: Material Topics	3-3	Management of material topics	20, 29-31, 73-75
GRI 302: Energy	302-1	Energy consumption within the organization	74
	302-3	Energy intensity	74
	302-4	Reduction of energy consumption	30, 74
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	74
	305-2	Energy indirect (Scope 2) GHG emissions	74
	305-3	Other indirect (Scope 3) GHG emissions	75
	305-4	GHG emissions intensity	74
	305-5	Reduction of GHG emissions	74
	305-6	Emissions of ozone-depleting substances (ODS)	76
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	76

Other Topics

GRI Standards	Index	Disclosure	Page
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	79, 84
	201-2	Financial implications and other risks and opportunities due to climate change	30
	201-3	Defined benefit plan obligations and other retirement plans	79
	201-4	Financial assistance received from government	Business report (p.195)
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	53
GRI 303: Water and Effluents	303-3	Water withdrawal	75
	303-4	Water discharge	75
	303-5	Water consumption	75
GRI 306: Waste	306-3	Waste generated	76
	306-4	Waste diverted from disposal	76
	306-5	Waste directed to disposal	76
GRI 308: Supplier Environmental Assessment	308-1	New partners that were screened using environmental criteria	52-53
	308-2	Negative environmental impacts in the supply chain and actions taken	52-53
GRI 414: Supplier Social Assessment	414-1	New partners that were screened using social criteria	52-53
	414-2	Negative social impacts in the supply chain and actions taken	52-53
GRI 415: Public Policy	415-1	Political contributions	80

Trusted Value & Initiatives

ESRS

HS HYOSUNG Group has referred to the key disclosure requirements of the European Sustainability Reporting Standards (ESRS) in consideration of evolving global sustainability disclosure standards. This table serves as a reference by identifying the ESRS disclosure requirements most relevant to the material sustainability topics addressed in this Report and linking them to the corresponding sections, enabling stakeholders to easily locate related information.

ESRS 2 Reference Index

Category	Key ESRS Disclosure Requirements	Related Content in the Report	Page
Basis for Preparation	BP-1, BP-2	Reporting Standards, Reporting Period, Reporting Boundary, and Reporting Principles	2
Governance	GOV-1~GOV-5	ESG Governance, Board of Directors and Committee Operations, Sustainability-related Internal Controls and Risk Management	14, 39-40, 52-53, 67-71
Strategy	SBM-1~SBM-3	Business Portfolio, ESG Strategy, Stakeholder Engagement, Materiality Assessment, and Material Topics	5, 9-12, 15-16, 18-20
Impact, Risk and Opportunity Management	IRO-1, IRO-2	Impact, Risk, and Opportunity Identification and Assessment, ESRS Reference Table	18, 87
Minimum Disclosure Requirements	MDR-P, MDR-A, MDR-M, MDR-T	Policies, Actions, Metrics, Targets, and Performance Related to Material Sustainability Topics	26, 28-29, 32, 36, 46, 52, 57, 59, 63

Topic Standards Reference Index

Category	Key ESRS Disclosure Requirements	Related Content in the Report	Page
Climate Change	E1	Climate Change Response, Energy Management, GHG Emissions, and Emissions Reduction Activities	20-21, 29-31, 74-75, 89-90
Resource Use and Circular Economy	E5	Environmental Impact Management, Low-carbon and Circular Portfolio, Water Resource Management, and Waste Management	18-20, 32-33
Own Workforce	S1	Human Rights Management, Talent Management, Employee Engagement, Occupational Safety and Health, and Employee Data	20, 36-48, 62, 77-83
Workers in the Value Chain	S2	Supply Chain ESG Management, Supplier Assessments and On-site Due Diligence , and Supplier Grievance Mechanisms	20, 52-54
Consumers and End-users	S4	Customer Satisfaction, Product and Service Safety, Customer Engagement, and Customer Information Protection	20, 49-51
Business Conduct	G1	Ethics and Compliance Management, Anti-corruption, Whistleblowing Management, Risk Management, and Compliance with Laws and Regulations	54, 60-62, 81

SASB

Considering its diverse business portfolio, **HS HYOSUNG Group** has referred to the Sustainability Accounting Standards Board (SASB) Standards that are most relevant to its principal business activities. This table serves as a reference by linking the relevant SASB disclosure areas to the corresponding sections of this Report, enabling stakeholders to easily locate related information.

SASB Reference Summary

SASB Reference Area	Relevant Business Division	Related Content in the Report	Page
GHG Emissions and Energy Management	Advanced Materials, Group-wide	Climate Change Response, Energy Consumption, and Scope 1, 2, and 3 GHG Emissions	29-31, 74-75
Air Quality, Water Resources, and Waste Management	Advanced Materials	Environmental Impact Management at Business Sites, Water Resources, Waste, and Air Pollutant Data	27, 75-76, 84
Occupational Safety and Safety	Group-wide	Occupational Safety and Health Management System, Industrial Accident Status, and Health Checkups	47-48, 81
Raw Material and Supplier Risk Management	Advanced Materials, Group-wide	Supplier ESG Assessments, On-site Audits, Low-carbon and Circular Raw Material Procurement, and Supplier Grievance Mechanisms	52-54
Product and Service Responsibility	All Business Divisions	Customer Management System, Quality and Service Improvement, and Compliance with Laws and Regulations	27, 29, 33, 84
Information Security and Data Protection	AI/Data Solutions, Group-wide	Information Security Governance, Personal Information Protection, and Security Incident Response	63-66, 80, 84
Business Ethics and Compliance	Advanced Materials, Group-wide	Code of Ethics, Anti-corruption, Whistleblowing Management, and Compliance with Government Regulations and Applicable Laws	26-28, 62, 84

Certifications, Associations & Initiatives

Certifications

Company	Country	Subsidiary / Business Site	Environmental Management	Quality Management		Occupational Safety and Health Management	Energy Management
			ISO 14001	ISO 9001	IATF 16949	ISO 45001	ISO 50001
HS HYOSUNG	Korea	HS HYOSUNG R&D Center	●	●	●	-	-
HS HYOSUNG USA	USA	Decatur	●	●	●	-	-
HS HAMC	Korea	Headquarters	●	●	●	-	-
		Daejeon	●	●	-	-	-
		Ulsan	●	●	●	●	-
		Jeonju	●	-	●	●	-
	Vietnam	Vietnam	●	●	●	●	-
		Quang Nam	●	●	●	●	-
	China	Jiaxing	●	●	●	●	●
		Qingdao	●	●	●	●	-
		Changshu	●	-	●	●	-
		Jiangsu	-	-	●	-	-
	Romania	Albeşti	●	-	●	●	-
		Sighisoara	●	-	●	●	-
	Luxembourg	Luxembourg	●	●	-	●	●
	Mexico	Ensenada	-	-	●	-	-
		Torreon	-	-	●	-	-

Associations

HS HYOSUNG					
Korea Enterprises Federation	The Federation of Korean Industries	Korea Chamber of Commerce and Industry	The Korean Society Future Forum for Semiconductor Material Part and Equipment	Korea Importers Association	Korea International Freight Forwarders Association
HS HYOSUNG TOYOTA					
Seoul Automobile Maintenance Association					
HS HAMC					
Korea Chamber of Commerce and Industry	Hydrogen Council	The Korean Society Future Forum for Semiconductor Material Part and Equipment	The Federation of Korean Industries	Korea Association for Chief Financial Officers	Korea Exchange
Korea Enterprises Federation	Korea Economic Research Institute	Korea International Trade Association	Korea Defense Industry Association	Korea-Vietnam Friendship Association	Korea Listed Companies Association
Korea Carbon and Nano Industry Association	Korean Carbon Society	Korea Chemical Fibers Association	Industrial Security Academy of Korea	The Korean Institute of Chemical Engineers	
HIS					
Information & Communication Financial Cooperative	Korea Information & Communication Contractors Association	Korea Chamber of Commerce and Industry	The Korea Society of Management Information Systems	Korea Digital Government Association	GEM : Group of E-Members

Initiatives

HS HAMC						
CDP	UNGC	UNGC Forward Faster	K-ESG Alliance	SBTi	Industry Climate Crisis Adaptation Council	Korea TCFD Alliance

GHG Emissions (Scope 1,2) Verification Opinion

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by HS HYOSUNG GROUP ("Company") to perform third party verification for the Consolidated entities and its subsidiaries and affiliates' Greenhouse Gas Statement. The Company is responsible for the preparation of the GHG statement on the basis set out within 'ISO 14064-1:2018', 'WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard', 'IPCC Guidelines: 2006'. The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or co-responsibility for any decisions a 3rd party may make based on the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company's GHG statement, and the scope of verification is as follows;

- Organizational Boundary : HS HYOSUNG, HS HYOSUNG TOYOTA, HS HYOSUNG Vina, HS HYOSUNG USA, HIS, HS HYOSUNG ADVANCED MATERIALS
- Reporting Boundary : Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting Period : 2024.01.01 ~ 2025.12.31[1]

Verification Approach

The verification[2] has been conducted in accordance with the verification principles[3] and tasks outlined in the 'ISO 14064-3:2019', based upon a Limited Level of assurance. DNV planned and conducted the verification to obtain all necessary information and explanations, ensuring sufficient evidence to support a verification opinion at a 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process.
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information.

- DNV represents "unmodified" opinion on Greenhouse Gas Emissions.

Annex to 'PRJN-1214981-03-AST-ENG'

Company	Year	Accounting method	GHG Emissions (ton CO_2-eq)			Energy Consumption (TJ)				
			Scope 1	Scope 2[1]	Total[2]	Fuel	Steam	Electricity	Renewable Energy	Total[2]
HS HYOSUNG	2024	Location-based	144	64	208	2	-	0	-	3
	2025	Location-based	610	1,023	1,633	11	-	8	-	19
HS HYOSUNG TOYOTA	2024	Location-based	129	345	474	2	-	3	-	5
	2025	Location-based	125	350	475	2	-	3	-	5
HS HYOSUNG Vina	2024	Location-based	5	14	19	0	-	0	-	0
	2025	Location-based	4	17	21	0	-	0	-	0
HS HYOSUNG USA	2024	Location-based	12,766	9,184	21,951	249	-	93	-	342
	2025	Location-based	12,276	7,350	19,627	240	-	80	-	320
HIS	2024	Location-based	37	499	536	1	-	4	-	5
	2025	Location-based	41	513	554	1	-	4	-	5
HS HAMC	2024	Location-based	214,007	990,219	1,204,226	3,692	1,019	6,025	331	11,067
		Market-based	214,007	926,456	1,140,462					
	2025	Location-based	168,674	1,026,076	1,194,750	2,947	1,493	5,351	963	10,754
		Market-based	168,674	847,672	1,016,345					
Total	2024	Location-based	227,088	1,000,325	1,227,413	3,947	1,019	6,125	331	11,422
		Market-based	227,088	936,562	1,163,650					
	2025	Location-based	181,730	1,035,330	1,217,060	3,200	1,493	5,445	963	11,102
		Market-based	181,730	856,925	1,038,655					

1) Entities disclosing only the location-based method are deemed to have equivalent market-based emissions.
2) In order to report the GHG emissions as an integer, the rounded number might be different from the number on the calculation tool with ± 1 tCO_2e.

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Country Representative
DNV Business Assurance Korea Ltd.

J.S.

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[1] The head office and Transworld of HS Hyosung Co., Ltd. reported emissions under the K-ETS until June 30, 2024 (prior to the demerger). Accordingly, emissions for these two sites have been accounted for from July 2024 onward.

[2] HS Hyosung Steel Cord (Qingdao) Co., Ltd. (FY2024-2025) and HS Hyosung Chemical Fiber (Jiaxing) Co., Ltd. (FY2024) were excluded from DNV's verification scope, as their GHG emissions were verified by another body in accordance with Chinese regulations.

[3] For Korean entities, GHG were reported and verified in accordance with the guidelines on the operation of GHG-ETS and the verification guideline for GHG-ETS, with the verification conducted at a reasonable assurance level.
This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Company is subsequently brought to our attention.

GHG Emissions (Scope 3) Verification Opinion

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by HS HYOSUNG GROUP (here after “Company”) to perform third-party verification for the Company’s Greenhouse Gas Statement. The Company is responsible for the preparation of the GHG statement on the basis set out within ‘ISO 14064-1:2018’ and ‘The Corporate Value Chain (Scope 3) Accounting and Reporting Standard’. The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or co-responsibility for any decisions a person or an entity may make based on the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company’s GHG statement, and the scope of verification is as follows;

- Organizational Boundary : HS HYOSUNG USA
- Reporting Boundary : Scope 3 (Other indirect emissions: Category 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12)
- Reporting Period : 2025.01.01 ~ 2025.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the ‘ISO 14064-3:2019’, based upon a Limited Level of assurance. DNV planned and concluded our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information.

- DNV represents “unmodified” opinion on Greenhouse Gas Emissions.

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Country Representative
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This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the Company is subsequently brought to our attention.

Annex to ‘PRJN-1182173-05-AST-ENG’

2025 Scope 3 GHG Emissions of HS HYOSUNG USA

Category	Scope 3 GHG Emissions (tCO_2-eq)		
	Upstream	Downstream	Total
1. Purchased Goods and Services	153,679	-	153,679
2. Capital Goods	25	-	25
3. Fuel- and Energy-related Activities	6,385	-	6,385
4. Upstream Transportation and Distribution	5,365	-	5,365
5. Waste Generated in Operations	859	-	859
6. Business Travel	75	-	75
7. Employee Commuting	879	-	879
8. Upstream Leased Assets	290	-	290
9. Downstream Transportation and Distribution	-	3,763	3,763
10. Processing of Sold Products	-	9,411	9,411
12. End-of-life Treatment of Sold Products	-	10,172	10,172
13. Downstream Leased Assets	-	-	-
Total (2025)	167,557	23,346	190,903

※ Note: The Scope 3 GHG emissions presented above are calculated by rounding the emissions for each category to the nearest whole number before aggregation.

The Scope 3 GHG Emissions Assurance Statement for HS HYOSUNG ADVANCED MATERIALS Corporation is disclosed in the HS HYOSUNG ADVANCED MATERIALS 2025 Sustainability Report, p. 95.

Third-party Assurance Statement

Overview

The British Standards Institution (hereinafter referred to as the "Assurer") was requested to verify the 2025 HS HYOSUNG Sustainability Report (hereinafter referred to as the "Report"). The Assurer is independent to HS HYOSUNG and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the HS HYOSUNG's report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the HS HYOSUNG. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate.

HS HYOSUNG has responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the Report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to HS HYOSUNG only.

The Assurer is responsible for providing HS HYOSUNG's management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of HS HYOSUNG. The Assurer will not, in providing this Independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the Independent assurance opinion statement may be read.

Scope

The scope of engagement agreed upon with HS HYOSUNG includes the following:

- Report contents during the period from January 1st to December 31st 2025 included in the Report, some data of 2026 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report's compliance with the AA1000 AccountAbility Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

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

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

Assurance Level and Type

The assurance level and type are as follows;

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the Assurer reviewed the following disclosures based on the sampling of information and data provided by HS HYOSUNG.

[Universal Standards]

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

[Topic Standards]

201-1~4, 204-1, 205-1~3, 206-1,302-1, 302-3~4, 303-3~5, 305-1~7, 306-3~5, 308-1~2, 403-1~10, 414-1~2, 415-1, 416-2, 417-1~3, 418-1

Methodology

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

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation.
- Review of the materiality issue analysis process and prioritization and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures.
- An assessment of HS HYOSUNG's reporting and management processes against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the HQ of HS HYOSUNG to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by HS HYOSUNG. It implies that the Assurer is therefore subject to limitations relating to inherent risks that may exist without the identification of material errors. The Assurer does not provide assurance on possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

British Standards Institution (BSI) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with HS HYOSUNG. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Third-party Assurance Statement

Opinion Statement

The assurance was conducted by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the verification and collected sufficient evidence to explain HS HYOSUNG' approach to the AA1000 Assurance Standard and to provide confidence in its self-declaration of compliance with the GRI Standards.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environmental performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards is set out as below.

Inclusivity: Stakeholder Engagement and Opinion

HS HYOSUNG divides key stakeholders who have an important impact on corporate management activities into employees, customers, shareholders and investors, suppliers, NGOs and communities, associations and experts, and government, and operates communication channels suitable for each target. Through communication channels, the opinions and requirements of stakeholders are collected and reflected in management activities such as strategy establishment and implementation, and the relevant process is disclosed through reports.

Materiality: Identification and reporting of material sustainability topics

HS HYOSUNG is carried out by reflecting the opinions of internal and external stakeholders, focusing on comprehensive risk perspectives such as environment, society, and governance, by establishing strategies related to sustainable management and establishing a process to derive reporting issues. Among the important issues, five important issues, including customer satisfaction and safety and health, compliance, eco-friendly portfolios, and response to climate change, have been selected as key issues, and major related activities and plans are transparently disclosed in this report.

Responsiveness: Responding to material sustainability topics and related impacts

HS HYOSUNG has established a management process for key reporting issues related to important sustainability topics and related impacts. In order to respond appropriately in a way that reflects the expectations of stakeholders, strategic response tasks are established by comprehensively analyzing the impact, risk, and opportunity factors of each important issue in consideration of key reporting issues, and the results of response, including the status of its implementation, are disclosed through reports.

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

HS HYOSUNG has established a process to identify and evaluate the impact on organizations and stakeholders related to key reporting issues. The analysis results of impact, risk, and opportunity factors on key reporting issues are used to make decisions to establish a response strategy for each issue, and the process is disclosed through reports.

Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, an assurance Type 2 was conducted against the following disclosures based on the information and data provided by HS HYOSUNG. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the Report were not found through assurance processes. The HS HYOSUNG manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected and the Assurer confirmed the final version of the Report prior to its final publication.

- GRI Topic Standards: 302-1, 302-3~4, 303-3~5, 305-1~7, 306-3~5, 403-3, 403-8~9

Recommendations and Opportunity for improvement

The Assurer provides the following observations to the extent that they do not affect the assurance opinion;

- It is recommended to clarify the management strategies for costs associated with long-term climate change risks and opportunities.

GRI-reporting

HS HYOSUNG has self-declared compliance with GRI Standards. Based on the data and information provided by HS HYOSUNG, the Assurer confirmed that the Report is prepared in accordance with the GRI Standards, and confirmed there are no errors in the disclosures related to the Universal Standards and Topic Standards Indicators. No sector standard is applied.

Issue Date: 08/06/2026
For and on behalf of British Standards Institution (BSI):

BSI representative

Jong Ho Lee, Lead Assurer
Sustainability Framework and KPIs related to Governance and Economy

Yeon Woo Jo, Assurer
Sustainability KPIs related to Environmental and Social/People

Seonghwan Lim, Managing Director of BSI Korea

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