Hyundai Steel 2025 Sustainability Report

BEYOND STEEL

HYUNDAI STEEL

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Interactive PDF User Guide

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Overview

Hyundai Steel is pursuing sustainable growth through various activities aimed at enhancing value for both the company and society.

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1.1 About This Report

1.1.1 Reporting Outline

Hyundai Steel has been publishing an annual Sustainability Report since 2007 to transparently disclose its sustainability management activities and performance, reflecting global guidelines and the expectations of both internal and external stakeholders. The 2025 Sustainability Report is structured into the following categories: Overview, Material Topics, ESG Issues(Environment, Social, Governance), Factbook, and Appendix. It provides a comprehensive overview of Hyundai Steel's sustainability efforts and achievements.

1.1.2 Reporting Principles

This report has been prepared in accordance with the GRI(Global Reporting Initiative) Standards 2021, and references the frameworks of KSSB(Korea Sustainability Standards Board) and ESRS(European Sustainability Reporting Standards). Additionally, it incorporates other indicators such as the Sustainability Accounting Standards Board(SASB) standards and the UN Sustainable Development Goals(UN SDGs).

1.1.3 Reporting Scope

The reporting period for this report is from January 1 to December 31, 2024. For timeliness, some activities and performances include information from the first half of 2025. The boundary of the sustainability report is based on 75-100% of revenue. For quantitative performance, we disclose results for at least the past three years to show year-on-year trends. The basic reporting scope includes Hyundai Steel's domestic operations such as headquarters and Steelworks, with some data including joint ventures, such as domestic and overseas subsidiaries. Any discrepancies in scope from the previous year's report are specified within the report, along with the reasons.

1.1.4 Reporting Assurance

To ensure fairness and reliability of the report content and data, we commissioned a third-party verification from BSI Group Korea, a global verification institution. The verification statement is included on the "Third Party Assurance Statement" page.

1.1.5 Global Initiatives and Partnerships

Hyundai Steel joined the UN Global Compact(UNGC), launched through collaboration between the United Nations and the corporate sector to promote international ethics and environmental responsibility, and is committed to upholding and internalizing the UNGC's Ten Principles. As a member of the World Steel Association, we participate in various subcommittees. We also follow ISO 26000, the international standard on social responsibility, and participate in the Carbon Disclosure Project(CDP), which evaluates corporate responses to climate change.

Our sustainability efforts have been recognized globally. In 2024, we were included in the "DJSI World" Index for the 7th consecutive year, the "DJSI Asia Pacific" Index for the 16th consecutive year, and the "DJSI Korea" Index for the 7th consecutive year. We have also maintained an "A" rating from the Korea Institute of Corporate Governance and Sustainability(KCGS).

1.1.6 Forward-Looking Statements

This report includes not only current and historical facts, but also forward-looking statements that present expectations and projections about the future. These statements may be identified by words or expressions such as "promote", "plan", "outlook", "goal", "intend", "expect", "estimate", "believe", or "anticipate". They address Hyundai Steel's future business strategies, environmental objectives(including greenhouse gas emissions, energy consumption, and innovations in steel production technology), as well as external sustainability-related commitments and operational strategies. While we believe these forward-looking statements are reasonable based on current forecasts, estimates, and information available, their accuracy is not guaranteed. A variety of factors beyond our control, such as global economic conditions, fluctuations in steel demand, raw material prices, exchange rates, stricter carbon regulations, and advancements in low emission steelmaking technologies, as well as assumptions, inherent risks, and uncertainties, may cause actual results to differ materially from those expressed or implied. Except where required by law, we assume no obligation to update any forward-looking statements based on new information, future developments, or other events. Accordingly, this information should not be relied upon as current or definitive after the publication of this report. We remain committed to sustainable steel production and the creation of social value, and we aim to communicate transparently with our stakeholders through this report.

Report Publication Information and Contact

Issuing Authority	Hyundai Steel Co., Ltd.(www.hyundai-steel.com)
Issue Date	June 2025
Planning/Design	Hyundai Steel Sustainability Management Team
Contact	Hyundai Steel Sustainability Management Team (sustainable@hyundai-steel.com)

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1.1 About This Report

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1.2 CEO Message

We Do in Sustainable H-ways

We act sustainably
for everyone's future.



We deeply appreciate the continued interest and support of all our stakeholders.

The global business environment remains exceptionally challenging due to prolonged economic stagnation, subdued demand both domestically and internationally, and rising protectionist trade barriers. In the face of these difficulties, we remain steadfast in our efforts to build sustainable competitiveness.

To achieve carbon neutrality, a global imperative, we are preparing for the production of low emission steel based on our "2050 Carbon Neutral Roadmap". We are focusing on establishing a sales foundation through quality assurance and customer testing, while also securing a stable supply chain for high-grade, low-carbon raw materials and reviewing phased transitions to renewable energy at our business sites.

At the same time, we are improving our business structure through a strategy of selection and concentration. We are reviewing the development of new steel grades to lay the groundwork for long-term growth. As part of our global strategy, we have established new Steel Service Centers(SSC) in Georgia, USA and Pune, India to strengthen our local sales networks. We are also enhancing our competitiveness in mobility materials by developing advanced steels, such as third-generation steel, in response to vehicle electrification and lightweighting trends. We are fostering a strong culture of ethics and compliance through internal audits and training programs. In parallel, we are enhancing the expertise and diversity of our Board of Directors and strengthening ESG assessment and management across our supply chain. These efforts are helping us strengthen collaboration across our value chain and build a sound and responsible business ecosystem.

This year, we announced a new vision, "Strength for MOVE". Through this vision, we are pursuing three strategic directions: strengthening a profit-centered business structure, enhancing the efficiency of carbon neutrality execution, and securing future growth engines. We aim to build a stable production system for high-value-added products, improve efficiency across all operations, and focus company-wide capabilities on the disciplined implementation of our carbon neutrality strategy.

In particular, we are making steady progress on the construction of an integrated electric arc furnace(EAF) steel mill in the United States, targeting the start of commercial operations in 2029. This project will enable us to respond more effectively to intensifying protectionist trade policies and supply chain regulations, while establishing a global production base for low emission automotive steel that will further solidify our foundation for future growth. To achieve these goals, we believe that "safety" must come first. We take full responsibility for the recent serious industrial accidents and have declared an emergency safety management system across all our sites. Through this initiative, we are strengthening the implementation of on-site safety measures, focusing improvements on high-risk areas, and fostering a strong culture of safety by raising awareness across the entire organization. We will continue to prioritize safety in all aspects of our business and remain committed to building a more robust safety management system that can proactively prevent accidents before they occur.

Sustainability is not only a demand of our time but also a fundamental principle for long-term business survival. All of us at Hyundai Steel are committed to upholding the core values of sustainability and continuously seeking ways to create both corporate and social value.

Once again, we thank you for your ongoing support and encouragement. Guided by our belief in "We Do in Sustainable H-ways", we will continue to listen closely to your voices and move forward together toward a more sustainable future.

Thank you.

Gang-hyun Seo
CEO and President, Hyundai Steel

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1.3 Global Network

Hyundai Steel has contributed to the advancement of the steel industry and national economic growth by creating new possibilities and value from steel. We have grown into a global steelmaker with a diversified product portfolio, including reinforcing bars, sections, hot rolled sheets/coils, cold rolled sheets/coils, plates, special steel, and automotive parts. With the completion of the resource circulation model spans from blast furnace to electric arc furnace, we are creating greater sustainable corporate value together with our customers and society. Domestically, we operate five sites: the Incheon Works(Jungbong-daero, Dong-gu, Incheon), the Pohang Works(Donghaean-ro, Nam-gu, Pohang-si, Gyeongsangbuk-do), the Dangjin Integrated Steelworks(Bukbusaneop-ro, Songak-eup, Dangjin-si, Chungcheongnam-do), the Suncheon Works(Indeok-ro, Haeryong-myeon, Suncheon-si, Jeollanam-do), and the Pangyo Office(Bundangnaegok-ro, Bundang-gu, Seongnam-si, Gyeonggi-do). Our registered headquarters is located in Jungbong-daero, Dong-Incheon. Globally, we operate 15 subsidiaries and 10 Offices across 14 key countries, including the United States, China, and India. These overseas entities serve as strategic outposts that support our global business expansion.

Overseas Network

(Based on 2024 Business Report)



Overseas Business Sites[1)]
14 countries
15 subsidiaries
10 offices

Revenue (Consolidated)
KRW 23,226.1billion

Operating Profit (Consolidated)
KRW 159.5billion

1) Applies only to overseas subsidiaries led by company-appointed representatives. Information on consolidated subsidiaries is provided in the Business Report
2) Headcount: Expatriate/Local employees(Management positions/Technical positions)

Overseas Subsidiaries

Area		Name	Key Business	Headcount[2)]
China	Tianjin	HSCN, Hyundai Steel Investment Co., Ltd.	Steel Material Purchasing and Sales	2/9(9/0)
		HSTJ, Hyundai Steel Tianjin Co.,Ltd.	Overseas Steel Service Center	5/73(38/35)
	Suzhou	HSSZ, Hyundai Steel Suzhou Process Co., Ltd.	Overseas Steel Service Center	2/16(13/3)
	Jiangsu	HSJS, Hyundai Steel Jiangsu Process Co., Ltd.	Overseas Steel Service Center	4/74(35/39)
	Qingdao	HSMC, Qingdao Hyundai Machinery Co.,Ltd.	Excavator(continuous track) Manufacturing and Sales	3/86(21/65)
India	Chennai	HSCH, Hyundai Steel India Private, Ltd.	Overseas Steel Service Center	4/50(36/14)
	Anantapur	HSAN, Hyundai Steel Anantapur Private, Ltd.	Overseas Steel Service Center	4/59(38/21)
Europe	Czech	HSCZ, Hyundai Steel Czech s.r.o.	Overseas Steel Service Center	5/65(30/35)
	Slovakia	HSSK, Hyundai Steel Slovakia s.r.o.	Overseas Steel Service Center	3/64(28/36)
	Russia	HSRU, Hyundai Steel Rus LLC	Overseas Steel Service Center	2/26(12/14)
	Turkey	HSTR, Hyundai Steel TR Automotive Steel Parts Co., Ltd.	Overseas Steel Service Center	4/69(25/44)
USA	Alabama	HSAL, Hyundai Steel America, Inc.	Overseas Steel Service Center	5/105(29/76)
	Georgia	HSGA, Hyundai Steel Georgia, Inc.	Overseas Steel Service Center	5/32(19/13)
South America	Mexico	HSMX, Hyundai Steel Mexico S de R. L. de C. V	Overseas Steel Service Center	4/88(31/57)
	Brazil	HSBR, Hyundai Steel Industry and Trade Brazil LLC	Overseas Steel Service Center	3/47(19/28)

Overseas Offices

Area		Name
Asia	China	Hyundai Steel Beijing Office
	Japan	Hyundai Steel Company Tokyo Branch
	India	Hyundai Steel New Delhi Office
	Singapore	Hyundai Steel Company Singapore Branch
	Vietnam	Hyundai Steel Hanoi Office

Area		Name
Asia	UAE	Hyundai Steel Dubai Office
Europe	Germany	Hyundai Steel Frankfurt Office
America	U.S.A.	Hyundai Steel L.A. Office
		Hyundai Steel Company Washington DC LLC Office
	Mexico	Hyundai Steel Mexico City Office

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1.4 Business Model

Under the vision of "Strength for MOVE", Hyundai Steel is committed to creating new value by actively engaging with a diverse group of stakeholders, including customers, shareholders, employees, business partners, and local communities.

Input

Financial Capital[1)]

Total assets	KRW 34,743.8 billion
Total debt	KRW 15,410.2 billion
Total capital	KRW 19,333.6 billion

Productive Capital[2)]

Key raw materials cost	KRW 9,066.9 billion
Production capacity	21,840 thousand tonnes

Human Capital[3)]

Number of Employees	11,806 persons
Training hours	446,890 hours
Investment in education	KRW 6.3 billion

Intellectual Capital[4)]

R&D investment	KRW 261.3 billion
R&D investment to sales ratio	1.1%

Environmental Capital[5)]

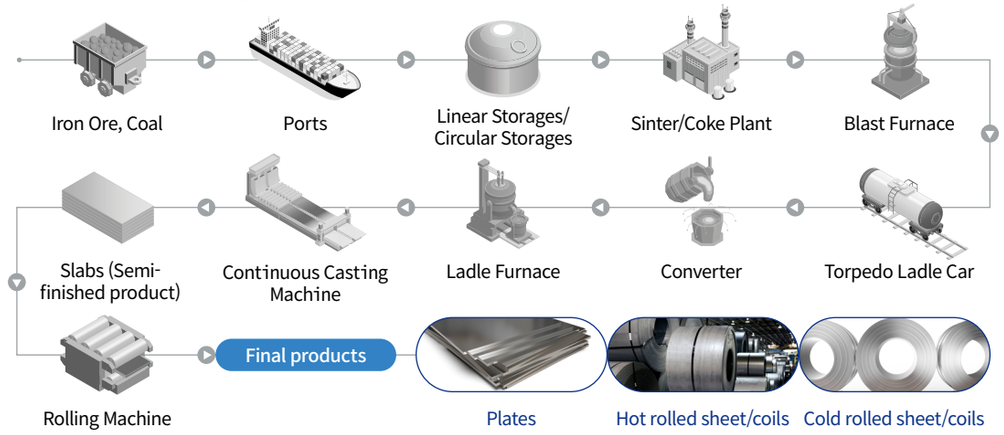
Energy Consumption	159,662TJ
Environmental management	KRW 434.9 billion
Environmental investment	KRW 90.3 billion

Social Capital[6)]

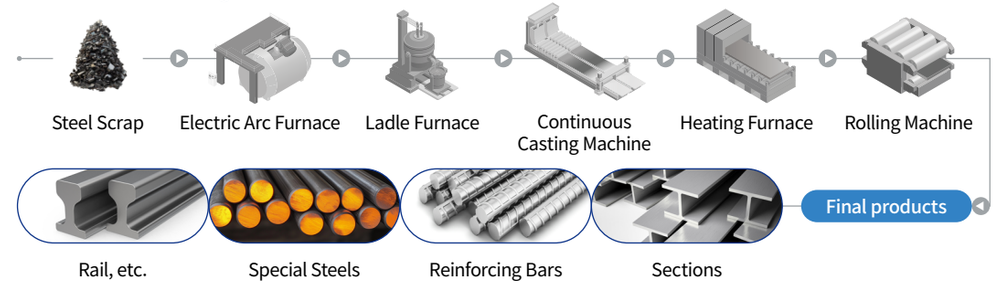
Social Contribution	KRW 16.7 billion
Support for win-win growth	KRW 92.4 billion

Value Chain

Integrated Steelworks Processing



Electric Arc Furnace Processing



Output

Financial Capital

Sales revenue	KRW 23,226.1 billion
Operating income	KRW 159.5 billion
Net Income	KRW 8.8 billion

Productive Capital

Production volume	19,809 thousand tonnes
Sales volume	19,723 thousand tonnes

Human Capital

Employee engagement	69.3 points
Female employee ratio	4.3%
Employee productivity	1,678 tonnes/persons

Intellectual Capital

Number of patents owned	2,093 cases
Number of trademark rights owned	676 cases

Environmental Capital

GHG emissions[7)]	28,818 thousand tCO_2e
By-product recycling rate	98.9%
Environmental recovery cost	KRW 236.2 billion

Social Capital[6)]

Local community donations	KRW 8.3 billion
Number of suppliers	597 companies

1) Financial Capital: capital raised through financing, operation or investment to manufacture products or provide services
2) Productive Capital: raw materials, production facilities, infrastructure, etc. necessary for manufacturing products or providing services
3) Human Capital: people's capabilities, abilities, experiences, commitment to innovation, loyalty, etc.
4) Intellectual Capital: intellectual property such as patents and copyrights and systems, which are knowledge-based intangible assets
5) Environmental Capital: all environmental resources, either renewable or non-renewable, and processes for manufacturing products or providing services
5) Social Capital: relationships with local communities and stakeholders, and institutions and activities to promote the welfare of individuals and groups
7) Total Scope 1 and 2 emissions(based on domestic sites)

Business model: Adapted from the business model in the International IR Framework, published by the International Integrated Reporting Council (IIRC) in 2013. Hyundai Steel does not own any mines, and none are currently under consideration for development.

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1.5 ESG Strategy Framework

1.5.1 Mid-to Long-term Sustainability Management Strategies

Under the slogan “We Do in Sustainable H-ways”, Hyundai Steel has defined three key directions for sustainable management: Heritage, Humanity, and Harmony(H-ways). We are pursuing medium-to long-term goals across six strategic areas. To achieve carbon neutrality, we are gradually decarbonizing both our products and operations. At the same time, we are implementing programs to minimize environmental impact and conserve natural capital, including the protection of endangered species. We are also working to build a workplace where all employees feel safe, respected, and empowered. In addition, we are enhancing business soundness and transparency while promoting sustainability throughout the value chain, encompassing customers, suppliers, and local communities. Through these efforts, we aim to realize balanced growth and embed sustainability into every aspect of our operations. To support this, we set and execute strategic ESG initiatives each year. We completed 15 tasks in 2023, followed by 8 in 2024, and are currently carrying out 9 in 2025.

ESG Slogan

We Do in Sustainable H-ways

3 Directions

Heritage
Protect the natural environment for future generations, Pursue a sustainable resource circular economy

Humanity
Establish a win-win culture that centers around and respects people, Implement social leadership

Harmony
Create a healthy management ecosystem, Promote harmonious growth

6 Strategic Areas

Carbon Neutrality	Circular Ecosystem	Good Workplace	Sustainable Community	Responsible Business	Balanced Growth
Hyundai Steel is actively committed to implementing GHG reduction measures through the transition to a low emission steel production system to realize a Net-Zero society	Hyundai Steel will pursue sustainable development to leave behind a clean natural environment for future generations.	Hyundai Steel is committed to promoting safety, health, and human rights so that all workers can pursue a happy life and work healthily and comfortably	Hyundai Steel will cooperate with stakeholders to develop local communities and generate social value.	Hyundai Steel will fulfill its responsibility for sustainable management by enhancing the overall soundness and transparency in our management.	Hyundai Steel will strive for sustainability throughout our entire value chain and establish a thriving industrial ecosystem.

2024 Strategic Initiatives

Environment: 3 Initiatives

- Achieving decarbonization of products: Timely supply net-zero products to support customers in achieving their Net-Zero goals(by 2050)
- Achieving process Net-Zero: Promote company-wide carbon emission reduction in line with the Korean NDC targets(Net-Zero in 2050)
- Reducing environmental impact: Reduce air pollutants(NOx) to 50% or less compared to the total allowable emissions of 2020(by 2025)
- Protecting natural ecosystems: Establish and implement plans to promote and preserve biodiversity and forest(by 2025)

Social: 3 Initiatives

- Establishing a safe workplace: Elevate the level of safety culture (Stage 3), implement a smart safety factory, and apply the safety and health management system 100%(by 2025)
- Strengthening human rights: Address vulnerable areas of human rights and implement mid- to long-term human rights improvement programs(by 2025)
- Maximizing the creation of social values: Promote social contributions by engaging with local communities and creating values(by 2025)

Governance: 2 Initiatives

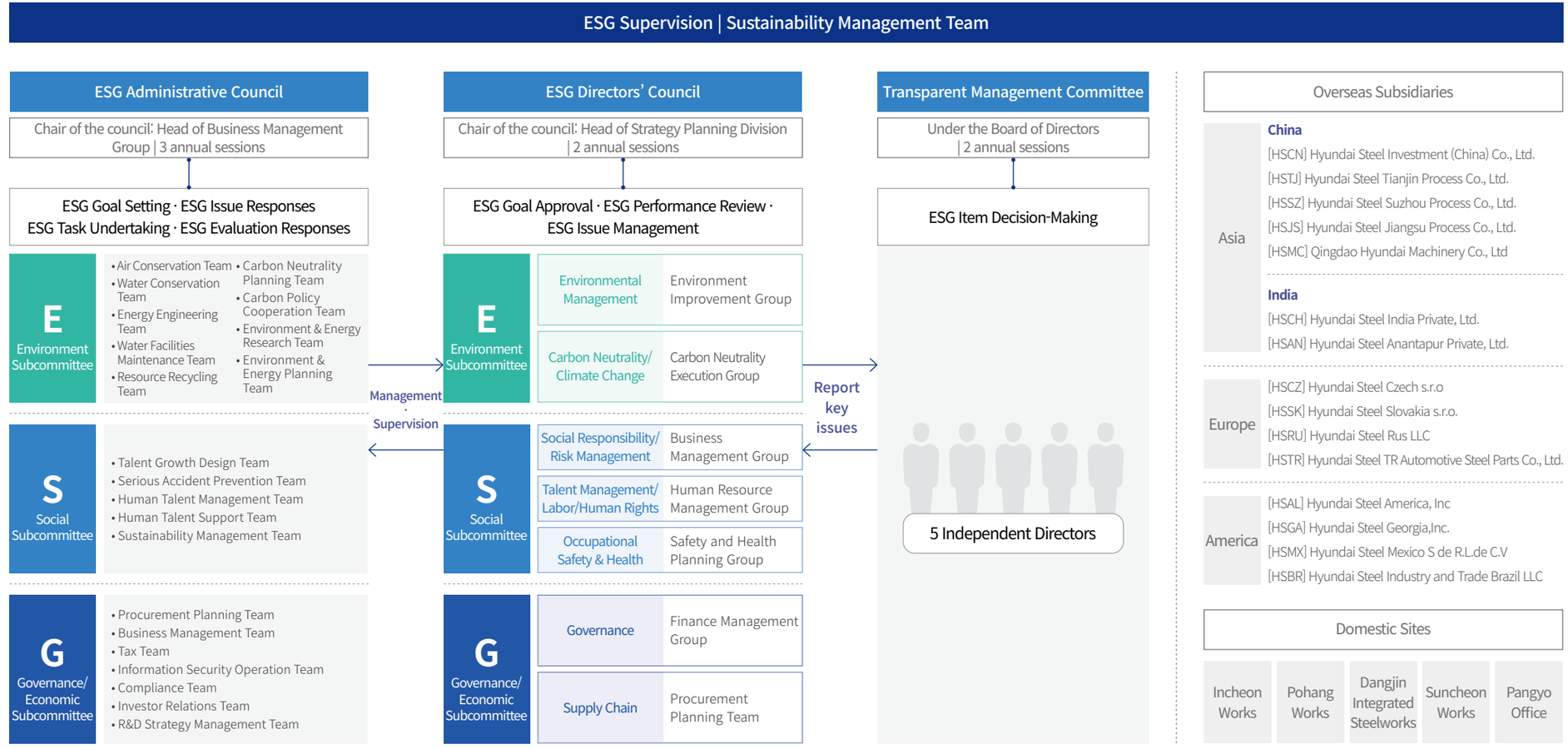
- Board: Expand the representation of industry experts and gender diversity (30% or more, by 2027)
- Strengthening Ethics and Compliance management: Obtain a compliance management system(ISO 37301) certification (by 2027)
- Strengthening supply chain ESG assessment and management: Identify suppliers with substantial negative impact, manage 100% of the associated risk, and incorporate them into procurement management policies(by 2025)

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1.5 ESG Strategy Framework

1.5.2 ESG Governance System

Hyundai Steel has established an ESG governance structure that spans the ESG Administrative Council, the ESG Directors' Council, and the Board of Directors(Transparent Management Committee). This structure sets goals and strategic tasks for key sustainability issues and monitors their progress. To embed sustainability into management and ensure responsible implementation of strategic tasks, performance evaluations for executives must include sustainability-related KPIs as a mandatory item, accounting for at least 5%. We clearly define the roles and responsibilities of the entire organization for sustainable management and have mandated the setting of performance targets for team leaders and members within ESG-related teams to foster a company-wide sense of responsibility for ESG management performance.



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Material Topics

Hyundai Steel annually identifies and manages material issues by reflecting global sustainability trends and stakeholder perspectives. Building on this, we strive to advance our sustainable management practices to create greater value for all stakeholders, including customers, shareholders, and local communities, and contribute to the development of a sustainable company and society.

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2.1 Double Materiality Assessment

Hyundai Steel annually conducts a double materiality assessment to identify significant sustainability issues and discloses the results to stakeholders. We also develop sustainability strategies and action plans by incorporating global standards, evolving regulations, and stakeholder expectations, while continuously enhancing our issue management practices. The assessment follows the implementation guidance of the European Sustainability Reporting Standards(ESRS), developed by the European Financial Reporting Advisory Group(EFRAG). From a pool of 99 issues, 12 were initially identified as relevant. After reflecting input from both internal and external stakeholders, 5 material issues were ultimately selected. The credibility of this process and its outcomes is ensured through independent third-party assurance, and the results are publicly disclosed in our Sustainability Report.

2.1.1 Double Materiality Assessment Process

STEP 1. UNDERSTANDING

To identify key sustainability topics, we first established a comprehensive understanding of our company, value chain, and stakeholders. This process included a thorough review of our management strategy, ESG disclosure and assessment standards, material issues within the steel industry, media analysis, and stakeholder expectations. Based on this analysis, we identified a pool of 99 potential issues, from which we ultimately selected 12 key issues that are most closely related to our business.

Business understanding

Value chain analysis + Stakeholder identification

Key issues related to the company

Long list: 92 ESRS detailed topics + 7 company-specific topics

Short list: 12 key topics relevant to the company (subject to materiality assessment)

Climate change	Supply chain working environment
Pollutants(air pollution/ substances of concern)	Employee safety & health
Water resources	Supply chain safety & health
Biodiversity and ecosystem protection	Employee social communication and collective bargaining
Resource circularity and waste	Employee diversity and equality
Employee working environment	Ethical and Compliance Management

STEP 2. IDENTIFICATION

For each of the 12 key issues identified in the shortlist, we mapped the impact of our business activities on the environment and society, as well as the financial implications including risks and opportunities of external factors on the company.

Pathway analysis

- Environmental/Social impact
  - Positive/Negative
  - Actual/Potential
  - Short/Mid/Long
  - Human rights impact
- Financial Risk&Opportunity
  - Risk/Oppotunity
  - Short/Mid/Long

STEP 3. ASSESSMENT

We comprehensively assessed the materiality of each identified impact using both quantitative and qualitative methods. Impact materiality was evaluated through surveys of internal and external stakeholders, including employees, suppliers, customers, local communities, shareholders, investors, and independent directors, based on four criteria. Financial materiality was assessed through a combination of quantitative evaluation by internal experts, using criteria such as financial magnitude and likelihood, and qualitative review through expert roundtables.

Survey evaluation

- Environmental/Social impact
  - Size
  - Scope
  - Remediability
  - Probability
- Financial Risk&Opportunity
  - Size(qualitative/ quantitative)
  - Probability

Round table

Sustainability Management Team + Relevant department + External expert

STEP 4. DETERMINATION

Based on the results of the survey evaluations and roundtable discussions, we selected our final material issues. We defined a sustainability issue as material if it met or exceeded the threshold in either impact materiality or financial materiality. As a result, five issues were identified as material: Climate Change Response, Pollutant Management, Resource circularity, Occupational Safety & Health, and Supply Chain Management. The results of the double materiality assessment and the final list of material issues were approved by the Board of Directors(Transparent Management Committee).

Double Materiality Assessment results[1)]

(above threshold: ●●●)

Material topic	Impact materiality	Financial materiality	Reporting location
Climate Change Response	●●●	●●●	Material Topic 1
Pollutant Management	●●●	●●○	Material Topic 2
Resource Circularity	●●●	●●●	Material Topic 3
Occupational Safety & Health	●●○	●●●	Material Topic 4
Supply Chain Management	●●●	●○○	Material Topic 5

1) Changes: Inclusion of “Resource Circularity” as a 2025 material issue, replacing “Ethics and Compliance management” from 2024

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2.1 Double Materiality Assessment

2.1.2 Impact Assessment by Material Issues

Material Issues	Impact Materiality					Financial Materiality			Occurrence Timing
	Impacting Value Chain	Affected Stakeholders	Positive/ Negative	Actual/ Potential	Impact	Risk/ Opportunity		Impact	
Climate Change	Entire Value Chain	Environment	Negative	Actual	• Greenhouse gas emissions occurring across all stages of the value chain, including raw material extraction, transportation, steel production, and product use, have a negative impact on climate change. • Impact Valuation: Net Impact Ratio	Risk	Cost	• Increased manufacturing costs driven by a rise in excess emissions due to higher greenhouse gas emissions or reduced free allowances, and by fluctuations in carbon credit prices	Short/ Mid/ Long-term
							Revenue	• Revenue decline due to decreased customer demand for high-emission products	
Pollutant Management	Entire Value Chain	Environment, Local Communities	Negative	Actual	• Air pollutants generated throughout the value chain, including raw material extraction, transportation, steel production, and product use, degrade air quality and cause harm to ecosystems, including the spread of diseases. • Impact Valuation: Environmental value	Risk	Cost	• Restoration costs for compensating workers and local residents affected by air pollution and for environmental remediation in local communities • Additional costs incurred from expanding and operating pollution control facilities to comply with environmental regulations	Long-term
							Revenue	• Revenue loss due to reputational damage	
	Own Operations	Environment, Local Communities, Employees	Negative	Actual	• In cases where hazardous chemicals are directly released into natural environments such as rivers or soil, environmental pollution occurs, including water and soil contamination. • If hazardous chemicals are exposed to workers, serious health problems may arise, such as carcinogenicity or toxicity.	Risk	Cost	• Restoration costs for compensating workers and local residents in the event of hazardous chemical spills, as well as community environmental cleanup efforts • Increased operational costs for regulatory compliance and spill prevention, including equipment purchases and consumables	Long-term
							Revenue	• Revenue loss due to reputational damage	
Resource circularity	Own Operations	Environment	Positive	Actual	• Operating self-processing facilities to recycle by-products generated during the production process, minimizes waste through resource circulation. • Recycling steel scrap improves resource efficiency and product sustainability, helping reduce environmental impact. • Impact Valuation: Access to product with positive impact provided	Opportunity	Cost	• Reduction in raw material costs through the recycling and resource recovery of by-products	Long-term
							Revenue	• Increased revenue from sales of resource-recycled by-products • Revenue growth driven by increased demand for products made with recycled raw materials such as steel scrap	
Occupational Safety & Health	Own Operations	Employees	Negative	Actual	• Physical and mental harm to employees due to accidents(injuries, illness), leading to decline in quality of life • Impact Valuation: Health costs	Risk	Cost	• Expenses related to compliance with industrial safety laws such as the OCCUPATIONAL SAFETY AND HEALTH ACT and SERIOUS ACCIDENTS PUNISHMENT ACT, including fines and penalties • Medical costs arising from worker injuries and illnesses	Short-term
							Risk	• Productivity loss due to operational disruptions caused by safety incidents	
Supply Chain Management	Upstream	Suppliers End-users	Negative	Potential	• If human rights, labor conditions, or unfair practices within suppliers are not addressed, this may reduce quality of life and create social instability in the supply chain • Impact Valuation: Access to product with positive impact provided/ Social return on investments(SROI)	Risk	Risk/Cost	• Productivity losses and additional management costs resulting from deteriorating labor relations and worker turnover in the supply chain	Short-term
							Risk	• Reputational risks and replacement pressure if human rights or environmental issues arise within the supply chain • Negative impact on production and revenue due to raw material procurement disruptions caused by productivity decline or supply chain suspension	

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2.1.3 Performance Management by Material Issues

Material Issues	Target	Strategy	Indicators	Performance	KPI (Linked to Executive Performance Compensation)
Climate Change	• Reduce carbon emissions by 12% compared to 2018 levels(by 2030) • Achieve carbon neutrality(Net-Zero) by 2050	• Operate the Electric Arc Furnace-Blast Furnace Combined Process • Gradually expand the use of renewable energy • Comply with the Emissions Trading Scheme(ETS) and secure overseas carbon credits • Align with international standards, including disclosure of Scope 3 emissions	• Greenhouse gas(GHG) emissions(Scope 1 and 2)	• Product certification for the Electric Arc Furnace-Blast Furnace Combined Process: 5 products in 2024, 15 in 2025 • Renewable energy: Completion of 11.6MW solar power facility in Korea(2024), VPPA[1] agreement for 14GWh/year signed by HSGA(2024) • Procurement of eco-friendly products: approx. KRW 2.8 billion • Sales of eco-friendly products: approx. KRW 4.2116 trillion (22.6% of total sales on a non-consolidated basis)	• Participation in the sustainable management strategy system – Support for ESG disclosures – Support for strengthening sustainability competencies • Implementation of issue-specific ESG strategic initiatives ※ ESG elements must account for at least 5% of executive performance evaluations, to strengthen sustainability management capabilities and reinforce a sense of responsibility for ESG management
Pollutant Management	• Strengthen management to maintain pollutant concentrations at or below 80% of legal standards(by 2030) • Reduce air pollutants(NOx) emissions to below 50% of the 2020 permitted total emissions(by 2025)	• Air: Install additional Tele-Monitoring Systems(TMS) for air pollutant management, invest in new NOx reduction facilities(24 units from 2022 to 2025) • Water: Strengthen monitoring of water quality data • Chemicals: Enhance chemical management system(Phase 2 evaluation), conduct training and emergency drills for chemical accident prevention	• Pollutant emissions(Dust, NOx, SOx, SS, TOC)	• Maintain pollutant concentrations by plant and substance at or below 80% of legal standards • Continue investment in NOx reduction facilities: 31 units in operation(as of April 2025, including 10 units installed before 2022 and 21 new units) • Completed TMS installation for 4 items at 104 air pollutant emission sites • Conducted consulting to reduce fugitive dust and improved dust collection facilities • Registered 39 chemical substances for management	
Resource Circularity	• Strengthen competitiveness in sourcing high-grade steel scrap • Enhance integrated management of by-product recycling	• Improve procurement competitiveness for steel scrap • Promote by-product recycling using slag • Operate by-product self-processing facilities • Manage hazardous waste	• Amount of recycled materials • Recycling rate	• Support for steel scrap suppliers: approx. KRW 20 billion investment in refining facility support and approx. KRW 7 billion support for waste treatment generated during scrap refining • Implementation of integrated by-product recycling initiatives: 12 in 2023, 6 in 2024, 8 in 2025 • Resource utilization rate[2]: 97.8%, Recycling rate[2]: 98.9%(as of 2024)	
Occupational Safety & Health	• Reduce Lost Time Injury Frequency Rate(LTIFR)[3] by 5% year-on-year(by 2026) • Achieve Zero industrial injuries and accidents	• Strengthen on-site safety implementation • Establish a preventive safety system centered on risk assessment • Enhance safety and health capabilities • Create a health-friendly workplace	• Lost Time Injury Frequency Rate(LTIFR)	• LTIFR: 3.79 in 2022, 3.04 in 2023, 2.39 in 2024 • Safety and health training completion rate: 100% for both in-house and partner employees • Maintained 100% certification of ISO 45001 for domestic sites(certification underway for overseas subsidiaries) • Enhanced risk assessment: total of 30,988 work standards established or revised, 792 safety investments linked to risk assessments executed(KRW 185.2 billion)	
Supply Chain Management	• Conduct ESG assessments and evaluations for over 60% of suppliers(by 2025) • Maintain 100% due diligence for high-risk suppliers • Support ESG management improvement for more than 5% of suppliers(by 2025)	• Establish supply chain ESG management policies and frameworks • Provide ESG training programs for suppliers • Operate win-win partnership support programs	• ESG assessment and evaluation coverage of suppliers • Support ratio for suppliers improving ESG management • ESG due diligence implementation rate for supply chain risk identification	• ESG assessment coverage for suppliers in 2024: 65.4%(444 companies), compared to 57%(408 companies) in 2023 • 100% completion of due diligence and improvement monitoring for high-risk suppliers(40 suppliers completed on-site due diligence and follow-up improvements) • Support provided for ESG management enhancement: 3.3% of suppliers(24 companies)	

1) Virtual Power Purchase Agreement(VPPA)
2) Resource utilization rate: the percentage of total waste that is recycled both internally and externally, Recycling rate: includes internal and external recycling, plus direct reuse in internal processes
3) Lost Time Injury Frequency Rate (LTIFR): the number of lost time injuries per one million hours worked

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2.1.4 Collecting Opinions from Stakeholders

Hyundai Steel is committed to proactively identifying and managing material issues and risks that affect our business. We operate diverse communication channels and programs to gather insights from stakeholders who have a significant influence on our operations. By engaging regularly with a wide range of stakeholders, including customers, shareholders and investors, suppliers, employees, local communities and government agencies, we identify both internal and external issues and reflect them in our management practices. This approach enhances the transparency and credibility of our business activities through meaningful stakeholder engagement.

Communication Channels by Stakeholder

Stakeholders	Definition	Organization	Communication Channel		Key Issues	Communication Frequency
 Customers	Source of economic and corporate values	All Business Division	• Meetings • Technical Seminar • Customer Satisfaction Survey	• Customer Portal Site • Homepage • Newsletter	• Increase customer satisfaction • Expand customer communication • Protect information	Frequently
 Employees	Key members for sustainable growth	Business Management Division	• Intranet • Company Newsletter • Future Board	• Townhall Meeting • Educaion Program • Labor-Management Cooperation	• Foster engagement among employees • Human rights, Working environment grievance control • Improve employees' capabilities	Frequently
 Suppliers	Cooperative partners for win-win growth based on trust	Procurement Division Each Business Division Major business sites(domestic, overseas)	• Win-Win Growth Agreement • Meetings • Purchasing System	• Technology Exchange Session • Homepage • Newsletter	• Operate supply chain management process • Supply chain ESG assessment and management • Advance win-win growth support activities	Quarterly, Frequently
 Shareholders and investors	Individuals and entities who provide the source of our business management through financial capital	Financial Management Division	• General Meeting of Shareholders • Performance Presentation • NDR and Conferences	• 1:1 Meeting • Work-site Visits • Public announced document	• Improve corporate value • Secure new growth engines • Transparante business status disclosure	Quarterly, Frequently
 Local communities	Local communities and members who interact with us through our business operations	Business Management Division Strategy Planning Division All business sites(domestic, overseas)	• Social Contribution Council for the Local communities • Feedback Discussion on CSR Activities	• Homepage • Sustainability Report	• Support the social disadvantaged and the vulnerable • Conduct CSR activities	Quarterly, Frequently
 NGOs, Government, Media	Individuals and entities who set direction for our organization to protect and engage in policy-making	Business Management Division Strategy Planning Division All business sites(domestic, overseas)	• Homepage • Sustainability Report • Operation Visits	• Press Release • Meetings	• Respond to and express opinions in government policies • Manage corporate reputation • Create jobs	Frequently

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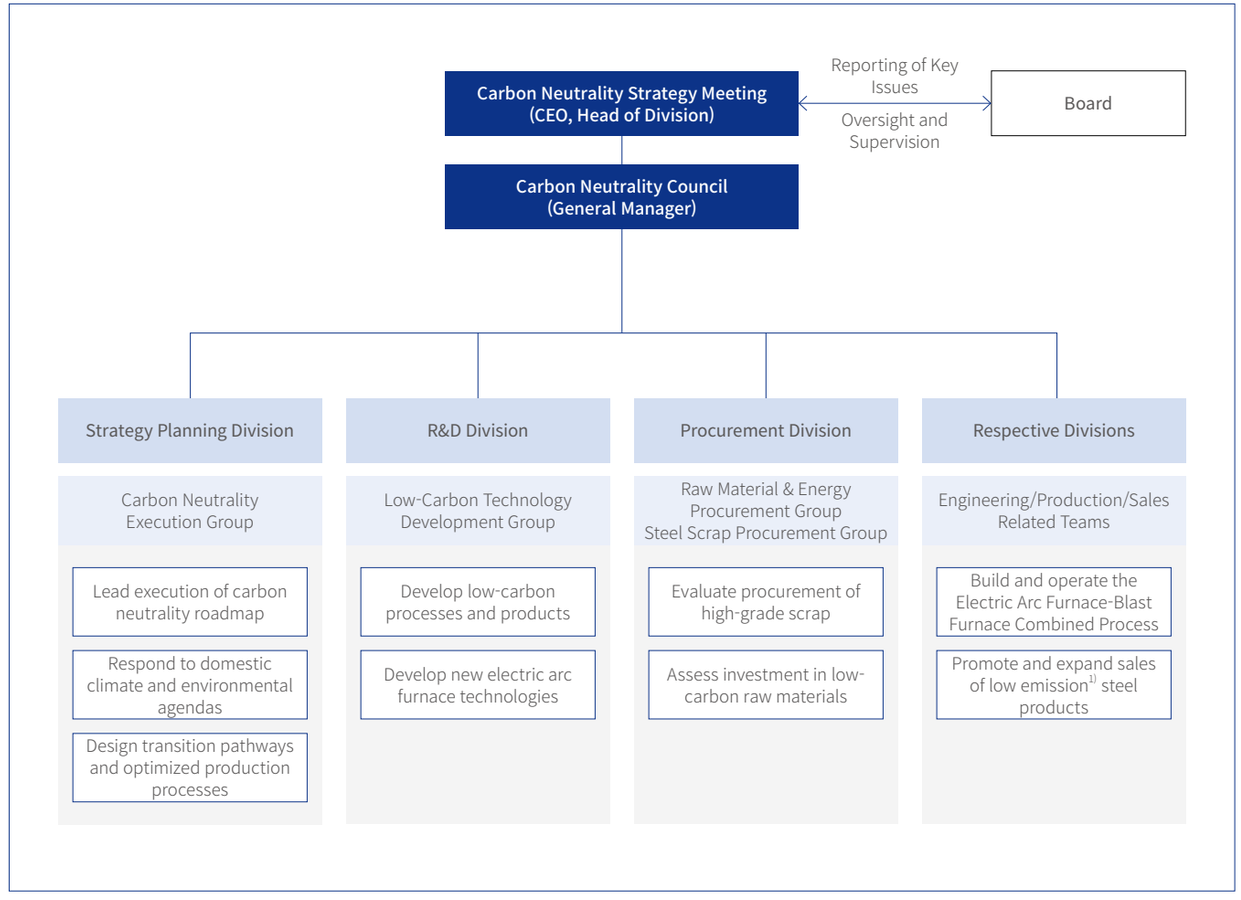
2.2 MATERIAL TOPIC 1 - Climate Change Response

Hyundai Steel has developed a mid-to long-term roadmap to achieve carbon neutrality by 2050, in response to climate change and to contribute to Nationally Determined Contribution (NDC) target. Leveraging our technical expertise in operating both blast furnaces and electric arc furnaces, we have implemented the "Electric Arc Furnace-Blast Furnace Combined Process", aiming to reduce carbon emissions by 12% by 2030 compared to 2018 levels. In the long term, we are pursuing a transition to hydrogen-based steel production. Key strategies and decisions related to climate action are made through the "Carbon Neutrality Strategy Meeting" chaired by the CEO, as well as the Board of Directors.

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2.2.1 Climate Change Management System

Hyundai Steel has established a climate change management system to actively respond to both domestic and international carbon neutrality demands, as well as the Korean government's 2030 "Nationally Determined Contribution(NDC) target". We operate the Carbon Neutrality Execution Group within the Strategy Planning Division to establish and implement our roadmap to carbon neutrality. In addition, the Low-Carbon Technology Development Group under the R&D Division is dedicated to developing low-carbon technologies that support our decarbonization efforts. Our carbon neutrality direction and execution strategies are reviewed and determined through the "Carbon Neutrality Strategy Meeting", a cross-functional council chaired by the CEO and composed of division heads. The Board of Directors oversees key climate-related matters and adopts formal resolutions at least once a year. Since the announcement of our roadmap, we have reported the progress of its implementation to the Board annually, beginning in 2024. The most recent report was submitted at the regular Board meeting held in April 2025.



1) Low emission refers to reduction in CO_2e emissions and should not be interpreted as referring to the reduction of other pollutants or hazardous substances

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2.2.2 Climate Change Risk and Opportunity Analysis

2.2.2.1 Mid-to-long-term Risks and Opportunities

Type of Risk		Risk	Opportunity	Impact: Up stream	Impact: Down stream	Goals
Transition Risks	Policy and Law	• Increase in operating costs due to the purchase of emission allowances and rising allowance prices • Increased operating costs from the purchase of renewable energy • Overall increase in energy costs	• Revenue generation through the sale of surplus allowances by adopting carbon-reducing process technologies and low-carbon raw materials • Reduction in unit costs through energy efficiency improvements	●	●	Mid-term Long-term
	Tech-nology	• Increased investment required for introducing carbon reduction facilities • Failure to implement timely energy efficiency improvements leading to higher unit costs • Loss of competitiveness in developing eco-friendly technologies		●	●	Long-term
	Market	• Decrease in market share due to rising customer preference for eco-friendly products	• Expanded market share through the expansion of eco-certified product lines • Securing stable sales channels through timely production of low emission steel(e.g., HyECOsteel[1])		●	Short-term Mid-term
	Repu-tation	• Reduced investment and decline in customer preference due to a lack of willingness and efforts to address climate change	• Reduced investment uncertainty and enhanced brand image through transparent disclosure of information • Improved resilience through participation in international initiatives and business partnerships		●	Short-term Mid-term Long-term
Physical Risks	Acute	• Equipment damage and plant shutdowns due to fires or floods(resulting in recovery costs and revenue loss from downtime) • Reduced production output due to raw material supply disruptions	• Increased demand for earthquake-resistant product lines (H CORE) in response to physical climate risks	●	●	Mid-term
	Chronic	• Increased work-related risks during summer and prolonged maintenance periods due to rising temperatures • Increased water sourcing needs and costs due to changes in precipitation	• Enhanced cost competitiveness through reduced water intensity and increased reuse rates	●	●	Short-term Mid-term

1) Compared to conventional blast furnace steel, HyECOsteel achieves approximately 20% reduction in carbon emissions through the "Electric Arc Furnace-Blast Furnace Combined Process" or up to 40% reduction using the "new electric arc furnace".

Review Scenarios

Transition Risks
Review changing domestic/global policies and markets and impact on securing technologies based on scenarios such as Korea's 2050 LEDS(Long-term low greenhouse gas Emission Development Strategies) and IEA(International Energy Agency)'s NZE 2050(Net Zero Emissions by 2050)

Physical Risks
Review the climate change's impact on facilities and supply chain based on the SSP(Shared Socioeconomic Pathways) scenario in the IPCC(Intergovernmental Panel on Climate Change) report

2.2.2.2 Participating in Climate Risk Management External Activities

Hyundai Steel supports the Paris Climate Agreement and Korea's national 2050 carbon neutrality commitment, and advances its climate action strategy based on our "Carbon Neutrality Roadmap". Aligned with our principles on climate-related association activities, we also support public policies for carbon neutrality through advocacy efforts that contribute to the implementation of the Paris Climate Agreement. As part of these efforts, we have participated in the "K-EV100[1]" initiative since 2021, a public private partnership campaign led by the Ministry of Environment. We are pursuing a phased plan to convert 100 percent of our owned and leased vehicles to zero emission vehicles by 2030. Our policies on climate related donations and sponsorships apply to all domestic and overseas business sites of Hyundai Steel and its affiliates, and are uniformly applied to employees located in those jurisdictions.

To support the goals of carbon neutrality and the Paris Climate Agreement, we express our support for major sustainability initiatives and associations such as the UN Global Compact(UNGC), the Korea Iron & Steel Association(KOSA), and the World Steel Association(WSA), and we regularly participate in their key activities.

We engage in the Steel ESG Study Group under KOSA and the Sustainable Development Committee under worldsteel to promote transparent ESG disclosures and share best practices on climate response across the steel industry.

We also contribute to the development of low emission steel product standards through participation in various worldsteel-led working groups. As part of these efforts, we participate in the Chain of Custody(CoC) Task Force, which discusses methodologies for recognizing and applying emission reductions. This involvement contributed to the publication of the first draft guideline in November 2024. We also take part in the Co-product Working Group, which addresses environmental impact allocation methods for steel by-products. Furthermore, we are a signatory to the Steel Standard Principles(SSP), jointly led by WSA and the World Trade Organization(WTO), and support the harmonization of greenhouse gas accounting methodologies for steel products.

1) Korean zero emission vehicles: Vehicles that meet the emission standards defined by the Ministry of Environment, including electric and hydrogen fuel cell vehicles, while excluding hybrid vehicles.

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2.2.3 Response to Transition Risks

The Intergovernmental Panel on Climate Change(IPCC), in its Sixth Assessment Report, stated that the continued increase in greenhouse gas emissions has significantly intensified the scale of challenges required to limit the rise in global average temperature to 1.5°C above pre-industrial levels. As a result, immediate actions such as investments in renewable energy and low carbon energy sources are deemed necessary to reduce emissions.

Hyundai Steel has established and is implementing strategies aligned with Korea's Nationally Determined Contribution (NDC) Targets to respond to climate change both domestically and globally. In addition, we actively identify regulations and risks related to product manufacturing and exports, including the EU's Carbon Border Adjustment Mechanism(CBAM), and are carrying out activities such as facility investments and production process transitions to minimize our environmental impact.

2.2.3.1 2050 Carbon Neutrality Roadmap

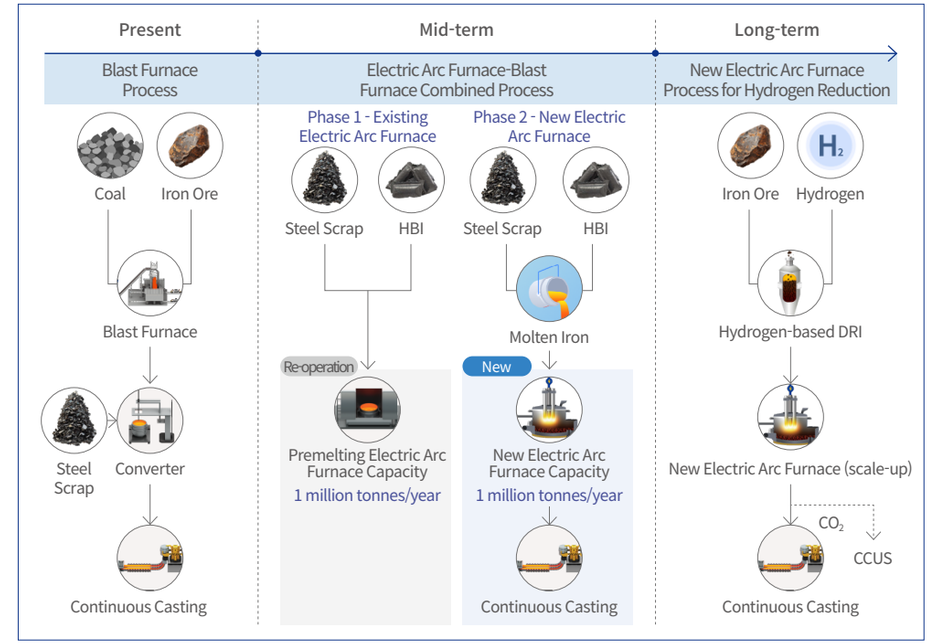
In 2023, Hyundai Steel announced its "2050 Mid- to Long-Term Carbon Neutrality Roadmap", setting a target of achieving net-zero emissions by 2050. To this end, we are pursuing a phased transition to a low emission production system through product decarbonization, process innovation, and the adoption of clean energy.

We aim to reduce total Scope 1 and 2 emissions across all sites by 12% by 2030 compared to 2018 levels through process innovation, including the implementation of the "Electric Arc Furnace-Blast Furnace Combined Process". In the long term, we are advancing Hy-Cube, our proprietary low emission steel production system, by scaling up new electric arc furnaces and expanding the application of hydrogen-based reduction technologies. Residual emissions that are unavoidable by 2050 will be offset through carbon credit trading, carbon capture, utilization and storage(CCUS), blue carbon[1] initiatives, and forest creation efforts, to ultimately achieve net-zero emissions.

Although we had no renewable energy usage as of 2024, we are preparing for a phased expansion. We are reviewing the utilization of a newly completed 11.6MW solar power facility and considering the addition of a 3.2MW installation. In April 2024, HSGA(Hyundai Steel Georgia, Inc.) signed a Virtual Power Purchase Agreement(VPPA) covering approximately 14GWh of annual energy consumption, and we plan to expand renewable energy sourcing to HSAL(Hyundai Steel America, Inc.) as well.

Leveraging our technological expertise in both blast furnace and electric arc furnace processes, we will continue to develop optimal solutions for transitioning to a low emission production system and proactively respond to climate change.

1) Blue Carbon: Carbon absorbed and stored in coastal and marine ecosystems



Strategic Approach	Expansion of Low emission steel Supply ❯ Transition to Hydrogen-based Steelmaking		
	• Utilize existing electric arc furnaces(EAFs) and consider new investments • Reduce emissions through integrated clean equipment • Expanded use of low-carbon raw materials(DRI, pellet, etc.)[1]		• Advancement and scaling of new electric arc furnace technology • Expansion of hydrogen reduction technology application • Gradual transition to clean energy(expansion of renewable energy use)
Investment Cost	Approx. KRW 150 billion	Under review	Under review
CO_2 Emissions per Ton of Product(based on cold rolled CFP)	20% less[2] than conventional flat products	40% less than conventional flat products	90% less than conventional flat products
Capacity	4 million tonnes/year (1 million tonnes of electric arc furnace, 3 million tonnes of blast furnace)	1 million tonnes/year	

1) Low-carbon raw materials: Materials(pellet, scrap, DRI, etc.) that reduce carbon emissions during production compared to conventional blast furnace inputs
2) 20% less carbon emissions refer to CO_2equivalent (CO_2e) values, calculated internally based on a cradle-to-gate emissions in accordance with ISO 14044, to be verified by third-party in the future

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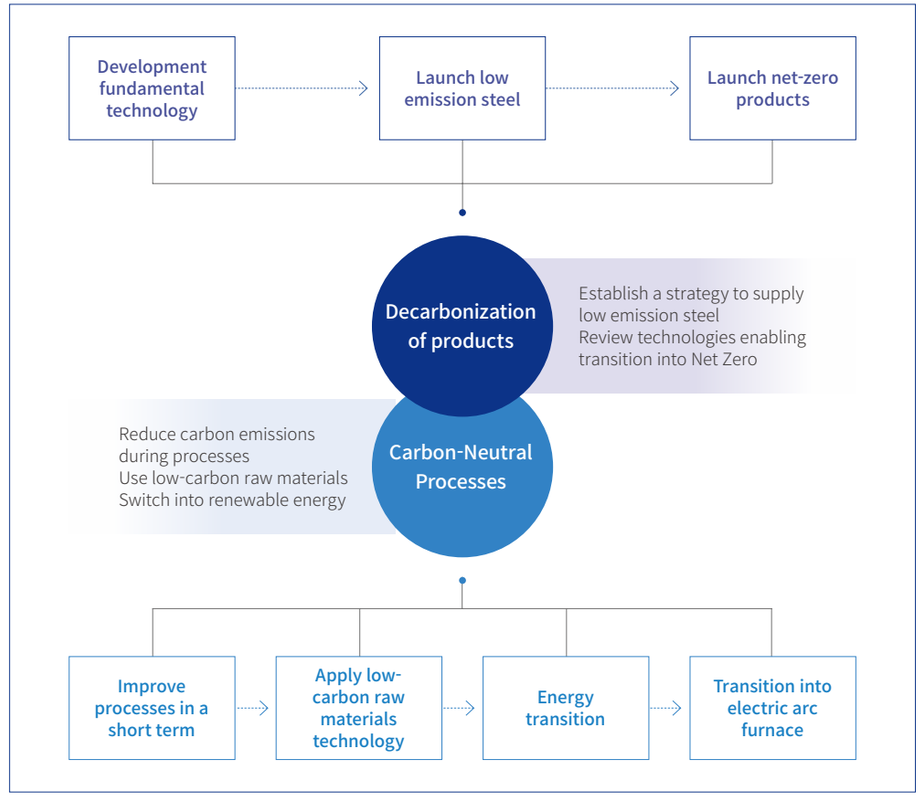
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2.2.3.2 Strategic Direction for Net Zero

Hyundai Steel has established a two-route strategy to achieve carbon neutrality: Decarbonization of products and Carbon-Neutral Processes. Through our decarbonization of products strategy, we are developing low emission steel and ultimately aim to launch carbon-neutral products. By supplying these products to a wide range of customers, we seek to contribute to the realization of carbon neutrality across industries. In parallel, our carbon-neutral processes strategy focuses on continuously reducing emissions from our production processes. Ultimately, we plan to transition to a hydrogen-based new electric arc furnace process, paving the way toward achieving carbon neutrality by 2050.



2.2.3.3 Mid-Term Plan: Electric Arc Furnace-Blast Furnace Combined Process

Hyundai Steel is establishing the “Electric Arc Furnace-Blast Furnace Combined Process” to gradually produce low emission, high-grade automotive steel while maintaining the same level of quality as conventional blast furnace products. Phase 1 involves utilizing existing electric arc furnaces(EAFs), where steel scrap and direct reduced iron(DRI) are pre-melted and then mixed with molten iron from the blast furnace for further processing in the converter. Phase 2 entails investing in a proprietary new electric arc furnace to build a production system capable of manufacturing products with reduced carbon emissions compared to conventional blast furnace materials.

Approval of Electric Arc Furnace-Blast Furnace Combined Process Products

Hyundai Steel plans to begin operating the “Electric Arc Furnace-Blast Furnace Combined Process” in the first quarter of 2026. By combining molten steel from the EAF with molten iron from the blast furnace and charging it into the converter, this process enables the production of cold rolled products with approximately 20% lower carbon footprint(CFP) compared to Hyundai Steel's conventional blast furnace products.

To ensure a rapid transition to mass production upon the completion of the “Electric Arc Furnace-Blast Furnace Combined Process”, we are currently focusing on ensuring the quality of low emission steel and conducting customer part validation tests. In 2024, we completed testing on five types of low emission automotive steel sheets produced using our existing rebar EAF. Beginning in January 2025, we will initiate pilot production using our special steel EAF, aiming to complete testing for a total of 15 steel grades within the year. We will continue to expand testing for low emission automotive steel grades, which will help shorten the time required for process stabilization and technology development while also enhancing product quality and reliability.

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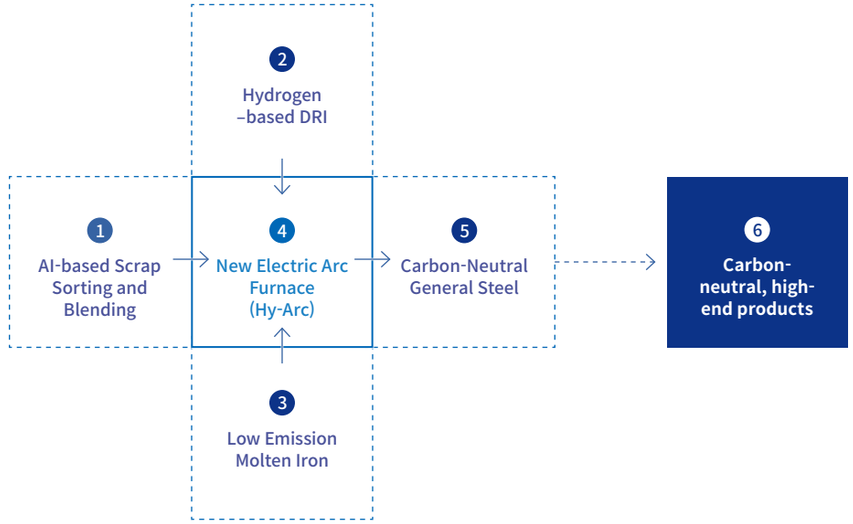
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2.2.3.4 Long-Term Plan: Hydrogen-Based New Electric Arc Furnace Process

Hyundai Steel is advancing the sophistication of its proprietary carbon neutrality technology system, Hy-Cube, to support the transition to hydrogen-based steelmaking and ultimately achieve carbon neutrality. This system represents a complete production framework that extends beyond process-level emission reductions to consider the entire value chain. At the core of the Hy-Cube system lies the Hy-Arc, a new electric arc furnace that combines the functions of both a blast furnace and a converter. With this technology, we aim to produce high-quality, low emission steel that conventional electric arc furnaces cannot deliver. Hy-Arc is designed to melt steel scrap and remove impurities, enabling greater flexibility in raw materials, processes, and products. This will allow us to adapt effectively to evolving market conditions.



① Maximize utilization of lower-grade steel scrap via AI scrap analysis
② Increase use of DRI by gradually transitioning towards hydrogen as the primary reducing agent
③ Reduce carbon emission of existing blast furnace process
④ Operate large-scale electric arc furnace that specializes in rapid melting of hydrogen-based DRI
⑤ Produce low-cost commercial products by using steel scrap and hydrogen-based DRI
⑥ Produce high-quality automotive steel sheets centered around the use of hydrogen-based DRI

2.2.3.5 Greenhouse Gas(GHG) Management

Emissions Trading Scheme Implementation

Hyundai Steel complies with the ACT ON THE ALLOCATION AND TRADING OF GREENHOUSE GAS EMISSION PERMITS as a designated entity under the national emissions trading scheme. We conduct regular energy meetings to implement energy-saving initiatives and establish a reduction portfolio to alleviate the burden of emission allowance reductions. To secure allowances and mitigate risks, we engage in paid allocations, utilize the emissions trading market, and carry out GHG reduction projects. All business sites calculate their GHG emissions and related carbon costs based on monthly fuel and raw material usage. We manage emissions through an integrated IT system in collaboration with relevant departments. Through this, when establishing business plans and reviewing new investments, we conduct financial impact analyses linked to GHG emissions and emission allowance prices to support decision-making. Aligned with the Korean government's "2030 National GHG Reduction Roadmap" and our internal Carbon Neutrality Roadmap, we will continue pursuing in-house GHG reductions, domestic and international reduction projects, and energy efficiency improvements.

Disclosure of Climate Change Response

Hyundai Steel discloses its climate action initiatives annually through its sustainability reports, adhering to international standards such as GRI, SASB, WEF, and TCFD. Since 2023, we have disclosed Scope 3 emissions and obtained external assurance to ensure transparency. We also participate in the Carbon Disclosure Project(CDP), providing global investors and stakeholders with insights into our climate strategy and performance. In recognition of our efforts to establish a low emission steel system, including investments in the Electric Arc Furnace-Blast Furnace Combined Process, we received the "Carbon Management Sector Honors" award in the raw materials category at the "2024 CDP Korea Awards", hosted by CDP Korea Committee. In addition, we disclose climate-related information such as governance and strategy, risk management, and targets and metrics in line with the recommendations of the Task Force on Climate-related Financial Disclosures(TCFD).

Establishment of Scope 3 Greenhouse Gas Emission Calculation System Including Supply Chain

Starting with partial category disclosures in 2021, Hyundai Steel established a comprehensive Scope 3 accounting system in 2023 and expanded its coverage through external consultation. In 2024, we developed an internal "Scope 3 emissions calculation guideline" based on the GHG Protocol and built a system integrated with raw material and logistics platforms. In 2025, we further expanded the calculation boundary to include additional elements under "Cat.1 Purchased goods and services", "Cat.4 Upstream transportation and distribution", and "Cat.9 Downstream transportation and distribution". We are also reviewing the consistency of emission databases for purchased goods.

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2.2.4 Response to Physical Risks

According to the report published by the Intergovernmental Panel on Climate Change(IPCC), continued greenhouse gas emissions are accelerating global warming, with projections indicating that global surface temperatures are likely to rise by 1.5°C above pre-industrial levels in nearly all scenarios by the near future(~2040). As a result, sea level rise, Antarctic ice sheet collapse, and biodiversity loss are expected to become inevitable, and the probability of abrupt or irreversible changes will increase as warming intensifies. In response, Hyundai Steel is conducting scenario-based physical risk analyses to identify climate-related risks in advance and develop effective mitigation strategies.

2.2.4.1 Water Risk Management

Water is an essential resource for steel production and a factor that can influence climate, ecosystems, and biodiversity. Therefore, water risk management is critical. Hyundai Steel has assessed water-related risks for its domestic sites, which account for 100 percent of our crude steel output, and surrounding areas. Site-specific response plans have been developed to prevent supply disruptions.

Water Usage Status

Hyundai Steel strives to ensure a stable water supply through effective sourcing, optimized water quality management, and in-process recycling. We do not use surface or groundwater, thereby contributing to local water risk mitigation.

At the Dangjin Integrated Steelworks, raw water from Daecheong Lake is blended during the dry season to improve water quality. The Incheon Works sources 100 percent of its industrial water from reclaimed water treated at a municipal wastewater treatment facility, minimizing freshwater use. The Pohang Works is prepared to utilize the Bujoh Intake Station on the Hyeongsan River, managed by the Korea Water Resources Corporation, when water levels at Yeongcheon Dam are low. The Suncheon Works limits intake from the Seomjin River during low-flow periods in accordance with pre-agreed thresholds to ensure compliance and mitigate risks.

(As of December 31, 2024)

Site	Water Source Status			Water source utilization status			
	Category	Name of water source	Facility storage amount	Annual raw water withdrawal as of 2024 (before processing)	Annual raw water usage as of 2024 (after processing)	Major usage	Withdrawal ratio relative to storage amount
Incheon Works	Industrial Water	Gajwa sewage treatment plant	350 thousand m^3/day	2,365 thousand m^3/year	2,365 thousand m^3/year	1. Facility and product cooling 2. Steam production 3. Sprinkler truck and firefighting water	1.9%
	Domestic Water	Office of Waterworks Incheon	1,256 thousand m^3/day	1,125 thousand m^3/year	1,125 thousand m^3/year	Living water	0.2%
Pohang Works	Industrial Water	Yeongcheon Dam	294 thousand m^3/day	1,609 thousand m^3/year	1,609 thousand m^3/year	1. Facility and product cooling 2. Steam production 3. Sprinkler truck and firefighting water	1.5%
	Domestic Water	Angye Dam/Hyeongsan River(Yugang Water Purification Plant)	50 thousand m^3/day	84 thousand m^3/year	84 thousand m^3/year	Living water	0.5%
		Angye Dam(Industrial Complex Water Purification Plant)	55 thousand m^3/day	284 thousand m^3/year	284 thousand m^3/year		1.4%
Dangjin Integrated Steelworks	Industrial Water	Lake Asan(70%)	350 thousand m^3/day	42,601 thousand m^3/year	39,003 thousand m^3/year	1. Facility and product cooling	23.3%
		Lake Daecheong(30%)	346 thousand m^3/day			2. Steam production 3. Sprinkler truck and firefighting water	10.1%
	Domestic Water	Lake Daecheong	634 thousand m^3/day	3,559 thousand m^3/year	3,559 thousand m^3/year	Living water	1.5%
Suncheon Works	Industrial Water	Juam Dam	540 thousand m^3/day	3,223 thousand m^3/year	3,259 thousand m^3/year	1. Acid treatment of cold rolled products 2. Steam production	0.8%
		Sueo Dam	550 thousand m^3/day			3. Sprinkler truck and firefighting water	
	Domestic Water	Produced internally	-	-	-	Living water	-

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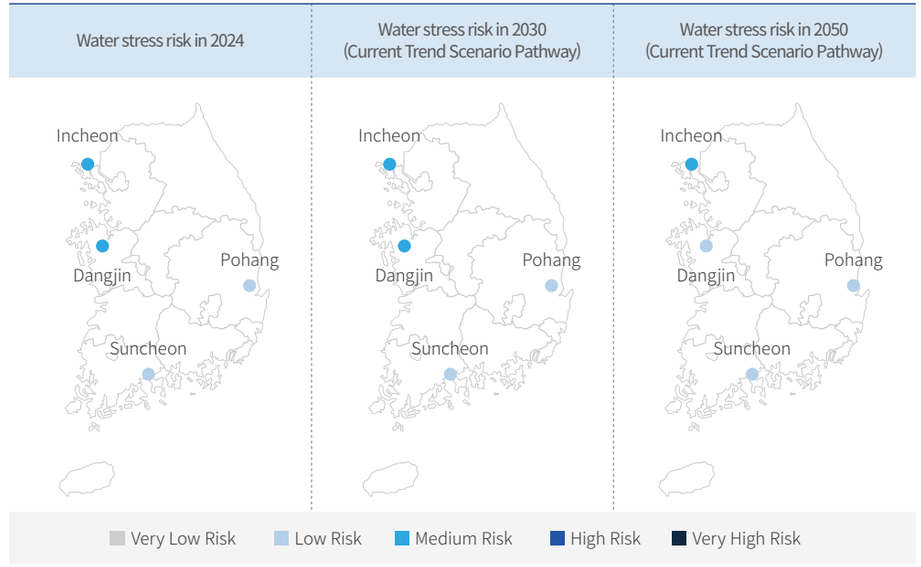
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Water Stress Risk Analysis

Hyundai Steel conducted a comprehensive assessment of water scarcity risks for its sites, which account for 100% of our crude steel output, and the surrounding regions. The assessment was based on the Water Risk Filter developed by the World Wide Fund for Nature(WWF), using the Shared Socioeconomic Pathways(SSP) climate scenarios and examining conditions[1] for the present, 2030, and 2050. We incorporated both anthropogenic and natural factors into our analysis, including available water volume(usage and storage), drought frequency, and associated changes. For our major production sites in Korea, the overall water scarcity risk remains low. Across the optimistic[2], current trend[3], and pessimistic scenario[4] pathways, no regions were found to face increased water stress at High or Very High levels. However, recognizing the World Meteorological Organization(WMO)'s projection that approximately 5 billion people could face water scarcity by 2050, we remain vigilant. We are committed to ongoing scenario monitoring, efficient water management, and the development of technologies that enhance water-use efficiency to proactively respond to future water-related challenges.



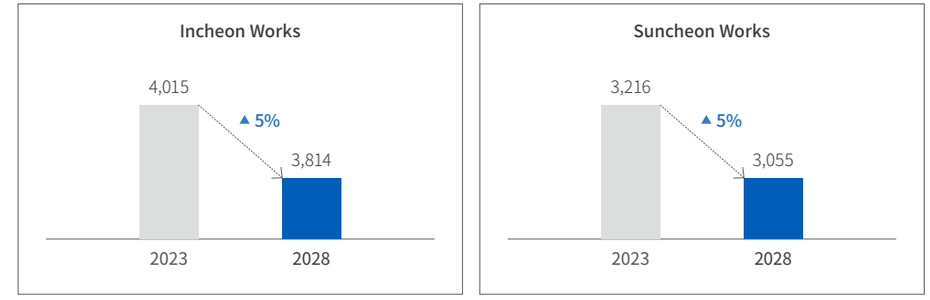
Water Risk Response Strategy

Hyundai Steel identifies and manages water-related risks through a site-level water management teams. We assess potential risks including regional water scarcity, site-level supply vulnerabilities, and cost-related concerns, and implement mitigation measures tailored to each location.To address regional water stress, we reuse treated domestic wastewater, secure alternative water sources in case of shortages, and establish intake limits for local water sources during dry seasons. We do not use surface or groundwater in order to minimize ecological impact, including biodiversity and climate-related factors in the surrounding regions. At the Dangin Integrated Steelworks, where industrial water demand is expected to increase by approximately 10% by 2028 due to facility expansion, we are reinforcing water infrastructure to ensure supply stability. In parallel, we continue to reduce water consumption at each site by investing in equipment upgrades, inspecting and repairing cooling system leaks, recycling process water, and expanding wastewater reuse facilities. To address recent increases in water use, we have set a target for the Incheon and Suncheon Works to reduce water consumption by 5% by 2028 compared to 2023 levels.

To prevent quality issues caused by water, we monitor and analyze incoming water quality. In preparation for unforeseen disruptions, we have installed backup pipelines and developed protocols to adjust production volumes when needed. We also aim to raise awareness among employees; in January 2025, we conducted a training program titled "Understanding Water" for new hires.

While Korea's water tariffs remain relatively stable compared to other major countries and natural resources, we are preparing for potential future price hikes by optimizing contracted intake volumes and securing cost-competitive water sources.

Water Reduction Target at Incheon and Suncheon Works by 2028 (Unit: Thousand m³/year)



1) Shared Socioeconomic Pathways(SSP) Climate Change Scenario: Used in the IPCC 6th Assessment Report, these scenarios build upon the Representative Concentration Pathways (RCP) from the 5th Assessment Report by incorporating socio-economic efforts
2) Optimistic Scenario Pathway(SSP1-RCP2.6/4.5): Assumes proactive climate policies, rapid and environmentally friendly technological development, leading to sustainable economic growth. Projects a global average surface temperature increase of about 1.5°C by the end of the 21st century
3) Current Trend Scenario Pathway (SSP2-RCP4.5/RCP6.0): Assumes moderate climate response policies and socio-economic development, with moderate sustainability efforts for climate crisis mitigation and adaptation. Projects a global average surface temperature increase of about 2°C by the end of the 21st century if current trends continue
4) Pessimistic Scenario Pathway (SSP3-RCP6.0/8.5): Assumes passive climate policies and slow technological development, resulting in a society vulnerable to climate change. Projects a global average surface temperature increase of about 3.5-4°C by the end of the 21st century

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Category		Water Risk		Response Measures		
		Overview	Level	Operations	Plans	Results and measures to be taken
Area	Water source risk	Water stress in operations	M-L	All sites	Monitoring water stress risk by scenario/site ※ There are no current high-level risks(high/very high)	Continue monitoring
				All sites	Prohibit using surface and underground water ※ Only domestic and industrial water is currently being used	Keep current status
				Incheon	Prevent supply disruption due to water stress by re-using living sewage	Keep current status
				Pohang	Utilize the Bujoh Intake Station on the Hyeongsan River(managed by K-water) in case of insufficient water stress of Yeongcheon Dam	Keep current status
				Suncheon	Agreements on restricted water usage from the Seomjin River below limits during the dry season	Ongoing coordination of sourcing plans according to water source conditions
Operations	Usage amount	Withdrawal amounts increase due to facility expansion (approximately 10% increase by 2028)	M	Dangjin	Expanding the capacity of industrial water supply facilities to stabilize water supply (12 thousand tonnes/day)	Expansion of facilities(2024-2026)
		Insufficient water supply compared to the consumption amount	M	Dangjin	Identification of leakage points and potential savings areas to reduce water usage	Continuous implementation of relevant measures
					Identification of recycling initiatives of sewage water for water withdrawal reduction	No. 2 Hot rolling mill wastewater → Supplementary water for No. 1 steelmaking RH mill (△350,000㎥/year, from 2024 onwards) Steel plate wastewater → Supplementary water for No. 2 steelmaking mill(△540,000㎥/year, from 2021 onwards)
				Incheon	Regular inspections and repairments on facility leakages such as the coolant system	Continuous implementation of relevant measures
				Suncheon	Investments on water quality improvement for water usage reduction - Observed a decrease in water consumption of manufacturing facility as water quality improved	Replacement of old water withdrawal pipes(△30,000㎥/year, from 2022 onwards) Investment on ion exchange resin of manufacturing facilities(△7,000㎥/year, from 2022 onwards) Minimized coolant blow-down(△7,000㎥/year, if necessary)
	Water quality	Quality deterioration of raw water withdrawal due to decrease in water storage amount of water source	M	All sites	Water quality monitoring through using measuring instrument and water analysis	Continue monitoring
				Dangjin	Flexible adjustment of Daecheong Lake water blending ratio based on the quality of incoming raw water(currently approx. 30%)	Keep current status
				Pohang	Water quality analysis on living/drinking water and tank disinfection(semi-annually)	Keep current status
	Water stoppage	Stoppage due to pipe maintenance	L	Dangjin	Using the no-water-loss method for pipeline repair and relocation to ensure a stable water supply	Keep current status(based on official notice from K-water received prior to restriction events)
		Sudden stoppage, supply disruption due to capacity decrease	M	Dangjin	Minimize stoppage time by emergency repairment Minimize replacements and defects by regular inspections on water pipes Steelworks operation with minimal water usage amount during stoppage (operational for maximum 48 hours)	Keep current status
				Pohang	Competed installing backup pipelines in care of pipe malfunctioning (Angye Dam connected)	Keep current status
				Suncheon	Steelwork productivity control(operation rate, repairment schedule)	Keep current status
Others	Cost increase	Cost increase threat (compared to major nations and other infrastructural resources)	M	Dangjin	Optimization of contracted water volumes and cost reduction through regular monitoring of water consumption - Calculation of appropriate contract amount to reduce the basic fee of the contract	Keep current status
				Dangjin Suncheon	Discovering competitive water sources compared to the current supply costs - Refrain from utilizing groundwater and surface water to minimize ecological impacts such as biodiversity and climate	Continue monitoring

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2.2.4.2 Advancement of Management for Disaster Response

Hyundai Steel has established emergency response protocols for each plant to prepare for crisis situations caused by disasters. To minimize damage such as human casualties and production disruptions, we have systematized internal management procedures for evacuation and facility restoration. We conduct regular inspections and reinforcements of major structures as well as checks on flood control equipment and supplies such as drainage pumps. We also assess the recovery time and cost associated with abnormal conditions in production infrastructure such as facility failures or disruptions in raw material supply and review alternative supply chains to mitigate the impact of natural disasters. In addition, we maintain comprehensive property insurance to minimize damage from physical risks and carry environmental liability insurance to prepare for potential environmental damage caused by facility-related incidents.

Research and Implementation of Water Barrier Door Technology for the Prevention of Inundation

To prevent flood-related damage at our facilities, Hyundai Steel collaborated with the Korean Society of Steel Construction, Hyundai Engineering, and Haejeon Industrial Co.Ltd. to develop and implement a new floodgate system optimized for entrances of large industrial facilities and plants. The newly developed gate features a multi-stage sliding design, minimizing storage space while allowing for broader coverage. Following the joint announcement of the disaster prevention technology, we received structural performance verification from the Korean Society of Steel Construction and completed the technology development in 2023. In 2024, we installed the new floodgate at the main entrance of the Pohang Works and applied conventional flood barriers to other entry points. Pump capacity was also expanded to ensure sufficient forced drainage. By blocking external inflows, securing internal drainage capabilities, and enabling emergency responses through floodgates, we have enhanced our ability to withstand extreme rainfall events with a return period of over 1,000 years, strengthening our preparedness for typhoons, floods, and other disaster-related risks. We will continue to reinforce flood prevention infrastructure and establish a robust response system to maintain a stable production environment.

2.2.4.3 Advancement of Response to Chronic Climate Change

Hyundai Steel is committed to preventing heat-related safety accidents that may occur more frequently due to rising temperatures. We have established work standards reflecting climate conditions such as extreme heat and heatwaves, and have improved relevant infrastructure by creating rest areas equipped with cooling systems. For our workers, we identify potential risk factors in the work environment, monitor their health status, and provide scenario-based safety training programs for both managers and employees. In addition, each of our plants is equipped with emergency medical and fire response teams, and conducts customized emergency drills by department to ensure preparedness for unexpected situations.

Risk Management

2.2.5 Climate Change Risk Identification and Assessment

Hyundai Steel continuously monitors climate-related issues and policies to identify and manage associated risks. Our Carbon Neutrality Execution Group closely tracks fast-changing external regulations and ESG-related demands and reviews ongoing initiatives and emerging issues through the Carbon Neutrality Strategy Meeting. In addition, key management issues related to environmental and energy topics are identified and assessed at the company-wide Environmental Council. Issues raised during these meetings are addressed in collaboration with environment related teams of each business division to establish response strategies and actions. We also identify short-term tasks to achieve our carbon reduction targets and carry out proactive policy response initiatives.

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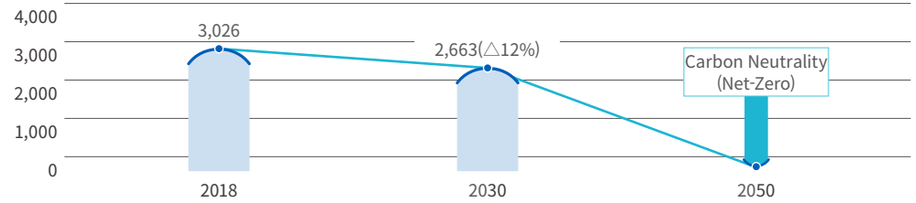
Indicators and Goals

2.2.6 GHG Emission Management Status and Plans

Hyundai Steel has established indicators and targets to systematically monitor and manage its climate change response performance. In April 2023, we announced our 2050 mid-to-long-term carbon neutrality roadmap to contribute to Korea's national greenhouse gas(GHG) reduction goals. By 2030, we aim to reduce GHG emissions from all sites by 12% compared to 2018 levels through the implementation of a "Electric Arc Furnace-Blast Furnace Combined Process" and ongoing process-level decarbonization efforts.

GHG Emission Reduction Target

(Unit: 10,000 tCO_2e/year)



GHG Emissions Scope 1 & 2 [1) 2) 3) 4)]

In 2024, Hyundai Steel's GHG emissions(based on domestic standalone operations) amounted to 28,818 thousand tCO_2e, representing a 4.8% reduction compared to the 2050 carbon neutrality roadmap baseline of 30,256 thousand tCO_2e.

Classification	Unit	2021	2022	2023	2024
Scope 1	$ktCO_2e$	25,857	25,907	26,679	26,580
Scope 2		2,633	2,594	2,590	2,238
Total(Scope 1 + Scope 2)		28,489	28,501	29,269	28,818

1) In accordance with Article 2, subparagraph 5 of FRAMEWORK ACT ON CARBON NEUTRALITY AND GREEN GROWTH FOR COPING WITH CLIMATE CRISIS, including CO_2, CH_4, N_2O, HFCs, PFCs, and SF_6
2) Reported GHG emissions in accordance with the "Guidance for Reporting and Certifying Emissions from GHG emissions trading scheme" and completed government(Ministry of Environment) compliance assessment
3) Since 2021, applied benchmark(incentivizing companies with high emissions efficiency)
4) Annual total GHG emission is different from total of Scope 1 and Scope 2(total amount is calculated by adding rounded emission amounts on a operation level)

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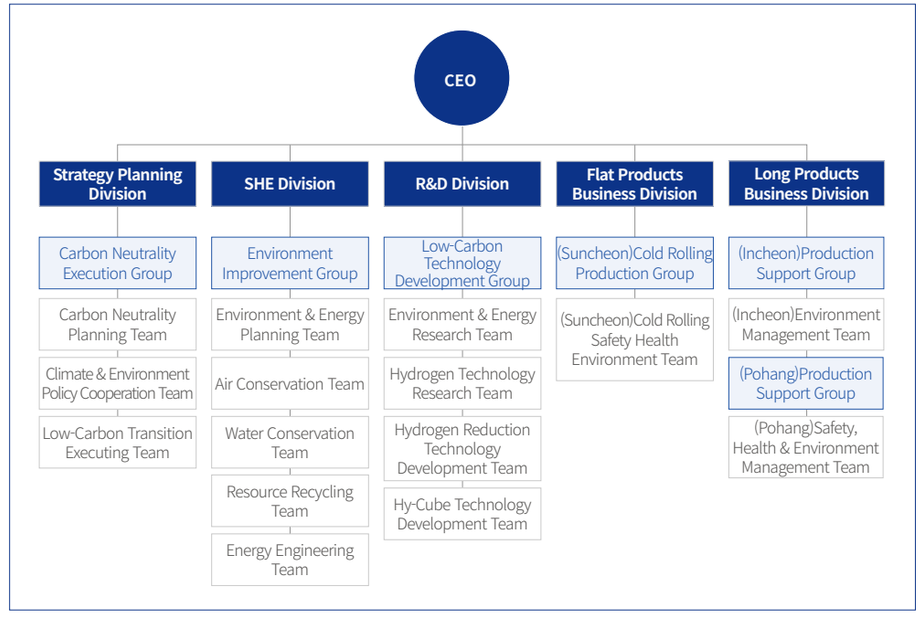
2.3 MATERIAL TOPIC 2 - Pollutant Management

Hyundai Steel has established a regular reporting system for environmental management performance and operates specialized environmental management teams at each business site to systematically manage pollutants. By strengthening internal management standards for air pollutants, odors, and fugitive dust, we reduce emissions through expanded TMS installation, introduction of SCR equipment, and development of low-temperature catalyst technology. Additionally, real-time monitoring via the Chemical Substance Management System, establishment of water quality data management systems, and environmental inspections and risk analyses enable proactive responses to environmental risks.

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2.3.1 Company-wide Pollutant Management System

Hyundai Steel operates dedicated teams in respective business sites under each business division to effectively manage pollutants generated during business activities. At the Dangjin Integrated Steelworks, where large-scale blast furnaces are located, the Environment & Energy Planning Team is responsible for overseeing comprehensive tasks such as managing the steelworks' environmental management and organizing environmental meetings. The Air Conservation Team, Water Conservation Team, Resource Recycling Team, and Energy Engineering Team are specialize in their respective management areas of pollutant emission sources across various environmental media. In Incheon, Pohang, and Suncheon Works, the environment management team overviews the environmental impact management of the production process.



Strategy

2.3.2 Pollutant Risk Analysis

Hyundai Steel conducted environmental risk analyses on pollutants closely related to local communities, including air and water pollutants, chemical substances, noise, and odors that may arise from production processes.

In particular, regarding risks related to air pollutant emissions, a financial impact analysis was performed on total emission regulations for nitrogen oxides. Based on the emissions levels from 2020, when the total quantity control under the SPECIAL ACT ON THE IMPROVEMENT OF AIR QUALITY IN AIR CONTROL ZONES began, it is estimated that, if no investments in pollutant reduction are made from 2020 onward, the financial losses due to the purchase of additional emission allowances and excess fines by the final year of the second period of total quantity control in 2029 could reach up to KRW 445.6 billion.

To reduce NOx, we installed multistage combustion and low-NOx burners at various production facilities while introducing Selective Catalytic Reduction(SCR) facility, recognized as the most efficient and reliable technology for reducing NOx Since 2018, we have been sequentially installing SCR facilities at each business sites, and they are currently operational in major emission facilities across the company, such as heating furnaces and annealing furnaces. Going forward, we aim to ensure a thorough response and mitigate any potential environmental risks by closely monitoring the situation and analyzing the results.

Risks and Response by Pollutant

Category	Risk	Response
Air/Water Pollutants	Administrative sanctions and emission charges due to exceeding legal emission standards	• Application of internal management standards stricter than legal requirements, investment in reduction facilities • Installation of TMS and establishment of monitoring systems
	Total Pollutant Quantity Control under Regional Act	• Introduction of best available control technology, purchase of emission permit
Chemical Substances	Chemical spills and increased liability insurance premiums	• Operation of chemical substance management system • Replacement/reduction of harmful chemicals • Purchase of liability insurance, installation of retaining walls/trench to prevent chemical diffusion • Chemical accident training and emergency response training
Others	Local communities complaints about noise, fugitive dust, and odor Administrative sanctions due to violations of regulations related to noise and soil	• Operation of Environmental Improvement Council • Investment in odor prevention facilities and dust collection equipment improvements • Regular monitoring

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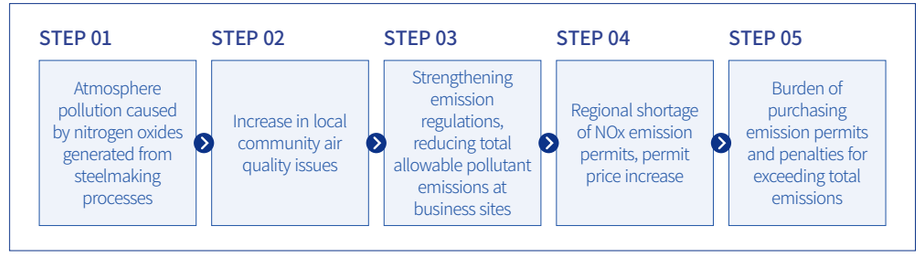
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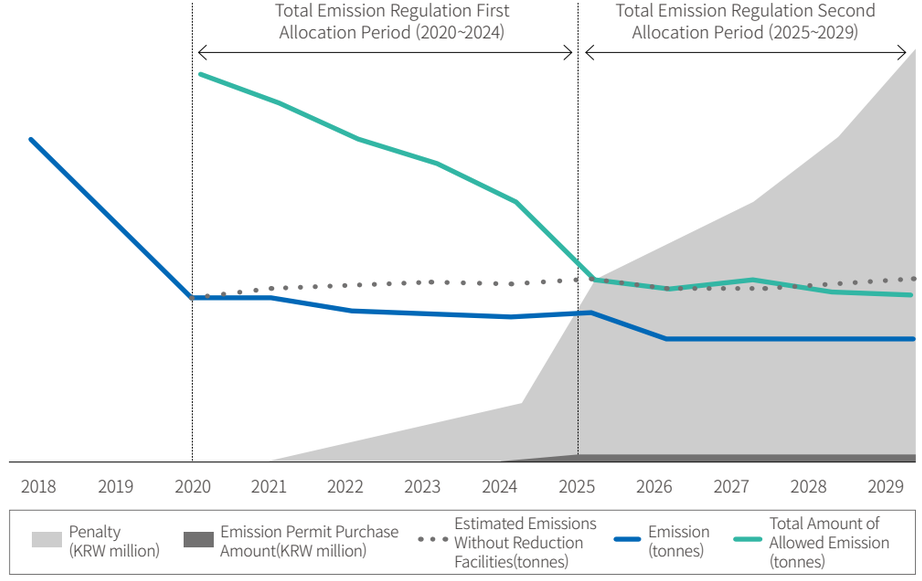
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NOx Total Emission Regulation Risk Review Scenario



Estimated NOx Emissions and Financial Impact[1) 2) 3)]



1) Emission and total amount of allowed emission: Sum of nitrogen oxides emissions from Hyundai Steel's Incheon, Pohang, Dangjin, and Suncheon Works
2) Purhcase amount of emission permit: Average annual emission permit trading price from the air pollutant management system × Excessive emissions (BAU estimated emissions – total amount of allowed emission)
3) Fine for excessive emissions: Fine for excessive portion of total allowed emissions based on BAU emission levels, pursuant to Appendix 6 of the Enforcement Decree of SPECIAL ACT ON THE MPROVEMENT OF AIR QUALITY IN AIR CONTROL ZONES; does not consider reduction in next year's emission allowance total when allowances are exceeded

2.3.3 Air Pollution Management

Hyundai Steel is enhancing the atmosphere environment management system by reinforcing internal management standards for key air pollutants, including NOx, fugitive dust, and odor, and also increasing investments in environmental improvement tasks. Additionally, we are actively engaging in external initiatives such as Steel Industry City Win-Win Environment Forum, Net Zero MOU ceremonies, and campaigns to reduce fine dust.

Establishment of Internal Management Standards for Air Pollutants

With the strengthened domestic environmental regulations, the obligation to install TMS for managing pollutant concentrations and emissions at exhaust outlets has expanded. Hyundai Steel has additionally installed TMS at each air emission outlet according to legal installation standards, and currently manages air pollutants by operating TMS for four items (TSP[1)], Sulfur Oxides, NOx, HCl[2)]) across a total of 104 sites. We have analyzed pollutant emission data by facility to establish internal management standards for regulatory compliance and facility management. Through this, we proactively address risks of exceeding environmental regulations and assess any abnormalities in facilities. The internal management standards are set more stringently than legal standards to not only respond to tightening environmental regulations but also to systematically and rationally manage aging environmental equipment and potential abnormalities in process facilities over the medium to long term.

1) TSP: Total Suspended Particles
2) HCl: Hydrogen Chloride

Investment in NOx Reduction Facilities

To respond to the continuous tightening of regulations, Hyundai Steel discovers and applies the operational conditions and methods to reduce NOx emissions on facilities with concerns regarding excessive NOx emissions and invests in environmental and preventive facilities. From 2022 to 2025, we established plans to sequentially install a total of twenty one Selective Catalytic Reduction (SCR) facilities and three low-NOx burners on heating furnaces and sintering business sites in Incheon Works, Pohang Works, Dangjin Integrated Steelworks, and Suncheon Works, and as of April 2025, a total of 31 facilities are operating normally, including 10 facilities installed before 2022.
We are operating the SCR monitoring system for early identification of the real-time operational status and malfunctions aligning with the investments in SCR facilities. Following 2023, in 2024 the monitoring system was expanded to cover 11 SCR facilities completed in 2023.
Also, "research and development of low-temperature catalysts" that can achieve excellent NOx removal performance at low exhaust gas temperatures was completed through government-led projects.
In December 2023, we applied the system to one heating furnace at the Dangjin special steel works. As a result, we were able to maintain NOx emissions stably below regulatory limits, while observing an increase in waste heat boiler production and a reduction in fuel costs through low-temperature operation.

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Response to Odor Management

Hyundai Steel has installed an odor monitoring system to address odor issues in surrounding areas and manages compliance with legal standards through periodic external boundary odor measurements conducted by public authorities. At Dangjin Integrated Steelworks, odor prevention facilities have been expanded or newly installed at major odor sources, with regular measurements of odor emission concentrations for management. These facilities are managed under guarantee conditions ensuring emissions are below 300 times stricter than current odor prevention law outlet concentration limits, with emission concentrations ranging from 144 to 373 times. This corresponds to approximately 30% to 75% of the legal standard of 500 times based on air dilution olfactory method according to MALODOR PREVENTION ACT.

Fusitive Dust Management

Hyundai Steel conducted dust reduction diagnostics and consulting through external specialized institutions to manage fusitive dust dispersion inside and outside the company, establishing short-term investments and mid- to long-term improvement plans based on these results. Immediate improvements were completed for dust sources and dust collection facilities that could be addressed promptly, while for facilities requiring mid- to long-term review, on-site evaluations and verifications of dust collection facilities at plant scale were completed by 2024. Based on this, a two-year horizontal deployment plan for dust collection facility improvements is scheduled from 2025.

Participation in Voluntary Reduction of Fine Dust

Since 2021, we have actively participated in initiatives aimed at reducing fine dust during the seasonal management period in the Dangjin Port areas, organized by the Geum River Basin Environmental Office and other relevant organizations [1)]. On February 26, 2025, a public-private joint promotional campaign for the seasonal management system was conducted to promote various fine dust reduction activities, including vehicle exhaust inspections and pollution surveys and monitoring of Dangjin port and adjacent industrial complexes using mobile measurement vehicles and drones.
Since signing the “Agreement on Voluntary Reduction of High-concentration, Seasonal Fine Dust” with the Ministry of Environment in 2019, during the high-concentration season of fine dust (December-March) and when emergency reduction measures are issued, our various departments at each business site remain on high alert emergency response and promptly implement measures to improve air quality in accordance with the prescribed guidelines. On January 31, 2024, the day emergency reduction measures were issued at Dangjin Integrated Steelworks, air pollutant (NOx) emissions from sintering furnaces were reduced by approximately 15.5% compared to normal levels through increased chemical use in prevention facilities. We actively cooperate with government emergency reduction measures while striving for overall fine dust reduction by early installation of best available control tachnologies for nitrogen oxide reduction and managing emission concentrations under stricter standards than regulations during operation.

1) Metropolitan Air Quality Management Office, Pyeongtaek Regional Office of Oceans and Fisheries, Gyeonggi-do, and Chungcheongnam-do

2.3.4 Water Pollution Management

Hyundai Steel is efficiently managing water quality by utilizing an existing integrated environmental management system to establish a water quality data management system. Additionally, we are striving to minimize potential impacts on the water environment through stricter monitoring and proactively respond to environmental regulatory risks.

Water Quality Data Monitoring System

Hyundai Steel regularly manages the water quality concentration and chemical usage of cooling water, boiler water, and wastewater at each plant within the Dangjin Integrated Steelworks to assess the efficiency of water treatment facilities. Based on this, we adjust the chemical injection and operating conditions of the facilities to maintain water quality at a consistent level, ensuring strict management.

This process has become more efficient through the water quality data management system established in 2023. The use of the system has reduced the time from data verification to taking field actions for water quality control. Moreover, the storage and retrieval of data over different periods have become more convenient, enhancing the ease of water quality management.

Additionally, the system has been upgraded to monitor the water quality of the wastewater treatment plant operated at the Dangjin Integrated Steelworks. We plan to immediately incorporate additional management points into the system, reflecting new equipment operation and existing equipment expansion like the No. 2 Coke Oven and CDQ. By comprehensively monitoring all water quality data of the steelworks, we intend to manage water quality rigorously within environmental regulatory standards.

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2.3.5 Chemical Substances Management

Hyundai Steel utilizes a chemical substance management system to monitor the real-time distribution status of chemicals. We also conduct regular self-inspection on implementation in order to prevent chemical accidents, with the assistance of specialized consulting firms. Additionally, we actively engage with the chemical safety community and peers in the local community to continuously advance chemical substance management practices.

Operation of Chemical Substances Management System

Since 2015, Hyundai Steel has been operating a chemical substance management system to comply with relevant regulations such as the CHEMICAL SUBSTANCES CONTROL ACT, the ACT ON REGISTRATION AND EVALUATION OF CHEMICAL SUBSTANCES, and the OCCUPATIONAL SAFETY AND HEALTH ACT. All materials classified as chemical substances undergo a two-step process to verify their composition and hazardousness before being brought into the business site, and only those deemed suitable are accepted. Also, the MSDS (Material Safety Data Sheet) is updated and registered in the system for effective management.

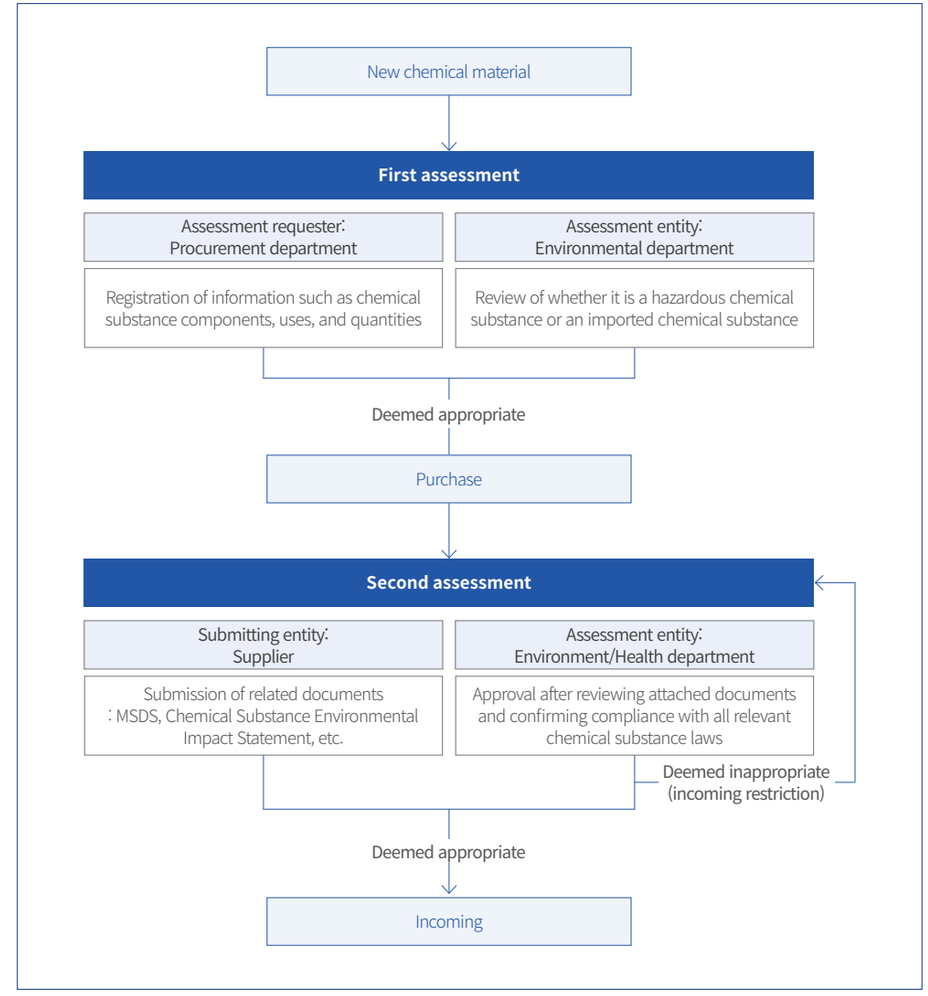
Proactive Response to Chemicals Regulations

By 2024, Hyundai Steel has registered 39 chemical substances, including carbon black, in compliance with CHEMICAL SUBSTANCES CONTROL ACT and ACT ON REGISTRATION AND EVALUATION OF CHEMICAL SUBSTANCES. We have plans to register an additional 22 substances by 2030. Real-time monitoring of chemical distribution status is conducted through the chemical substance management system, and we actively participate in exchanges with the Chungcheong chemical safety community and other peer companies to enhance chemical substance management practices. We will proactively respond to the strengthened chemical regulations to mitigate environmental impact on local communities and address concerns regarding environmental pollution.

Hazardous Chemical Substance Safety Management

Hyundai Steel is preemptively responding to the extended designation of hazardous substances and the revision of standards about the installation and management of hazardous chemical handling facilities. In 2024, we included two hazardous chemical substances, crude benzene (mixture of BTX and naphthalene) and zinc oxide, in its business license and is actively promoting the use of non-hazardous alternatives for these chemicals. We conducted a self-inspection on implementation of the chemical accident prevention and management plan in collaboration with a consultancy specialized in chemical substances, and submitted the inspection results to the National Institute of Chemical Safety.

Evaluation of Registration Process of Chemical Substances



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2.3.6 Pollution Accident Prevention Management

Chemical Substance Accident Education and Emergency Response Training

Hyundai Steel provides annual training about hazardous chemical substances in order to ensure the safe usage of chemicals and prevent accidents involving hazardous chemicals. According to CHEMICAL SUBSTANCES CONTROL ACT, all employees in business sites handling hazardous chemicals are required to attend safety training sessions on hazardous chemicals such as the safety management of hazardous chemicals, response protocols in case of accidents, etc. at least once a year for over 2 hours, and the training performances are reported annually to the National Institute of Chemical Safety. Also, departments using hazardous chemicals hold at least one emergency response training a year to prepare for any potential chemical accidents.

Name of training	Training employees		Attending status			
	Target	Number of employees	Offline	Online	Total attendees	Attendance rate
Training for hazardous chemical substance handling employees	All employees in the business sites handling haazardous chemicals	21,324 persons	13,545 persons	7,779 persons	21,324 persons	100%
	Employees	9,484 persons	3,387 persons	6,097 persons	9,484 persons	100%
	Cotractors	11,840 persons	10,158 persons	1,682 persons	11,840 persons	100%



Chemical Substance Accident Education and Emergency Response Training

Risk Management

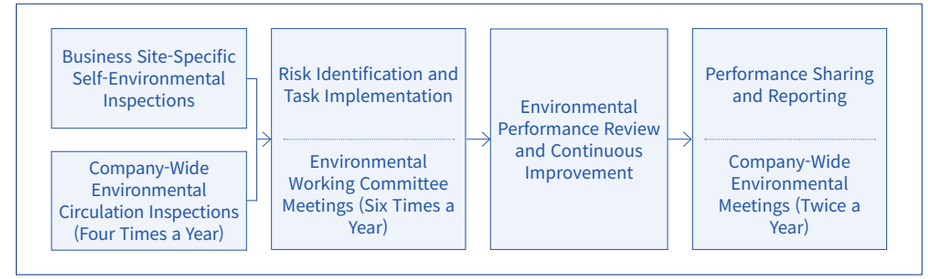
2.3.7 Pollution Accident and Risk Management Process

Hyundai Steel rigorously manages and supervises pollutants such as air pollutants, water pollutants, chemical substances, and waste emitted from our business sites through regular environmental inspections. Risks identified during these inspections are addressed by establishing and implementing improvement tasks, thus preventing pollution-related accidents in advance and continuously enhancing management standards.

At each business site, the operations and support departments and the environmental teams conduct self-environmental inspections to identify and address risks. Furthermore, the environmental teams conduct cross-site inspections on a quarterly basis, checking for issues that might have been overlooked at other sites. Risks and improvement measures identified through these inspections are shared and discussed during the Environmental Working Committee meetings. Improvements are undertaken through various measures, ranging from minor repairs and major equipment investments to process modifications. Employee training is also conducted to manage environmental risks.

The improvement processes and outcomes are reported at Company-wide Environmental Meeting, which is attended by top management (held twice a year), and are shared across all business sites.

Environmental Risk Management Process



Environmental Inspections

Meeting Name	Discussion Contents	Progress
Company-wide Environmental Meeting	Reporting on identified issue improvements and results	Twice a year (once every half-year)
Environmental Administrative Council	Discussion on environmental improvement activities and measures	Six times a year
Environmental Circulation Inspection	Rotate across business sites for risk identification, Improvement plans, and strategy development	Four times a year (once every quarter)

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Metrics and Targets

2.3.8 Pollutant Emissions Management Status and Plans

Pollutant Emissions [1) 2) 3) 4)]

Category	Pollutant	Unit	2021	2022	2023	2024
Air	Dust	tonnes	291	285	329	280
	Nitrogen Oxides	tonnes	9,362	8,760	8,646	8,438
	Sulfur Oxides	tonnes	3,739	5,507	5,877	5,465
Water	Suspended Solids	tonnes	45	36	29	19
	Total Organic Carbon	tonnes	n/a	80	90	80

1) Dust: Based on TMS (Tele Monitoring System)
2) Nitrogen Oxides, Sulfur Oxides: Total quantity control standards under the SPECIAL ACT ON THE IMPROVEMENT OF AIR QUALITY IN AIR CONTROL ZONES (applicable for annual emissions exceeding 4 tonnes)
3) Suspended Solids, Total Organic Carbon: Based on the Water Quality TMS (Tele Monitoring System) and self-measurement standards
4) From 2022, organic matter indicators among water pollutants have been aggregated as Total Organic Carbon according to WATER ENVIRONMENT CONSERVATION ACT

Pollutant Management Plans and Goals

	Category	2024	Mid-to Long-Term(~2030)
Pollutant Emissions Intensity	Managerial standards for air pollutants (Dust, Nitrogen Oxides, Sulfur Oxides)	Strengthened management level up to 80% of legal requirements	Strengthened management level up to 80% of legal requirements
	Water Pollutant Management Standards (Suspended Solids, Total Organic Carbon)	Strengthened management level up to 80% of legal requirements	Strengthened management level up to 80% of legal requirements

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Hyundai Steel strives to minimize environmental impact throughout the entire lifecycle—from raw material sourcing and production to use and disposal—based on a resource circularity business structure that recycles steel scrap, a recyclable resource. We particularly enhance research and support to expand the use of steel scrap, a key raw material for transitioning to a low emission steel system. By integrating and managing projects of by-product resource utilization, we improve efficiency and execution of resource use.

Governance

2.4.1 Resource Circularity Management System

Under the integrated environmental management policy and management system, Hyundai Steel monitors and manages the status of resource circularity to ensure efficient input and output of resources and minimize pollution.

Aiming for a transition to a low emission steel system, we operate a systematic management framework to ensure the stable procurement of recyclable resources like steel scrap and to improve resource efficiency. In 2024, through the "Low-Carbon Raw Material Operation CFT" involving the Carbon Neutrality Execution Group, Steel Scrap Procurement Group, and Raw Material Energy Procurement Group, and from 2025 onwards, through the “Carbon Neutrality Strategy Meeting” led by the CEO with business division head-level council, various strategic plans and implementation status are being integrated and managed.

With the growing societal demand for recycling by-products during the production and disposal processes, we have established an executive-level operating committee to manage by-product resource utilization tasks comprehensively. The operating committee is integrated with the company-wide environmental meetings, coordinating issues shared by the working councils and reporting major items to the CEO once every six months. Additionally, regular reviews of waste generation and disposal performance by management summarize internal and external issues and the status of resource circularity, discussing achievement goals and improvement strategies. In 2025, the organization that oversees the environmental departments at each business site will be reorganized within the SHE Division(Safety, Health & Environment Division) to manage company-wide environmental management, including resource circularity.

As part of this resource circularity management system, we incorporate related content into the KPI criteria during executive evaluations, based on major business performance and other aspects. These KPIs can impact the performance bonuses of executives.

2.4.1.1 By-product Resource Utilization Council and Operating Committee

Hyundai Steel operates an operational council of working-level managers and an steering committee that involves executives to unite the directions on by-product utilization management initiatives, promote quick decision-making, and strengthen execution. The operational council shares issues, collaborates for task resolution, and reports the process and results to the steering committee to execute the integrated initiatives. The integrated operations of the steering committee and company-wide environment meeting deal with the issues shared by the operational council and report to the business division heads bi-monthly on significant issues.



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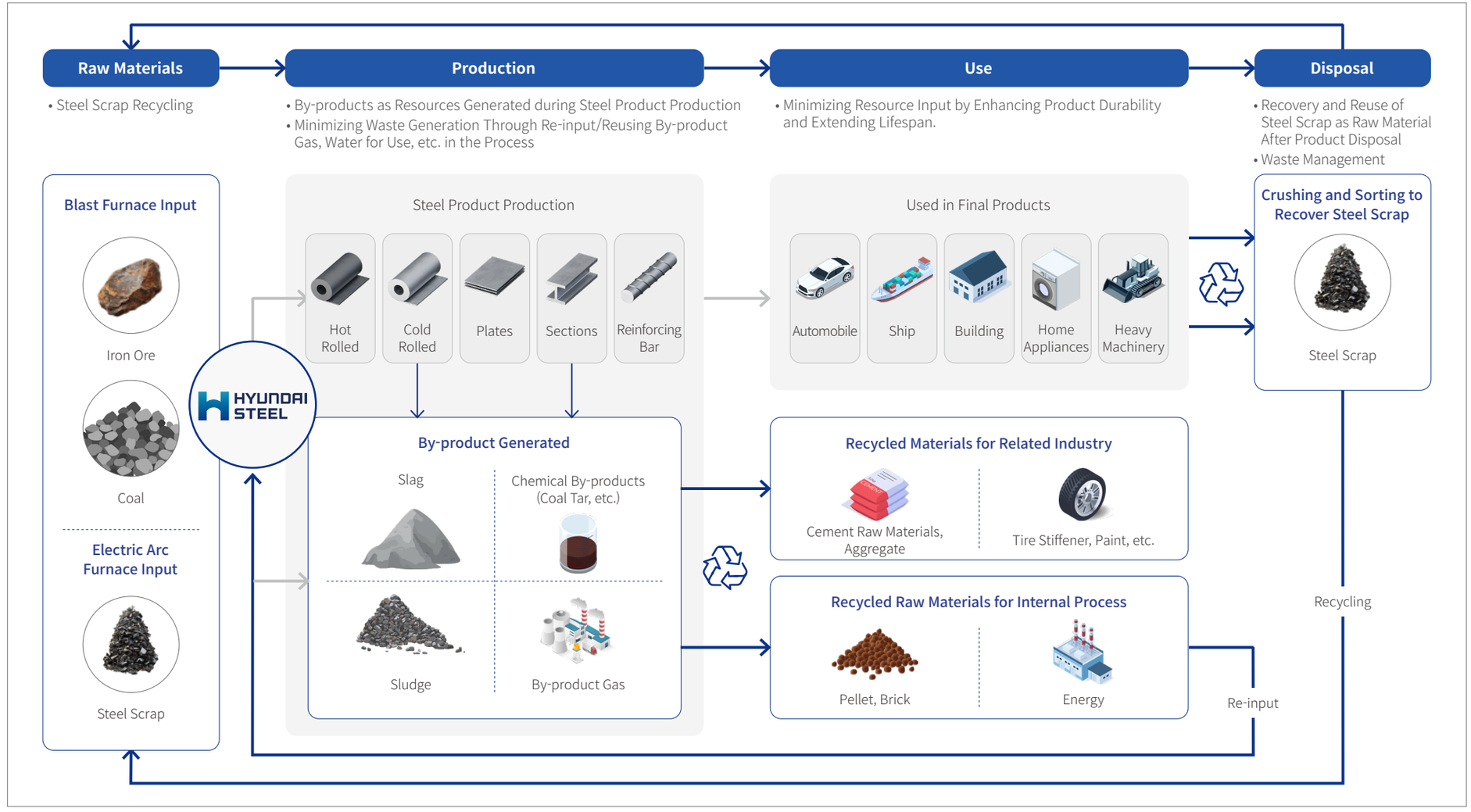
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2.4.2 Resource Circularity Business Structure



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2.4.3 Resource Circularity Risks and Opportunities Analysis

Hyundai Steel manages waste generated from business activities in compliance with domestic WASTES CONTROL ACT. An annual hazardousness assessment is conducted for each type of waste, and component analysis is performed on wastes newly included in the environmental impact assessment. Based on the environmental impact assessment, negative environmental impacts by waste type are identified and managed through appropriate legal measures. We are progressively expanding recycling efforts to reduce waste generation and enhance resource circularity.

By-product type[1]	Category[2]	Description	Response	Urgency[3]	Impact[4]
Slag (Blast Furnace, Steelmaking, etc.)	Opportunity	• Diverse recycling applications such as construction raw materials	Development of slag-based aggregate/cement	M	M
		• Stricter regulations on aggregate extraction and a decreasing trend in the production of Grade 1 aggregate	Research in expansion of slag asphalt usage	M	H
	Risk	• Demand fluctuations according to construction market conditions	Pursuing the development of applications to secure new and large-scale demand	M	M
Steelmaking Process Dust	Opportunity	• Recyclable internally and externally	Reintroducing pellets and bricks produced from dust/sludge mixtures back into the process	H	H
			Reviewing the recycling and sale of coke dust within the process	M	M
	Risk	• Environmental burden if released: air pollution, fugitive dust	Periodic monitoring of compliance and management status of air pollution control facilities	L	M
Sludge (Wastewater Treatment Sludge, Process Sludge)	Opportunity	• Recyclable internally and externally	Reintroducing pellets and bricks produced from dust/sludge mixtures back into the process	M	M
	Risk	• Environmental burden upon leakage: water pollution	Periodic monitoring of compliance and management status of water pollution control facilities	L	H
Steel Scrap	Opportunity/ Risk	• Increased value of raw materials (recycled resources) for the production of low emission steel • Intensified competition for securing steel scrap to achieve carbon neutrality	Establish strategies to enhance competitiveness in steel scrap procurement	H	H
Other Wastes	Opportunity/ Risk	• Changes and strengthening in policies, laws, and regulations: WASTES CONTROL ACT, CHEMICAL SUBSTANCES CONTROL ACT, OPPORTUNITY/RISK CIRCULAR ECONOMY SOCIETY TRANSITION PROMOTION ACT, ACT ON THE PROMOTION OF SAVING AND RECYCLING OF RESOURCES, etc.	Compliance with regulations (policies, laws, and regulations) and periodic monitoring	L	M

1) By-product type: Based on waste treatment classification codes
2) Category: Risk (requires treatment costs, legal penalties), Opportunity (reduces treatment costs and generates profitability)
3) Urgency: Determined by the presence of profitability or treatment costs, response strategies, and the level of regulatory compliance (Low-Medium-High)
4) Impact: Assessed by the potential for profitability improvement and the need for new treatment solutions (Low-Medium-High)

Raw Material

2.4.4 Strengthening Competitiveness in Steel Scrap Procurement

Hyundai Steel is strengthening its technological research to expand the use of steel scrap, a key raw material for transitioning to a low emission steel system, and is also working to diversify the supply chain for stable raw material procurement.

Firstly, we are focusing on developing technologies to effectively remove non-ferrous metals like copper and other impurities mixed in with the scrap to produce sheet products from steel scrap. To achieve this, we are directly managing the quality of steel scrap and enhancing research on technologies to upgrade low-quality scrap, such as scrap sorting devices. Additionally, efforts to improve raw material quality continue by applying scrap upgrading technologies to our suppliers.

Furthermore, to secure a stable supply of high-quality steel scrap, we plan to diversify our long-term suppliers and actively explore new supply chains. We are implementing various support policies to this end, including support for waste disposal generated during the steel scrap refining process (supporting 127 companies with approximately KRW 7 billion), advance payment policies to support investment in refining facilities for steel scrap suppliers (approximately KRW 20 billion), and operating a win-win growth fund to support interest on loans from the Industrial Bank of Korea (approximately KRW 16 billion).

We are establishing a mid- to long-term plan to secure stable supplies of low-carbon raw materials by 2030, pursuing various activities such as technology development and supply chain support.

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2.4.5 Implementation of Integrated Tasks for By-product Resource Utilization

Hyundai Steel continuously identifies and executes integrated tasks for by-products as resources, striving to reduce waste and promote resource circularity. In 2024, a total of six tasks were undertaken, notably expanding the scope of by-product utilization through the development of rapid-hardening cement using reduction slag. This product is a cement-free mixture composed of 70–80% slag and 20–30% gypsum, achieving 1.3 times higher compressive strength compared to existing products after 3 hours of curing, with a shrinkage rate around 70%. Thanks to these characteristics, it is expected to be applied in various fields such as secondary concrete products requiring early strength and road repair materials, with pilot applications underway in collaboration with multiple institutions.

In 2025, we plan to undertake a total of eight projects, including detailed tasks linked to our management policies.

2024 Key Achievements in Integrated Tasks for By-products

Name of initiative	Purpose	Key achievements
Examination of new by-product utilization technology	Mid- to Long-term Technology Development for Enhancing By-product Value and Securing Supply of Reduction Iron	• Established Foundation for Industry-Academia-Research Collaboration through Joint Research Agreement • Planned Pilot Production and Process Testing of Products
Development of environmental impact assessment methodologies for steel by-products	Development of Environmental Burden Reallocation Methodology for By-products	• Completed Supplementation of Allocation Scenarios for Slag
Development of construction aggregates using slag	Expanded Slag Applications and Contributed to Inter-floor Noise Reduction	• Confirmed Inter-floor Noise Reduction Effect through Field Evaluation • Completed Pilot Production of Pedestrian and Vehicle Blocks and Installation of Building Modular Test-bed Site
Development of cement substitutes using slag	Expanded Slag Applications and Reduced Treatment Costs	• Designed Mix Conditions to Improve Strength of Special Cement Products • Conducted Activation Enhancement Study of Mixed Cement Utilizing Converter Slag
Development of sodium bicarbonate dust processing technology	Reduced Sodium Bicarbonate Purchase and Sodium Bicarbonate Dust Treatment Costs	• Registered Two Domestic Patents and Completed Overseas Patent Applications
Reviewing utilization methods for coke dust	Cost Reduction and Prevention of Fusitive Dust Risks	• Completed Replacement Test of Pulverized Coal in Blast Furnace Process

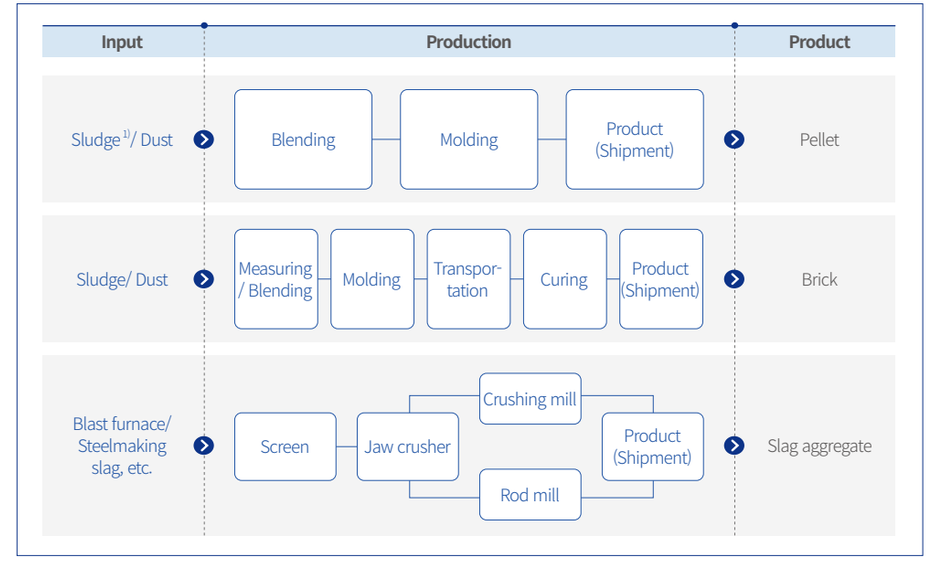
Production/Use

2.4.6 Operation of By-Products as Resources Self-Processing Facility

Hyundai Steel operates the approved self-processing facility to achieve by-products as resources to reduce business wastes and improve recycling rate. The self-processing facilities in operation include solidification, stabilization, refining, shredding, pulverizing, and sorting facilities. Using these, we produce pellets and bricks from sludge and dust. In addition, slag generated during steel production is processed using crushing and weathering facilities to be reborn as slag aggregate products, which are then recycled for various applications such as construction materials.

Through our subsidiary Hyundai ITC, our by-product reprocessing factories are operated on a professional level, using the bricks and pellets produced in the reprocessing factories again in the production process. By eagerly utilizing the by-products as resource facilities, we achieved a resource utilization rate of 97.8%, surpassing the 2024 goal of 95.8%.

Resources Self-Processing Facility Operation Process



1) Sludge: Sediment generated during the wastewater treatment process

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Production/Use

2.4.7 R&D to Promote Resource Circularity

Hyundai Steel is conducting various research and development (R&D) activities to contribute to the activation of the circular economy in response to increasing social interest and demand for the by-products as resources.

Recent Advances in Construction Materials Technology Using Steel By-products

In June 2024, Hyundai Steel co-hosted the "2nd Steel By-product Utilization Construction Material Technology Symposium" with the Korea Concrete Institute at the Science and Technology Convention Center, providing a platform for information exchange among industry, academia, and research institutions. Six organizations including Hyundai Steel, Sampyo Industry, Asia Cement, Kongju National University, Korea University, and Research Institute of Industrial Science & Technology participated to present overseas technology trends and development achievements related to steel by-products and engaged in discussions with the audience.
We introduced various technical cases such as slag recycling trends and related regulations, performance verification of heavyweight using slag as aggregate, and development of special cement using reduction system slag. After the presentations, opinions were exchanged on carbon neutrality issues in the construction and steel industries and win-win strategies through steel by-product utilization.

Signing of the "MOU for Eco-friendly Highway Construction and Circular Economy Realization"

In December 2024, Hyundai Steel signed a multilateral industry-academia-research collaboration MOU for eco-friendly highway construction and circular economy realization with POSCO, Korean Recycled Construction Resources Institute, and Korea Expressway Corporation at Korea Expressway Corporation Research Institute. The eco-friendly highway applies asphalt using by-products instead of conventional natural aggregates, contributing to resource circularity and environmental pollution reduction.
This agreement has been established to promote eco-friendly construction policies and standardization using by-products from the steel industry, based on the technology sharing and joint research currently being conducted by each institution. Industry committed to deriving quality assurance measures and improvements for steel industry by-products used in road pavement to enhance their aggregate applicability; the academic society pledged to support regulatory improvements by the Ministry of Environment regarding related technologies; and Korea Expressway Corporation promised cooperation in revising road pavement standards utilizing by-products.

Research on Resource circularity technology for substituting cement raw materials using steel slag

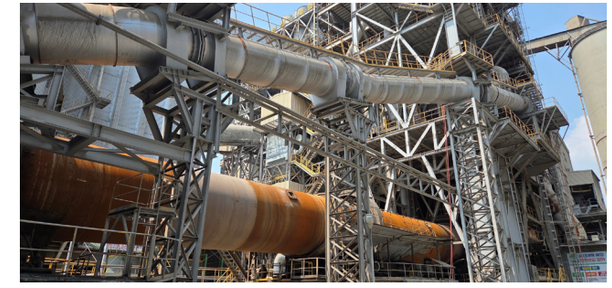
In June 2024, Hyundai Steel conducted a cement pilot production evaluation using steel slag in collaboration with Asia Cement and Ssangyong C&E. Steel slag contains 30–50% quicklime (CaO), which is expected to replace limestone ($CaCO_3$) that accounts for approximately 60% of CO_2 emissions during cement manufacturing.
This pilot production evaluation aimed to replace up to 3% of limestone used as raw material in cement with steel slag. To this end, we supplied approximately 1,500 tonnes of steel slag produced through mixing and crushing to the cement manufacturer. The evaluation of the produced cement's compressive strength and harmful substances confirmed that its quality is equivalent to that of conventional cement.
We are continuously researching through a consortium with specialized research institutions to increase the replacement of limestone with steel slag as a cement raw material up to 5%.



Symposium on Construction Material Technologies Utilizing Steel By-products



Multilateral Agreement for Eco-friendly Highway Construction


Cement Manufacturing Site Using Steel Slag

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Disposal

2.4.8 Hazardous Chemical Substances Management

Hyundai Steel manages designated waste in accordance with Article 7 of the Enforcement Rules (Standards for Waste Disposal, etc.) and strives to prevent safety accidents. According to Article 2 of WASTES CONTROL ACT, hazardous waste refers to harmful substances among business site wastes such as waste oil and waste acid that can pollute the surrounding environment or harm human health. Pursuant to Article 18-2 of WASTES CONTROL ACT (Obligation to Compile and Provide Hazardous Information Data), new contracted companies are provided with hazardous information data and informed in advance about work risks through work plan preparation. When handling liquid waste, work is conducted wearing safety protective equipment in compliance with hazardous chemical handling standards.

We manage the entire process from emission, transportation, and processing of wastes through an electronic information processing program (Allbaro System). Also, we report on our disposal and treatment performances every February in compliance with Article 38-1 of WASTES CONTROL ACT (Submission of Reports) and pay disposal charges in accordance with Article 36 of ACT ON PROMOTION OF TRANSITION TO CIRCULAR ECONOMY AND SOCIETY (Waste Disposal Charges). The proportion of hazardous waste within the total waste generated has been consistently maintained at less than 1.5% since 2020.

Yearly Waste Generation Status

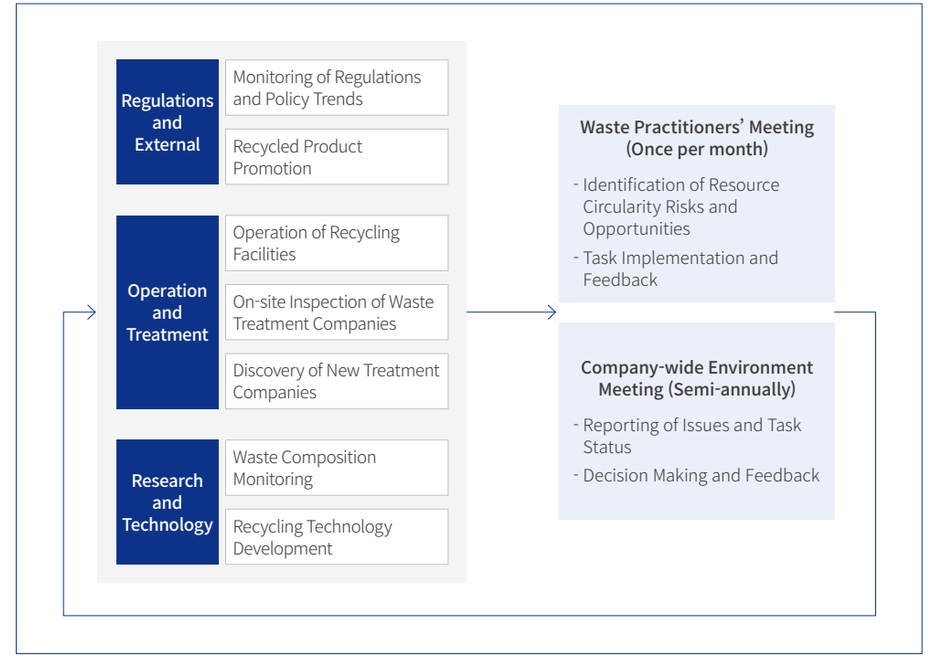
Category	Unit	2021	2022	2023	2024
General Waste	kt	9,722	9,828	10,029	9,820
Hazardous Waste		128	124	133	106
Total		9,850	9,952	10,162	9,926
Hazardous Waste Proportion	%	1.30	1.25	1.31	1.07

Risk Management

2.4.9 Resource Circularity Risk Management Process

Hyundai Steel systematically inspects and manages resource circularity risks and opportunities. We continuously monitor waste-related laws and policy trends to respond proactively, and to reduce risks of violating waste-related regulations and guidelines, conduct regular inspections of on-site waste treatment facilities, periodic waste composition monitoring, and on-site inspections of external treatment contractors. Furthermore, through mid- to long-term research for stable waste treatment, we discover new recycling applications and treatment companies, and we also strive to improve awareness of recycled products through promotion and briefing sessions.

At the monthly waste management practitioners' meetings, risks and opportunities identified through these processes are discussed along with improvement measures. The progress and results of improvement tasks are reported at the Company-wide Environment Meetings (2 times per year), where decisions and feedback on key issues are made.



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Risk Management

2.4.10 Environmental Impact Analysis based on Product Life Cycle Assessment(LCA)

Hyundai Steel is analyzing and monitoring environmental impacts through a comprehensive evaluation of the entire life cycle — from raw material extraction, transportation, product production, to product shipment (LCA, Life Cycle Assessment). To calculate the carbon footprint (CFP) of our products, we have developed an internal LCA analysis system (HLCA) and are continuously expanding and enhancing its functionalities to elevate the level of environmental impact analysis. Using carbon emission data calculated for each product and steel grade, we are responding to stakeholder demands, including those from customers, and to global regulations such as the EU's Carbon Border Adjustment Mechanism (CBAM).

Life Cycle Assessment (LCA) System Development Roadmap

Hyundai Steel is progressively expanding the LCA system to enhance the level of environmental impact analysis. We have already established a CFP calculation system for each steel grade across all steel products we produce, and we are also addressing the emission information submission requirements in accordance with the criteria set by the EU CBAM. In 2024, we implemented automatic calculation functionalities for greenhouse gas emissions from production processes and functions for collecting and calculating Scope 3 greenhouse gas emission data. In 2025, we plan to introduce features for calculating the carbon footprint of the electric arc furnace-blast furnace hybrid process and a simulator to predict changes in the carbon footprint with operational condition changes. By 2027, we aim to add resource recycling management functions for items like steel scrap and Chain of Custody (CoC) management features for raw material flows.

Through these advancements, we plan to integrate the management of environmental impacts, including greenhouse gases and resource recycling, throughout the entire product lifecycle within the LCA analysis system.

Environmental Product Declaration (EPD) Certification

Based on Product Life Cycle Assessment (LCA)-based environmental impact analysis, Hyundai Steel has acquired Environmental Product Declaration (EPD) certifications. Since 2019, certifications have been obtained for various products including hot rolled coils, cold rolled coils, reinforcing bars, and sections. In 2024, we updated the UL EPD certifications for reinforcing bar and section products, continuously analyzing and disclosing the products' environmental impacts. In addition to structural steel, which received low-carbon certification from KEITI in 2023, rebar products produced via electric arc furnace(EAF) were also certified in 2025. Recognized by the Ministry of Environment as green products, these low-carbon products are mandated for purchase by public institutions under the ACT ON THE PROMOTION OF GREEN PRODUCT PURCHASE and can earn additional points in the "Green Building Certification(G-SEED)" which assesses a building's environmental features. To meet diverse customer demands, we continue to expand the range of certified products and transparently provides environmental information about its products.

Certification Type	Certification Country	Certified Products	Certification Period
Korean Ministry of Environment EPD	Republic of Korea	• Reinforcing bars (Incheon, Dangjin, Pohang), Sections (Incheon, Pohang) • Hot rolled, Plates (Dangjin)	September 2022 –September 2025 October 2023 – October 2026
Low Carbon Product Certification	Republic of Korea	• H-shaped Sections(Incheon, Pohang) • Reinforcing bars (Incheon, Pohang, Dangjin)	April 2023 – April 2026 March 2025 – April 2028
UL EPD	United States	• Reinforcing bars (Incheon, Dangjin, Pohang), Sections(Incheon, Pohang)	September 2024 – September 2029
International EPD	Sweden	• Hot rolled coils, Plate, Cold rolled coils, Galvanized Steel Coil and Sheet (Dangjin)	October 2020 – September 2025
EPD Norge	Norway	• Wire Rod (Dangjin)	November 2023 – November 2028

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Metrics and Targets

2.4.11 Resource Circularity Management Status and Plans

Use of Recycled Materials and By-product Recycling

Classification	Unit	2021	2022	2023	2024
Usage of Recycled Materials	kt	9,117	8,330	7,514	8,491
By-products Generation		9,850	9,952	10,162	9,926
Total Waste Recycled		9,748	9,721	10,079	9,819
Recycling Rate	%	99.0	97.7	99.2	98.9

LCA Analysis Status and Roadmap

Classification		Current Status	Yearly Goals and Plans			
		2024	2025	2026	2027	2028
Life Cycle Assessment	Product CFP (Additional Products)	• By Products / Steel Grade	• Establishment of Calculation Method of Low emission steel	• Low emission steel (By Steel Grade)	(All Steel Products, Annual CFP Calculation Updates)	
	Certification and Verification Plans	• UL EPD (Rebar, Sections)	• International EPD (Rebar, Sectons, Flat Products)	• Ministry of Environment EPD (Sections)	• Ministry of Environment, International EPD (Low emission Products)	• Ministry of Environment EPD(Rebar) • Third-party Verification(By Steel Grade)
HLCA Enhancement	Low emission Products	• Development of Functions for Product CFP, Scope 3, CBAM, etc.	• Data Collection and Logic Development	• Automation and Verification of CFP Calculations	• Optimization Based on Production and Customer Requests	
	Simulator[1)]		• Ironmaking and Steelmaking Models	• Special Steel, Hot Rolled, Cold Rolled Models	(Annually Incorporate Latest Operational Data)	
	Recycled Raw Material Tracking Management			• Establish Recycled Raw Material Classification System	• Develop Models for Calculating Recycling Characteristics by Product	• Automatic Reflection of CFP

1) Simulator: Prediction of CFP change according to operational condition changes

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2.5 MATERIAL TOPIC 4 - Occupational Safety and Health

Under the vision of "Realizing Safe Steelworks for 100 Years", Hyundai Steel has established a systematic safety and health management system. Centered on the SHE Division (Safety, Health & Environment Division), safety and health departments are established at all business sites to conduct integrated safety management, and labor and management jointly decide safety policies through the Occupational Safety and Health Committee. We strengthen safety capabilities through maintaining ISO 45001 Certification, safety culture level assessments, and leader safety activity programs, while promptly addressing workplace hazards via the Safety Suggestion System and right to suspend work. Additionally, we ensure the safety and health of all members through support for suppliers' Health & Safety, operation of in-house medical facilities, and regular safety inspections.

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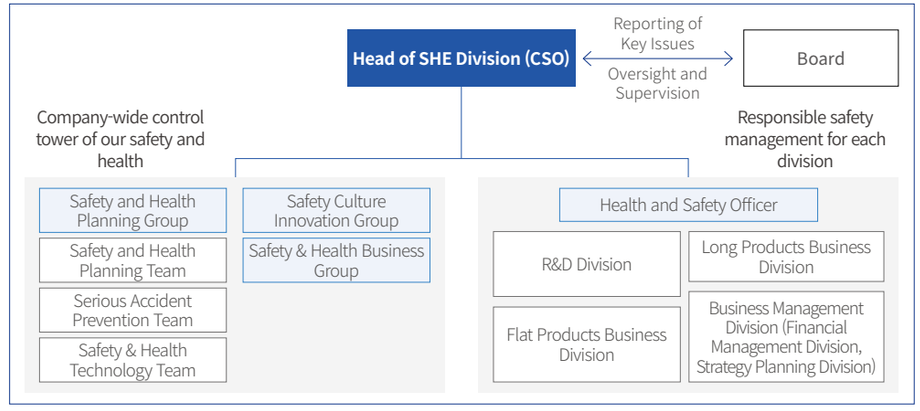
2.5.1 Occupational Safety and Health Management System

2.5.1.1 Strenghthening the Integrated Safety Management

Hyundai Steel operates dedicated safety and health departments at all business sites centered on the SHE Division, the company-wide control tower for safety, health, and environment, to ensure efficient safety management and prompt decision-making.

The SHE Division sets company-wide safety and health policies and targets, establishes mid- to long-term roadmaps and key implementation plans to advance the safety and health management system, and executes them. We conduct activities such as the Safety Management Supervision Meeting, Safety Communication Meeting, and safety inspections and evaluations at all business sites to enhance safety awareness. Moreover, at each business site in Incheon, Pohang, Dangjin, Suncheon, and Pangyo, we have dedicated safety and health departments that closely monitor on-site safety.

For responsible safety management, we submit an "Annual Safety and Health Plan" once a year to the Board (Transparent Management Committee), which reviews and approves the agenda. Moreover, from top management to executives and department/team leaders, safety and health management is set as a KPI for performance evaluation.



2.5.1.2 Safety Management Supervision Meeting

Hyundai Steel regularly holds the Safety Management Supervision Meeting chaired by the head of SHE Division (CSO, Chief Safety Officer) to ensure systematic safety management. Safety management representatives from each business site and organization participate to discuss company-wide safety policies and share safety activity plans and performance of each site. Furthermore, executives including the head of SHE Division directly visit sites to inspect hazardous facilities requiring improvement and encourage employees to comply with work procedures and perform safe operations, thereby promoting a safety culture.

2.5.1.3 Occupational Safety and Health Committee

Hyundai Steel establishes and operates Occupational Safety and Health Committee at all business sites in accordance with OCCUPATIONAL SAFETY AND HEALTH ACT. The committee, composed of an equal number of labor and management representatives, holds quarterly meetings to discuss and make decisions on important matters related to safety and health at business sites. In 2024, various agendas including starting a small group safety activity certification program, research on working environment surveys, and musculoskeletal disease prevention activities were presented and discussed.

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2.5 MATERIAL TOPIC 4 - Occupational Safety and Health

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2.5.2 Principles and Policies of Occupational Safety and Health Management

Under the vision of "Realizing Safe Steelworks for 100 Years", Hyundai Steel establishes safety and health management objectives, policies, and guidelines to comply with safety management obligations for all members within business sites. It strengthens safety capabilities through enhanced preventive safety activities, internalization of safety culture, and expansion of smart safety initiatives. Furthermore, to achieve the objective of "Zero Serious Injuries and Fatal Accidents", it establishes safety and health policy applied to all domestic and overseas business sites. The enactment and amendment of these policies are established through deliberation and approval by the Board of Directors.

Safety and Health Objectives and Management Policies

Safety and Health Policy

2.5.3 Occupational Safety and Health Management System Certification at All Domestic Sites

Hyundai Steel has a Occupational Safety and Health Management System that systematically implements safety activities such as risk assessment, safety training, and safety inspections at sites to proactively identify and prevent disasters that may occur during work. All of our domestic sites (Incheon Works, Pohang Works, Dangjin Integrated Steelworks, Suncheon Works and Pangyo Office) have acquired ISO 45001[1)] certification, and maintained this certification annually to ensure effectiveness.

1) Applying this international standard 100% to all employees at certified business sites.

Strategy

2.5.4 Safety and Health Management Promotion Strategy

Hyundai Steel leads the spread of safety culture based on the safety management slogan "H-S.O.S (Hyundai-Steel One Safety)" and enhances employees' safety awareness through safety culture level assessments. In addition, it strengthens safety capabilities and advances the safety and health management system through various occupational safety and health activities.

Purpose	Improvement of safety levels through the implementation of key strategies for enhancing safety culture
Slogan	[H-S.O.S, Hyundai-Steel One Safety] Hyundai Steel pursues a unified safety value.
H-S.O.S Meaning	1. Hyundai Steel prioritizes worker safety through collaborative efforts between labor and management 2. Hyundai Steel applies and practices the same level of safety standards across all workplaces 3. Hyundai Steel listens to all safety improvement opinions, and all employees work together with shared safety values

Key Task Performance and Plans

Mid-to-Long Term Strategy	2024 Performance	2025 Plan
Strengthening on-site safety execution	• Enhanced Safety Patrols by leaders - Focused inspection during Core Time (conducted 4,147 times) • Operation of Small-scale Safety Activity Certification System on site - Achievement of target for 338 directly managed teams (implemented jointly with affiliated suppliers)	• Strengthening on-site communication to improve safety execution - Operation of autonomous safety consultative body led by site leaders and regular on-site safety meetings • Activation of on-site participation in Small-scale Safety Activity Certification System(Change of evaluation criteria, Expansion of reward targets) • Operation of "Autonomous Improvement Care Program" to support sites following legal/system inspections
Establishing a risk-assessment-centered preventative safety system	• Internalization of risk assessment - Total 30,988 cases enacted(1,366) / amended(29,622) - Safety investments linked to risk assessments carried out (792 cases / KRW 185.2 billion) • Strengthening preventive management of high-risk processes - Improvement of management level through company-wide PSM self-assessment; PSM-level training conducted (total 21 sessions / 1,792 persons)	• Strengthening risk assessment management and improving on-site usability - System establishment to prevent omission in risk assessments and provide key information - Advancing risk assessment verification for affiliates and suppliers • Establishment of Smart Safety Leading Plant - Exploration of optimization plans for applying smart equipment to standard plants (No.2 Cold rolling plant)
Enhancing safety and health capabilities	• Reorganization of Safety & Health Education System - Operation of tiered training courses and SIF prevention education (2,936 persons) - Specialized training to enhance expertise of safety personnel (340 persons) • Consulting conducted to improve suppliers' safety management systems (7 companies)	• Improvement of Occupational Safety and Health Management System operation level - Systematic operation linking work standards, risk assessments, and on-site management systems • Expansion of workshops and awareness training to improve on-site safety mindset
Establishing health-friendly operations	• Establishment of "Chemical Substances Management System" - Development of risk information provision system for departments using substances (128 teams / 8,290 substances) - Establishment of integrated management system for incoming/storage/use/disposal • Establishment of confined space operation process - Re-establishment of integrated operation guidelines and comprehensive on-site operability inspection	• Improvement of high-risk work environment - Evaluation and improvement plan development for high-risk factor work environments in collaboration with professional institutions (high-risk factors: chemical substances, confined spaces, heat-related illnesses, radiation) • Strengthening employee health promotion activities - Operation of customized programs for prevention of occupational diseases (hearing loss, musculoskeletal, cerebrovascular)

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2.5 MATERIAL TOPIC 4 - Occupational Safety and Health

Strategy

2.5.5 Occupational Safety and Health Education

2.5.5.1 Internalization of Safety Education

To internalize safety education, Hyundai Steel utilizes a dedicated training venue equipped with audio-visual training equipment and provides expert courses to improve the capability of safety and health education instructors. We provide safety education programs for leaders and education on safety laws and regulations, our safety system, utilization of the safety computer system, and risk identification and improvement measures to help employees carry out their safety and health duties efficiently.

In addition, we have enhanced the experience facilities of the Centennial Safety Culture Center located in the Dangjin Integrated Steelworks and developed new education courses aimed at further strengthening the safety capabilities of our employees.

Safety Education Status

Category	Education program name	Subject	Frequency	Attendance rate
Legally mandatory education	Regular Safety Education	All employees	Quarterly	100%
	Supervisor Education	Leaders	Once a year	100%
	Onboarding Education	New Hires	When newly hired	100%
	Special Safety Education	Personnel Performing Hazardous Work	When a task occurs	100%
	Hazardous Chemicals Education	Related Workers and Handling Personnel	Once a year, Once every years	100%
In-house education	Advanced Supervisor Course, etc.	Applicants	On-demand	100%

2.5.5.2 Emergency Response Training and Simulation Training

Hyundai Steel has established a safety and health emergency preparedness and response plan for all business sites and strives to minimize human and property damages by responding immediately in the event of an emergency. Safety training is conducted from time to time regarding safety, fires, explosions, and other accidents, and drills based on emergency scenarios are conducted at least once a quarter. In an emergency, the head of the safety and health department oversees the entire situation, including on-site command and victim relief, and each department head takes urgent actions in accordance with emergency response procedures to prevent the damage from expanding. After the emergency situation concludes, we develop and implement a recovery plan and systematically manage the emergency response system by reviewing measures to prevent recurrence and reviewing improvements on emergency response procedures.

2.5.6 Improvement of Occupational Safety and Health

2.5.6.1 Work Environment Measurement and Improvement

In accordance with OCCUPATIONAL SAFETY AND HEALTH ACT, Hyundai Steel conducts work environment assessments semi-annually, to measure and evaluate the hazardous factors that workers are exposed to and reports the outcomes to the Ministry of Employment and Labor. To achieve this, we cooperate with external specialized measuring agencies, and these agencies are selected by labor-management joint evaluation team after consultations with the Occupational Safety and Health Committee. The work environment assessment is conducted with presence of all related individuals and groups including the main safety and health department, labor union, on-site safety managers, and department heads, and the risk mitigation measures are established and implemented based on the assessment result. In cases where negative or harmful work environments are identified such as employees constantly being exposed to negative or harmful work environments, we establish fundamental measures by consulting with a specialized agency.

For high-risk workplaces with exposure to harmful factors, we provide appropriate equipment such as hearing protection and respirators are provided to individuals through fitness tests. With the goal of preventing safety accidents from occurring during work, Hyundai Steel has established and complies with work criteria and safety standards to prioritize safety when working in areas where there is a risk of accidents, such as oxygen facilities and gas handling facilities. For hazardous and dangerous areas where access is prohibited, we assign management grades, strengthen access procedures according to management methods and establish additional measures. We are conducting continuous inspections and improvement activities on the facilities and have improved the lighting in workplaces and passageways to ensure adequate illumination, thereby establishing a safe working environment. We inspect breakrooms and sanitation facilities on site and regularly renovate deteriorated, and we have made it mandatory to provide breakrooms and allocate sufficient break time for workers who operate under high heat and extreme cold temperatures, helping to reduce fatigue during work.

2.5.6.2 Leader’s Safety Activity Program

Hyundai Steel assigns the leaders monthly safety activity goals through Leader’s Contact and strengthens the safety and health duties based on the safety and health guidelines. Leaders fulfill safety activities such as TBM(Tool Box Meeting) activities, safety education, and safety meetings, striving to share our management willingness to prioritize safety and to expand the autonomous safety protection culture.

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2.5.6.3 Operation of Safety Suggestion System

Hyundai Steel operates a safety suggestion system that allows us to hear the opinions of all employees in order to identify and improve risk factors in the workplace quickly. Various measures are taken to invigorate employees to further utilize the suggestion system, such as adding and deducting points in safety evaluation and rewarding employees who made the best and most suggestions. In addition, all stakeholders can submit hazards and make safety suggestions through our official website and cyber audit website.

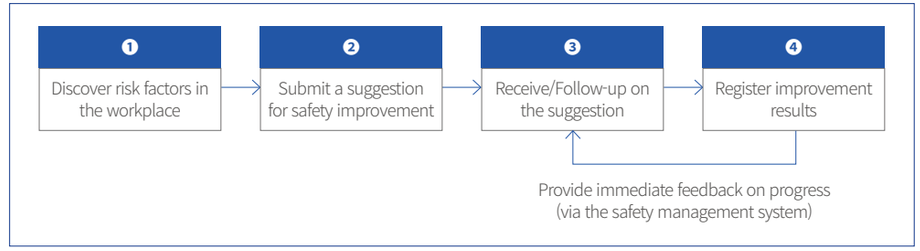
The dedicated safety facility maintenance department develops improvement plans and follows up on the progress and provides feedback to the employees who made the suggestions about the progress through the safety management system and private text message. We review the suggestions received on a monthly basis and take immediate action to improve them.

In 2024, a total of 2,980 opinions were received from all sites, with 2,831 of them being acted upon, resulting in an impressive improvement rate of approximately 95%. The status of suggestions and their processing can be checked via the intranet.

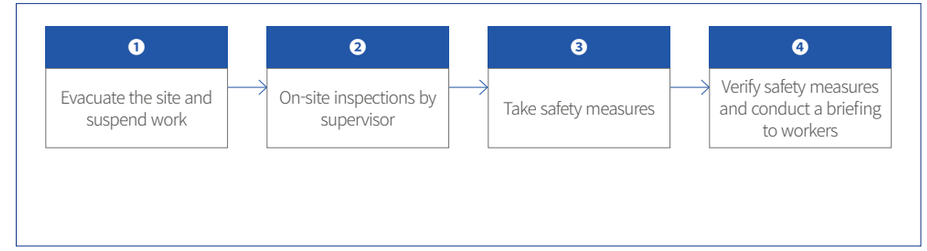
2.5.6.4 Operation of the Right to Suspend Work

Hyundai Steel implements the Right to Suspend Work to prevent safety accidents and protect the lives of all workers within the company, including employees, subsidiaries, and suppliers, in the event of a hazardous situation. In cases of imminent danger, anyone can stop work and request safety measures through a four-step process. Upon detecting a critical hazard, the site is evacuated, and work is suspended. A supervisor from the responsible department then verifies the site. Following this, safety measures are implemented to address hazardous risks, and the safety department conducts an inspection and briefing for the workers. Training is provided to ensure that everyone, including employees, can utilize the Right to Suspend Work to appropriately respond to dangerous situations.

Safety Suggestion System Procedure



Process for Enforcing Right to Suspend Work



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2.5.7 Employee Health Promotion

2.5.7.1 Accessible Internal and External Medical Facilities for Employees

Hyundai Steel operates various internal and external medical facilities for the health care of employees. We operate in-house clinics, physiotherapy rooms, exercise prescription rooms, oriental medicine clinics and psychological consultation centers to ensure employees receive appropriate care and treatment from medical professionals. The medical facilities help to prevent possible musculoskeletal diseases of employees that can occur while working. We also support medical check-ups for employees and their families in cooperation with external professional medical institutions.

Operating a Psychological Consultation Center for Employees' Mental Health

We operate psychological counseling centers to assist employees in receiving in-person psychological counseling and simultaneously operates counseling centers outside business sites and a remote mental health center to provide convenient counseling regardless of location. Every year, we conduct job stress assessments for all employees to diagnose and prevent mental health problems caused by work stress and to systematically manage the mental health of employees and their families.

Health Check-ups Support

We support employees and their families with comprehensive medical check-ups and PET-CT scans for early detection of serious diseases to prevent and detect various health issues. We provide general and specialized medical check-ups for employees annually. For those who show health abnormalities according to the medical check-up results, we provide follow-up management in collaboration with external medical institutions. Furthermore, we operate an inhouse clinical pathology laboratory for employee health management and improvement.

Cerebral Cardiovascular Disease Prevention Activities

We operate cerebral cardiovascular disease prevention program to prevent diseases such as cerebral infarction, cerebral hemorrhage, and myocardial infarction. We have installed Automated External Defibrillators (AEDs) throughout the company to ensure their availability within the "Golden Hour" in case of an emergency. We also routinely inspect this equipment to maintain its operational readiness and regularly train our employees in CPR and AED operations.

2.5.8 Occupational Safety and Health for Suppliers

2.5.8.1 Support and Participation for Safety and Health Management of Suppliers

Hyundai Steel is supporting its suppliers in an effort to realize win-win safety management. In order to assist our suppliers in strengthening their safety and health infrastructure, we offer various supports, including financial assistance for hiring safety personnel, provision of safety education, reinforcing management, and construction of rest and sanitation facilities. Through our safety management system, the status of all workers, including those from suppliers, can be monitored in real time within the business premises. This capability enhances the level of operational safety management. Employees of suppliers, just like our own employees, can report potential hazards or propose new safety improvements via the "Safety Suggestion System" within the safety management system. They are also informed of the results of any actions taken. A reward system for outstanding proposals is in place to encourage participation in safety improvement initiatives.

2.5.8.2 Strengthening Supplier Safety Capabilities

To continue our Safety Partnership with our suppliers, Hyundai steel discusses improvement measures on safety issues and shares accident cases and safety improvement activities with them through the Health and Safety Council. To establish a self-directed safety culture, we provide various systematic training courses for workers of our suppliers, including risk assessment training, basic safety courses for those new to our business sites, and experiential safety training. By operating a safety price bidding system for contracting works to ensure that safety capabilities are fully considered when selecting suppliers, we aim to increase the contract proportion of companies with excellent safety capabilities and improve the overall safety capabilities of suppliers.

Contracting Work Safety Bidding System

- Implement safety bidding for companies subject to bid price verification
- Qualify for bidding participation granted to companies scoring 70 points or higher in supplier comprehensive assessment[1)]
- Select the best company based on the combined scores of price(70 points) + safety comprehensive assessment[2)](30 points)

Category	Assessment items	Conducting department
Safety Basics Evaluation	Evaluation of six items related to occupational injury rate, safety and health management system, safety and health management regulations and safety and health trainings completion of executives	SHE Division(Regularly/ Frequently), Equipment Procurement Team(New)
Safety Performance Evaluation	Occupational safety evaluation on risk assessment, compliance with work procedures, health certifications	Purchase department
	Evaluation of safety and health technical abilities, safety and health education	Each Works/Business unit's Safety and Health Team
On-site Quality Evaluation	On-site quality evaluation on project completion, progress management ability, and submitted construction documents	Purchase department

1) Supplier Comprehensive Assessment: Safety Basics Evaluation(30%) + Safety Performance Evaluation(35%) + On-site Quality Evaluation(35%)
2) Safety Comprehensive Assessment: Safety Basics Evaluation(30%) + Safety Performance Evaluation(70%) → Price Safety Bidding System Scores

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2.5 MATERIAL TOPIC 4 - Occupational Safety and Health

Risk Management

2.5.9 Occupational Safety and Health Diagnosis and Process

Diagnosis and Improvement of Health and Safety System

Hyundai Steel is collaborating with external professional organizations to enhance company-wide risk assessment and accident prevention safety and health management systems. Through this collaboration, we conduct evaluations that incorporate key elements of the Serious Accident Reduction Roadmap and monitors sites where severe injuries may occur, implementing improvements as needed. The implementation checks of our safety system is conducted annually based on the opinions of experts. These concerted efforts aim to minimize the occurrence of legal risks and safety accidents. Going forward, we are elevating our level of safety management, including improving occupational disease prevention and the working environment, and enhancing safety monitoring through specialized safety and health consulting in areas such as risk assessment safety consulting.

Executing Company-wide Risk Assessment

Hyundai Steel is conducting an annual company-wide risk assessment every year to discover hazardous and risk factors at its business sites, estimating the likelihood(frequency) and severity(intensity) of injuries or illnesses caused by them and establishes and implements risk mitigation measures accordingly. Furthermore, we determine the acceptable range of risks estimated for each hazard and risk factor and take various measures to reduce unacceptable risks to the lowest possible level when the unacceptable risks are identified. The assessment is conducted all over again in the event of any significant event such as the formation of a new team, establishment of work standards circumstances or introduction of new tasks. After the initial assessment, regular assessments are conducted every year(once a year). Additionally, in the event of any specific circumstances such as the construction, relocation, modification, or dismantling of structures at our business sites, we perform an assessment within 14 days of recognizing the occurrence. Moreover, we share best practices for improving risk assessment to raise safety awareness among employees and utilize risk assessment materials in our regular safety training.

Safety Culture Diagnosis

Hyundai Steel is conducting a safety culture diagnosis for all employees of the company, subsidiaries, and suppliers, aiming to gauge the level of safety awareness among employees and set safety management goals and activity directions accordingly. An individual survey tailored differently for duties of managers and non-managers to collect valid and effective information is conducted. The results of the safety culture survey serve as the foundation for conducting safety workshops and evaluating safety and health activities. Also, safety workshops are held for safety culture organizations within each business division and for organizations selected by leaders of business divisions and small group discussions and safety coaching on the accident cases based on the results of safety culture survey take place. Each division develops plans to reinforce safety management based on the workshop outcomes and implements safety improvement activities accordingly. Moreover, customized safety culture interviews are conducted to provide accurate safety counseling.

Establishing of a Rapid Safety Improvement Process

Hyundai Steel immediately mitigates any hazards discovered under the Rapid Safety Improvement Process in order to ensure the safety of all employees working at our business sites. We regularly engage specialized companies to inspect our gas facilities and all hazardous machines and equipment, and If any signs of danger, such as gas leaks, are detected during these inspections, specialists promptly respond. Further, If potential risks to equipment or safety facilities are identified, and safety investments are required, the relevant issues are reported through our Emergency Safety Investment System and the maintenance department then reviews the issues and takes further actions to immediately address the reported issues.

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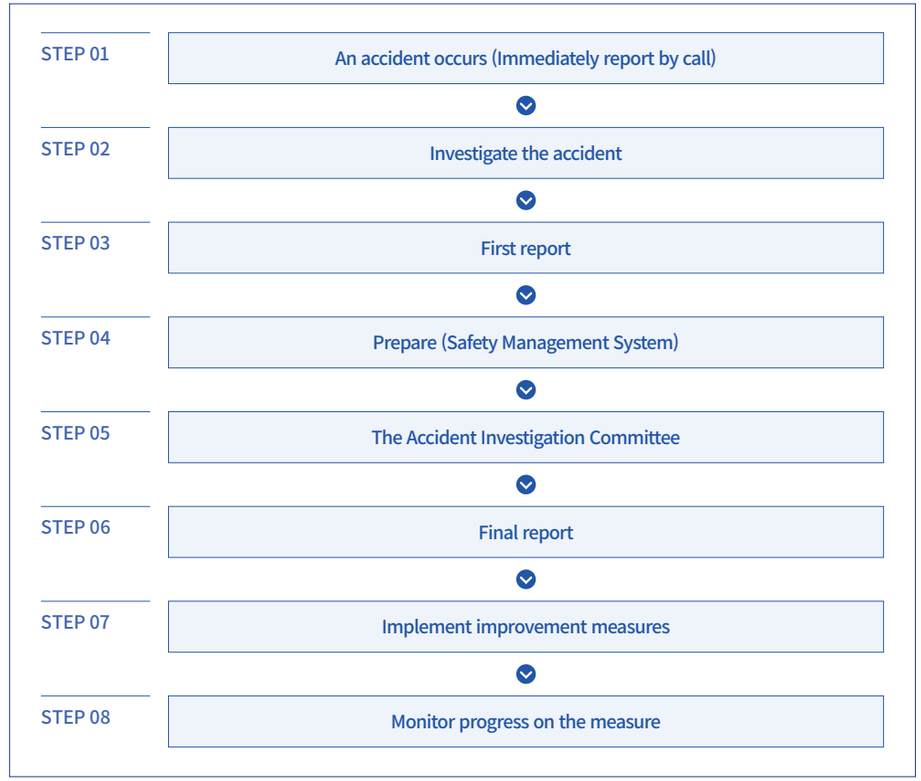
2.5 MATERIAL TOPIC 4 - Occupational Safety and Health

Risk Management

Company-wide Safety Response Process

In the event of a safety accident, Hyundai Steel is committed to minimizing damages and preventing the recurrence of such accidents by promptly identifying the cause of the accident, preparing and implementing countermeasures. When a safety accident occurs, an investigation committee is formed swiftly to start investigating. The committee identifies the root cause and develop countermeasures along with implementation plans which are then shared with related employees. Moreover, we maintain continuous monitoring of the implementation of recurrence prevention measures to ensure that the underlying causes of accidents are effectively eliminated.

Accident Management Process



Metrics and Targets

2.5.10 Occupational Injury Rate Management[1)]

Hyundai Steel strictly abides by the safety and health guidelines and prevents accidents from occurring in all operations to achieve “Zero Serious Injuries and Fatal Accidents”. To achieve this, we quantify the Lost Time Injury Frequency Rate (LTIFR) for both employees and contractors, setting an annual reduction target of 5% compared to the previous year. In 2024, the LTIFR was reduced to 2.39, surpassing the target of 2.89. Based on the 2024 results, we plan to achieve an LTIFR of 2.05 or lower by 2027.

Category		Unit	Performance	Target		
			2024	2025	2026	2027
Lost-Time Injury Frequency Rate (LTIFR)	Employees	Cases/million hours worked	2.82	2.68	2.55	2.42
	Contractors		1.87	1.78	1.69	1.6
	Total		2.39	2.27	2.16	2.05

1) Lost-Time Injury Frequency Rate(LTIFR): Number of lost time injuries occurring in a workplace per 1 million hours worked

Managing Safety Leading Indicators

Hyundai Steel sets the safety management indicators and evaluation criteria tailored to each organization and manages the activities that should be carried out proactively to prevent accidents leading indicators, aiming to achieve zero industrial accidents across all business sites. The leading indicators for accident prevention include safety inspections, on-site risk mitigation, safety awareness activities, risk assessment, and completion of safety training. At the end of every year, we evaluate the performance of these leading indicators and reward organizations and individuals who excel in safety management to incentivize employees to proactively prevent safety accidents.

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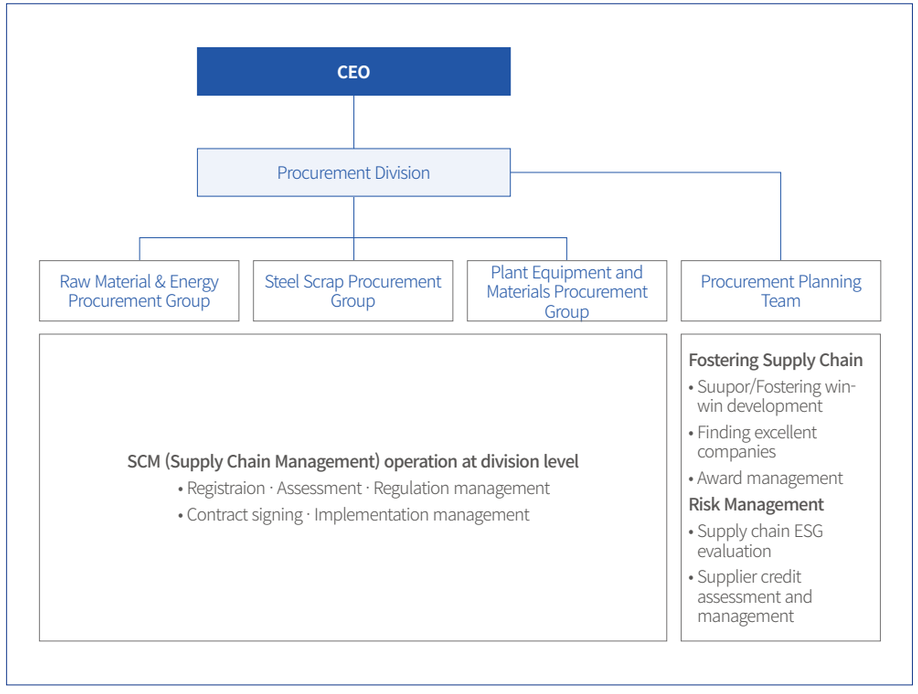
2.6 MATERIAL TOPIC 5 - Supply Chain Management

Hyundai Steel has established a supply chain ESG management policy to strengthen the sustainability of the supply chain and identifies potential risks through annual ESG assessments. In 2024, ESG assessments were conducted for 444 suppliers, supporting the development and implementation of risk improvement plans for high-risk partners. Through various win-win programs and shared growth support activities, we help enhance suppliers' competitiveness.

Governance

2.6.1 Supply Chain Management Governance Framework

In December 2024, Hyundai Steel established the Procurement Division to secure competitive raw material procurement and supply chain management. Through SCM (Supply Chain Management) operations at the division level, suppliers are managed professionally. The Procurement Planning Team, responsible for supply chain management, performs win-win growth support and risk management tasks considering supplier characteristics.



Strategy

2.6.2 Supply Chain Management Strategy

Hyundai Steel has established and disclosed supply chain ESG management policies and a conflict minerals policy to create a sustainable steel ecosystem. Based on an integrated supply chain management system, it strengthens transparent ethical management of suppliers, expands shared growth cooperation and smart work environment support, and forms healthy partnerships with suppliers. Annual supply chain ESG assessments identify potential risks among suppliers to promote improvement activities, and ESG training programs for suppliers are operated to enhance ESG management levels.

Supply Chain ESG Management Policy

Conflict Minerals(Responsible Minerals) Policy

Integrated Supply Chain Management System



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2.6 MATERIAL TOPIC 5 - Supply Chain Management

Strategy

Building a Sustainable Supply Chain

Hyundai Steel strives to enhance sustainability across the entire value chain, including the supply chain. Annual supply chain ESG assessments and inspections are conducted on suppliers, and the results may differentially impact future transactions. Transactions may be suspended if minimum ESG requirements are not met within the specified period or if potential risks identified through supply chain ESG assessments are not addressed. Major supply chain ESG issues are reported to the Board of Directors through ESG governance. Additionally, to raise awareness of sustainable supply chains, training on supply chain ESG management is provided to internal stakeholders such as purchasing organizations and supplier employees. Support programs are also operated to improve suppliers' ESG management levels and mitigate risks.

Establishment of Sustainable Supply Chain

ESG assessment	ESG capability improvement	Trading relationship differentiation
• Conduct regular assessments of suppliers • Perform ESG evaluations for newly registered suppliers	• Enhance human rights and labor related capabilities • Improve environment-related capabilities • Strengthen ethics and governance capabilities • Procurement personnel internal training	• Align procurement policies with ESG risk levels • Support for win-win growth to improve ESG capabilities • Exclude from the transaction if suppliers fail to meet the minimal ESG requirements and capabilities

2.6.3 Supplier Code of Conduct

Hyundai Steel's Supplier Code of Conduct outlines the fundamental expectations for our suppliers of products and services, to create a safe workplace, uphold the human rights of workers, and fulfill their environmental and ethical responsibilities. Furthermore, we require all our suppliers to adhere to laws and regulations relevant to their business activities and ask them to also maintain sound operating practices in areas such as ethics, environment, labor, human rights, safety, health, and management systems.

Supplier Code of Conduct

2.6.4 Supply Chain ESG Assessment

Hyundai Steel conducts annual supply chain ESG assessments to identify related risks. The management department expands the scope of assessed suppliers and evaluation items to strengthen risk management. In 2024, in collaboration with a third-party specialized institution (Sustainability Lab), supply chain ESG assessments were conducted on a total of 444 suppliers, and the results were verified. This performance exceeds the target (as of 2024) by approximately 5%. The assessment consists of 110 items across four areas: labor and human rights, ethics and governance, safety and health, and environment, reflecting various global standards (Responsible Business Alliance, OECD Multinational MNE Guidelines, ILO Fundamental Conventions, ISO 26000, UNGPs, TCFD, etc.).
Based on assessment results, the bottom 10% of suppliers by industry were classified as high-risk groups and subjected to on-site and non-face-to-face inspections. For these high-risk suppliers, risk checks and improvement plan establishment were completed 100%, including establishing grievance handling channels and Safety & Health management systems. Environmental improvements focused on air pollutants and greenhouse gas emission reduction, as well as hazardous substance management.

2024 Assessment Results	No. of Suppliers	Remarks
Supply Chain ESG Assessment (Supplier desk assessments and on-site due diligence)		
Suppliers assessed	444	
Significant supplier[1]	68	43.9% of significant suppliers (155 companies)
Non-significant suppliers	376	
Suppliers with substantial negative impact	40	
Significant supplier[1]	3	
Non-significant supplier	37	
Supplier's corrective action and capacity building		
Suppliers established and fully implemented corrective action plan	40	
Suppliers supported in corrective action plan implementation	40	
Win-win growth support	115	28 significant suppliers participated (24.3%)
High-risk suppliers suspended due to ESG level deficiency	0	2 companies transaction suspended in 2023

1) Significant suppliers are designated based on transaction size, materiality, and substitutability, including the raw material suppliers of significant raw materials such as iron ore and steel scrap, facility and distribution suppliers and subsidiary goods supplier.

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2.6 MATERIAL TOPIC 5 - Supply Chain Management

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2.6.5 Support for Strengthening Suppliers' ESG Capabilities

Hyundai Steel has developed and provides an ESG education curriculum to enhance suppliers' understanding and strengthen their capabilities in ESG. The ESG training courses consist of ethical management, human rights management, environmental management, safety management, information security, and supply chain management, with a total of 164 suppliers completing the program as of September 2024.

Additionally, we operate ESG capability enhancement programs in collaboration with professional consulting firms and produces an "ESG Assessment Excellence Supplier Benchmarking Casebook" to support improvement activities for high-risk suppliers.

Education program	Description
Ethical Management	• Concept of Ethical Management • Hyundai Steel Ethics Charter and Code of Conduct
Human Rights Management	• Management Elements in Human Rights Management • Hyundai Steel's Human Rights Management Status • Concept of Human Rights Management
Environmental Management	• Concept of Environmental Management • Climate Change • Carbon Neutrality • Circular Economy • Biodiversity

Education program	Description
Safety Management	• Concept of Safety Management • Occupational Field Safety Management • SERIOUS ACCIDENTS PUNISHMENT ACT
Information Security	• Information Security and Cyber Safety • Information Security Compliance Principles
Supply Chain Management	• Sustainable Supply Chain Management • Conflict Minerals • Global Supply Chain ESG Due Diligence Act • Hyundai Steel's Supply Chain Management Status

2.6.6 Win-win Growth Support

Under the Win-win Growth vision of "Creating a sustainable virtuous cycle leading to growth", Hyundai Steel operates various programs centered on three core values: "Fair Trade Compliance, Reinforced Foundation of Partnership, and Communication with Suppliers".

We promote the enhancement of supplier competitiveness through support activities in finance, technology, and management, providing tailored assistance according to the needs of suppliers. Additionally, it has signed a Fair Trade Agreement with the Korea Fair Trade Commission and publicly demonstrates its commitment to Win-win Growth based on evaluations of the agreement's implementation results.

Core value	Category	Description	
Fair Trade Compliance	Fair trade and ethical management, Procurement policy	• "Four key practices" of the fair trade commission • Procurement ethics regulations	• Compliance program
Reinforced Foundation of Partnership	Financial Support	• Win-win growth fund • Win-win payment system	• Network loans • Early payment for goods
	Technical support	• Performance sharing system • Non-exclusive licensing • Technology and product development cooperation	• Suggestion platform • Escrow of technical data
	Business management support	• Dedicated online recruiting center for suppliers • Linked with Sangsaengnuri • Operation of Foundation for Industrial Safety Partnership	• Win-win Growth Investment Resource Projects (e.g., Energy Saving Consulting)
Communication with suppliers	Operation of communication channels	• Integrated procurement material system • Procurement cooperation council and subcommittee • On-site visits meeting	• Procurement information sharing portal • Supplier inquiries feedback activities

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Double Materiality Assessment
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Material Topic 2 - Pollutant Management
Material Topic 3 - Resource Circularity
Material Topic 4 - Occupational Safety & Health
Material Topic 5 - Supply Chain Management

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2.6 MATERIAL TOPIC 5 - Supply Chain Management

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2.6.6.1 Fair Trade Compliance

Compliance with the Four Key Practices of Fair Trade

Hyundai Steel complies with the "Four Key Practices" stipulated by the Fair Trade Commission and is realizing a fair and transparent trading culture.

Hyundai Steel's Four Key Practices of Fair Trade

First, to establish desirable contracts, appropriate delivery schedules and reasonable prices are determined through sufficient consultation with suppliers; standards for adjusting delivery payments reflecting raw material prices, exchange rates, and inflation are established; and unfair reduction practices are prohibited.

Second, during supplier selection (registration), fairness and transparency of selection and cancellation criteria are ensured; evaluation results are notified; and all suppliers are provided with equal bidding opportunities.

Third, an internal review committee is operated to conduct prior review and post-verification of subcontracting transactions, assess the appropriateness of supplier selection and registration cancellation criteria, operate an unfair trade reporting center, prevent unfair trade practices, and establish an audit system.

Fourth, throughout the entire transaction process, key documents such as subcontract contracts are transparently issued and preserved to establish advanced trading practices; related documents are retained for three years in accordance with laws to maintain fair subcontracting transaction order.

2.6.6.2 Reinforced Foundation of Parnership

Organization of Steel ESG Win-win Fund

Hyundai Steel, in collaboration with the Korea Iron & Steel Association, POSCO, and IBK Industrial Bank has established the "Steel ESG Win-Win Fund" raised around KRW 200 billion. The fund is expected to improve managerial performances of steel industry related SMEs suffering from the rise in raw materials by enabling them to borrow at lower interest rates. Suppliers eligible for this fund are those that have ESG-related certifications or those that need funds to enhance their ESG management environment, and the fund is intended to be utilized to strengthen supply chain ESG capabilities across the industry.

Win-Win Growth Fund

Hyundai Steel has established a win-win growth fund to support loan interest payments for small and medium-sized enterprises it transacts with. In cooperation with financial institutions, it operates a fund totaling KRW 80 billion, enabling suppliers to reduce financial costs and smoothly procure operating funds for stable business management.

Suggestion Platform Operation

Hyundai Steel operates a suggestion platform where suppliers can voluntarily propose new tasks such as parts localization and equipment performance improvement. It also supports on-site testing personnel and services to apply proposed tasks in the field. When results are achieved through these ideas, incentives such as long-term supply contract signing and additional points in supplier assessments are provided, sharing achievements with suppliers. In 2024, proposals from a total of 30 companies were selected and received incentives during supplier evaluations. This enables suppliers to secure a stable supply chain, strengthen technological competitiveness, reduce costs, and improve productivity.

Support for Suppliers' Energy Management Projects

Hyundai Steel supports the establishment of efficient energy-saving equipment systems (such as solar power generation facilities and air compressors) to mitigate environmental risks for suppliers. Additionally, it provides specialized consulting including energy consumption pattern analysis, derivation of reduction solutions, and training for relevant personnel. In 2024, approximately KRW 200 million was provided to eight suppliers, resulting in an annual energy cost saving of about KRW 33 million. Since the project began in 2014, energy-saving equipment and systems worth KRW 2.8 billion have been installed at a total of 64 suppliers, enabling them to save approximately KRW 680 million annually in electricity costs.

Soil Scrap Disposal Support

Hyundai Steel is the only steelmaker in Korea to introduce a soil scrap disposal support system, which has been in operation since 2012. It provides free disposal of soil scrap generated at steel scrap suppliers' yards, contributing to strengthening supply chain competitiveness. This initiative is expected to have positive effects such as improving steel scrap incoming quality and reducing fusitive dust generated during distribution, thereby mitigating environmental risks. We pay disposal costs for approximately 50,000 tonnes of soil scrap annually and supported soil scrap disposal at 147 yards in 2024.

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2.6 MATERIAL TOPIC 5 - Supply Chain Management

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Establishment of the Foundation for Industrial Safety Partnership

In 2022, Hyundai Steel established the Foundation for Industrial Safety Partnerships, a public benefit corporation for industrial safety, together with Hyundai Motor Group affiliates, to generate safe workplace environment and establish systematic safety management. To contribute to supplier safety and health capability improvement, we are operating safety management system inspections, safety gear support, trainings, safety material provision, AI based safety technology development, scholarship projects for bereaved families, etc.

Project	Description
Safety management system inspection and technical support projects for industrial accident prevention	• Support for establishing and fulfilling Health & Safety management systems • Support for safety inspections and improvement plan establishment to prevent serious accidents • Consulting to improve safety management levels
Education and training support projects	• Specialized education for cultivating professionals and enhancing qualifications • Overseas visits to excellent companies for advancing safety management techniques
Safety information and material support projects	• Distribution of industry-specific accident cases, safety-related laws, and posters • Hosting seminars/forums on excellent safety cases
AI-based utilization support projects such as smart safety management	• Support for introducing excellent smart safety technologies to small and medium enterprises • Support for research and development of new safety technologies
Award projects recognizing outstanding small and medium enterprises and contributors to industrial management improvement	• Selection and rewarding of outstanding small and medium enterprises and contributors through safety-related contests
Support projects for creating mutual growth funds to activate management safety and safety management	• Credit insurance premium support for loans aimed at small and medium enterprise safety improvement investments
Bereaved families scholarship program for workers who died in serious accidents	• Scholarship payments supporting education for bereaved families of serious accident victims among small and medium enterprises
Other projects aligned with the corporation's objectives	• Other related projects to improve overall industrial safety levels

2.6.6.3 Supplier Communication

Operation of Online and Offline Communication Channels

Hyundai Steel builds a collaborative business model based on various online and offline communication channels. It engages in direct face-to-face communication with suppliers annually through the procurement cooperation council and subcommittee, and on-site visit meetings. In particular, policy revisions and item operation plans are discussed through the procurement improvement consultative body, which held a total of 13 sessions with 109 suppliers in 2024. The focus is on deriving key tasks considering the characteristics of each subcommittee and setting practical targets, with strengthened feedback management to achieve these goals.

For efficient communication, we newly launched the procurement information portal in 2023 to guide suppliers on purchasing policies and processes. The portal contains not only basic information necessary for transactions but also supply chain ESG policies and procurement ethics management that suppliers must comply with. Four frequently used areas are separately categorized for suppliers' convenience. Additionally, it is linked with system access functions for transactions and supports credit evaluation, tax invoice issuance, and digital certificate issuance for suppliers to enhance usability. Furthermore, grievances related to system and work improvements are received through the procurement management system; in 2024, 319 grievances were received and 304 resolved.

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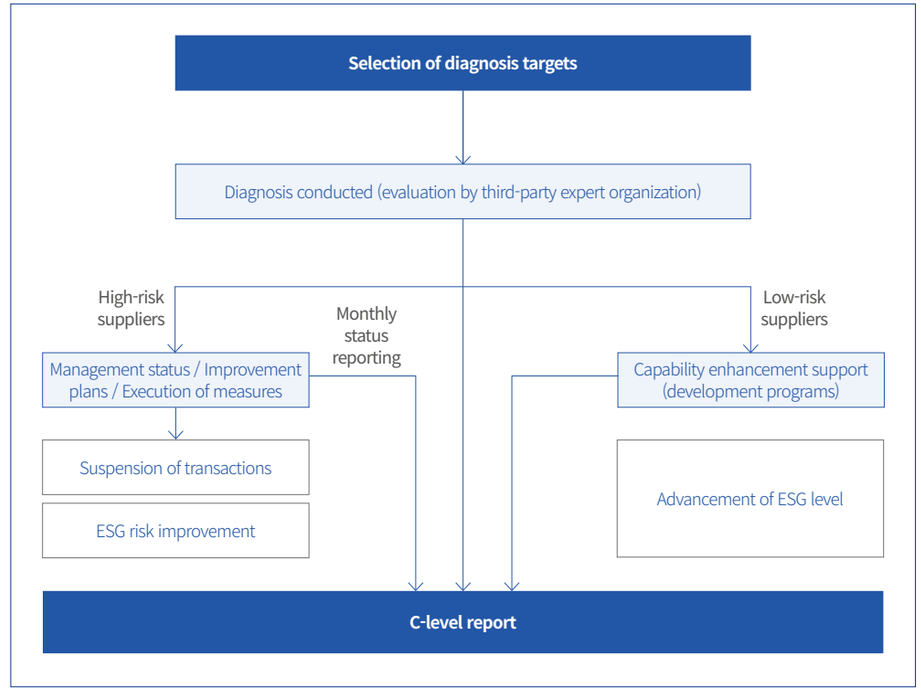
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2.6 MATERIAL TOPIC 5 - Supply Chain Management

Risk Management

2.6.7 Supply Chain ESG Risk Diagnosis and Monitoring Process

Hyundai Steel reviews supply chain management conditions including labor and human rights, environment, ethics and compliance, safety and health, and identifies potential risks. Based on assessment results, high-risk suppliers are selected for direct due diligence, improvement plans are established, and the progress of improvements is monitored.



Metrics and Targets

2.6.8 Supply Chain ESG Management Targets

Hyundai Steel conducts ESG assessments, management improvement support, and training for suppliers to enhance their understanding of sustainability management. We will strive to build a sustainable supply chain by gradually expanding the number of managed suppliers each year and strengthening win-win growth support activities.

Management Metrics	2024 Performance	2025 Target	Remarks
ESG Assessment	65.4% of total suppliers assessed	Assessment of over 70% of total suppliers	Criteria for selecting assessment targets: Suppliers with over USD 1 million & Fair Trade Agreement partners & suppliers participating in ESG assessment
ESG Management Improvement Support	24 companies (3.3%)	5% of total suppliers	2024 Management Improvement Support - Steel ESG Win-Win Fund: 16 companies - Investment Resource Projects: 8 companies
ESG Training	4 times a year (Conducted for 164 companies)	4 times a year	Content to enhance ESG management mindset
On-site due diligence for supply chain with ESG risks identified (lower assessment scores)	40 companies (100%)	All high-risk suppliers	On-site due diligence conducted

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ESG Performance

Hyundai Steel recognizes “Environment” as one of the core success factors of the enterprise and establishes an environmental management system centered on each business division to create corporate value and fulfill social responsibility through environmental management.

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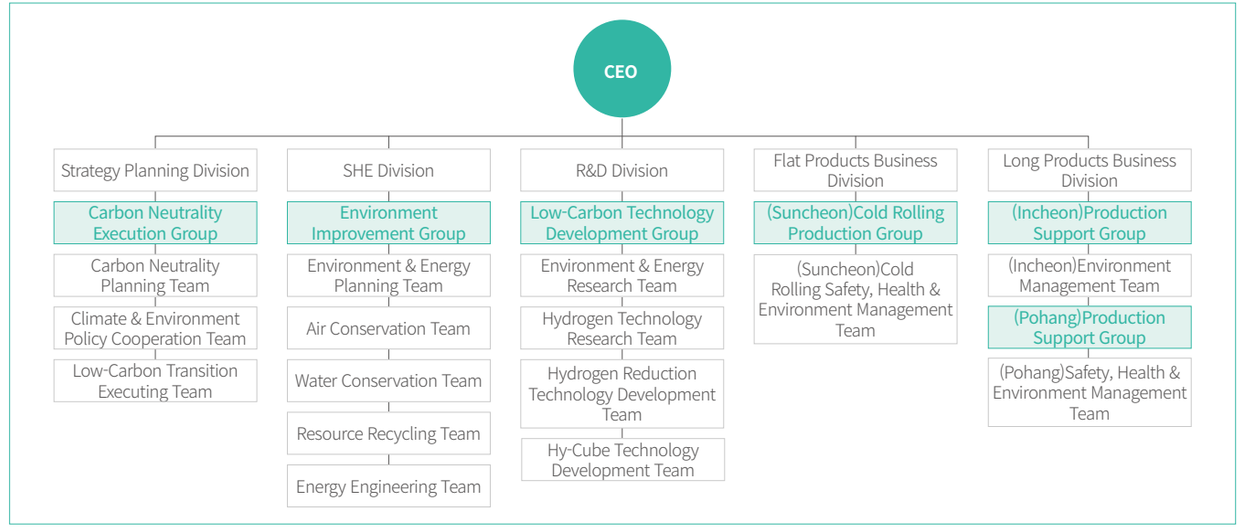
3.1 Environmental Management

Hyundai Steel implements environmental management based on integrated environmental management guidelines and policies, striving to improve environmental performance and minimize impacts. Each business division identifies and addresses potential environmental impacts throughout management activities, proactively responding to key environmental laws and regulations to minimize environmental risks. Regular environmental meetings are held to discuss key issues and improvement strategies, and an Environmental Improvement Council involving the local community operates to transparently share regional issues with stakeholders.

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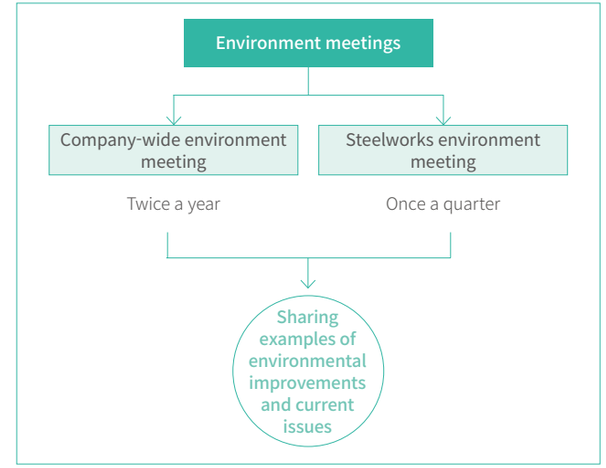
3.1.1 Environmental Management System

Hyundai Steel has established an ISO 14001-based environmental management system to systematically implement environmental management. We comply with domestic and international environmental regulations and proactively respond to changing environmental regulations, while striving for sustainable use of resources and energy and reduction of pollutants throughout the entire product production process. We also conduct environmental risk identification and improvement, as well as handling environmental grievances. We established the SHE Division at the end of 2024 to strengthen environmental management centered on business divisions. The steelworks environment and energy organization, previously under the Flat Products Business Division, was reorganized into the Environment Improvement Group under the SHE Division to enhance integrated environmental management activities and control functions. Environmental teams at all business sites conduct environmental management activities and training in various fields linked to ISO 14001, including air and water pollutant management, waste reduction and recycling, chemical management, and environmental accident prevention and response. The CEO and position holders, along with environmental officers, annually establish KPIs (Key Performance Indicators) for environmental management activities such as compliance with pollutant emission standards, facility investments, and execution of mid- to long-term strategic tasks for carbon emission reduction and carbon neutrality. These KPIs influence personnel evaluation and compensation, and are considered as one of the factors in promotion assessments.



3.1.1.1 Systematic Operation of Environment Meetings

Hyundai Steel monitors the implementation status of environmental management and manages risks through regular environment meetings. These meetings are divided into company-wide environment meetings held semi-annually and steelworks environment meetings held quarterly. At the company-wide environment meetings, management directly participates to review key environmental issues, improvement measures, and implementation plans. The steelworks environment meetings are conducted mainly by operational staff to share various environmental issues and discuss action plans to resolve them.
In 2024, a total of six environment meetings were held (two company-wide and four steelworks environment meetings), with by-product utilization tasks included in the agenda to promote efficient resource use.



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3.1 Environmental Management

3.1.1.2 Operation of Environmental Improvement Council

Hyundai Steel operates the Environmental Improvement Council composed of 17 members, including representatives from Dangjin City, Dangjin City Council, Chungnam Province, civic groups, and local residents, to transparently share local environmental issues and steelworks environmental improvement matters with stakeholders and discuss solutions. The council is convened quarterly under the supervision of Dangjin City to ensure operational transparency. Through regular meetings with the community, we share environmental improvement achievements of the steelworks such as pollutant emission concentrations and air pollutant emissions and jointly seeks concrete solutions for regional development. In 2024, plans for environmental improvement investments and the operation status of the desulfurization/denitrification facilities at the Dangjin Integrated Steelworks No. 3 coke plant were shared.

Dates	Details
2019	• Held the 1st Environmental Improvement Council meeting and established council operation regulations
2020	• Discussed Dangjin Integrated Steelworks Environmental Information Disclosure Plan • Disclosed real-time air pollutant emission concentrations on the website of Dangjin City • Operated one dedicated water spraying vehicle and one road cleaning vehicle to reduce fugitive dust impact around Dangjin Integrated Steelworks
2021	• Disclosed odor data collected from the automatic odor measuring systems installed in the Dangjin Integrated Steelworks on the website of Dangjin City • Agreed to assess fugitive dust around the Dangjin Integrated Steelworks in joint with Dangjin City and a private environmental monitoring agency • Voluntary reduction agreement for air pollutants in Dangjin City
2022	• Status of new TMS installation at Dangjin Integrated Steelworks and sharing of air pollutant reduction plans • Installation of environmental information display board near Dangjin Integrated Steelworks (real-time disclosure of environmental data such as air quality levels)
2023	• Change in council operation frequency (bi-monthly → quarterly) • Sharing implementation status of environmental improvement and greenhouse gas reduction agreements • Sharing 2050 Carbon Neutrality Promotion Strategy (Production System Transition)
2024	• Sharing 2024 environmental improvement investments and mid- to long-term major improvement investment plans • Report on steelworks environmental management status - Installation of desulfurization/denitrification facilities at No. 3 coke plant, progress on construction of steelworks landfill No. 2, etc.

Strategy

3.1.2 Integrated Environmental Management Policy and Environmental Management Strategy

Hyundai Steel has established an environmental management process that systematically manages company-wide environmental issues such as climate and environmental responses, energy management, pollutant control, and by-product resource recycling to proactively address environmental risks. All domestic business sites have implemented an Environmental Management System (EMS) in accordance with ISO 14001 and have obtained certification from third-party organizations to ensure reliability and credibility.

In addition, We have formulated an environmental management policy to minimize negative environmental impacts throughout business activities and the entire value chain. This policy applies to all employees and is recommended for compliance by all stakeholders, including suppliers.

Proactive response to environmental risks through systematic implementation of environmental management processes

- Climate Change Response
- Energy Management
- Pollutant Management
- Recycling by-products

Regular Certification

- ISO 14001 Certification

Policy for Integrated Environmental Management

Risk Analysis of Management Activities
- Proactive Response to Government Policies and Regulations
- Information Gathering on Environmental and Energy Issues
- Prediction, Assessment and Actions on Environmental Impacts

Efficient Use of Energy and Resources
- Fuel, Raw Materials, Equipment, and Energy Management
- Optimization of Process Inputs and GHG Reduction
- Water Resources Reduction and Risk Management

Minimization of Emissions and Pollution
- Measurement of pollutants and prevention of their dispersion
- Optimized Operation and Monitoring of Pollution Prevention Facilities
- Recycling and value-added utilization of by-products

Fulfillment of Corporate Ethical and Social Responsibilities
- Enhancement of Brand Value through Win-win Growth with Local Communities and CSR Activities
- Increasing Use of Alternative Resources and Energy

Environmental Management Policy

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3.1 Environmental Management

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3.1.3 Environmental Risk Analysis

Hyundai Steel identifies and responds to environmental risks related to business operations, regulations, and the community. From an operational perspective, water resources and waste management are key; from a regulatory perspective, pollutant management is critical; and from a local community impact perspective, environmental accidents and complaints related to noise, dust, and odors are addressed as core risks.

Classification		Risk	Countermeasures	Detailed Reference
Business Operations	Water Resources	Supply chain shortages due to climate change	Diversification of water withdrawal sources and advancement of water-saving measures	p.21-23
	Waste	Increased treatment costs due to reduction of landfill and incineration service providers	Diversification and advancement of waste to resource recycling methods	p.33-37
Business-related Regulations	Pollutants (Air/Water Quality)	Regulation of regional total emission allowances	Implementation of best available control technology and purchase of emission rights	p.27-28
	Chemicals	Increased liability insurance premiums due to chemical accidents	Substitution and reduction of hazardous substances	p.29-30
	Others	Obligations for improvement and remediation due to noise and soil regulation violations	Periodic monitoring	p.26, 61, 65
Local communities	Environmental Accidents	Chemical substance leakage accidents	Subscription to liability insurance and installation of retaining walls to prevent spread	p.29-30
	Complaints	Local community complaints regarding noise, fugitive dust, odors (weakening management foundation)	Operation of councils and review of investment in response facilities	p.15, 26, 29, 55, 61-64

3.1.4 Investment in Environmental Improvement and Greenhouse Gas Reduction

Hyundai Steel has established a mid- to long-term investment plan of approximately KRW 1.1 trillion over 10 years from 2024 to 2033 to improve the environment and reduce greenhouse gas emissions. Through environmental improvement investments, we have built an advanced environmental system.

In 2024, we completed investments in desulfurization and denitrification facilities at the No. 3 Coke Plant and in improving the quality of COG from the No. 1 and No. 2 Gas Refinery Plants. Additionally, one of our three Coke Dry Quenching (CDQ) units, specifically No. 2 CDQ, has been installed, while the other two units (No. 1 and No. 3 CDQ) are ongoing. Through these CDQ investments, it's projected that recovering waste heat generated during coke cooling for reuse as steam and power can reduce over 500,000 tonnes of greenhouse gases annually. Moreover, our energy-saving and greenhouse gas reduction efforts at the steelworks include improving heat exchanger efficiency, investing in waste heat recovery, upgrading outdated air emission facilities, installing of facilities with best available control technology (BACT) for pollution prevention, and investing in facilities to control fugitive dust. Moving forward, we are striving to reduce environmental impact by expanding slag aggregate recycling, enhancing waste resource recovery and on-site treatment, and investing in improving wastewater discharge quality.

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3.1 Environmental Management

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3.1.5 Major Environmental Laws and Our Responses

Law	Content	Our response
ACT ON THE INTEGRATED CONTROL OF POLLUTANT-DISCHARGING FACILITIES	Taking effect from 2017, the Act integrated 7 legislations and 10 declarations of permissions that were categorized by environmental media (e.g., air, water, waste) to simplify procedures and set up customized criteria for each company	Through collaboration with the Ministry of Environment, we have identified and adhered to 62 permit conditions aimed at minimizing environmental risks. As part of the permit approval, we have been granted permission to construct a facility for nitrogen oxides reduction and a new coke desulfurization and denitrification facility.
FRAMEWORK ACT ON RESOURCES CIRCULATION	Taking effect from 2018, the Act introduced new systems to reduce waste and encourage recycling in the entire process from production, distribution, consumption, and disposal of products as a purpose to protect the environment as well as establish a basis for a circular economy	We seek to reframe by-products as recyclable resources rather than disposal waste. To take pre-emptive actions for resource circularity, we manage by-products intensity, conduct research on new technology, expand applications of processes, and collaborate with other Industries.
ACT ON LIABILITY FOR ENVIRONMENTAL DAMAGE AND RELIEF THEREOF	Taking effect from 2016, the Act established a clear standard to provide speedy and fair compensation aid for victim of environmental pollution by easing the burden for demonstration	Starting from 2016, all business sites of Hyundai Steel have been mandated to obtain environmental liability insurance, ensuring equitable compensation and relief in the event of an environmental accident.
SPECIAL ACT ON THE IMPROVEMENT OF AIR QUALITY IN AIR CONTROL ZONES	Taking effect from 2020, the Act seeks to improve air quality by comprehensively and systematically controlling sources of air pollutants in line with regional characteristics	Being nominated as a business entity subject to total air pollutant emission control, our primary focus is to adhere to the total emission allowances by enhancing the efficiency of abatement facilities at major emission sources and increasing investments in new prevention facilities.
ACT ON REGISTRATION AND EVALUATION OF CHEMICAL SUBSTANCES	Taking effect from 2015, the Act regulates chemical substances manufactured in or imported to Korea, and mandates the registration of chemical substances, including data about their characteristics and risks, when manufacturing or importing chemical substances	By 2024, we have registered 39 chemical substances with the Ministry of Environment. Through our Chemical Management System, we thoroughly monitor the manufacturing and import status of chemical substances and respond immediately when substances requiring registration or notification are identified.
CHEMICAL SUBSTANCES CONTROL ACT	Taking effect from 2015, HAZARDOUS CHEMICAL SUBSTANCES CONTROL ACT (which took effect in 1991) has been amended to reinforce the management standards and regulations for harmful chemical substances	The facilities handling hazardous chemical substances are managed thoroughly through frequent internal inspections and consultations with specialized organizations, undergoing periodic inspections and safety diagnoses. After being assessed as “appropriate” in 2021, the Plan for Prevention and Management of Chemical Accidents is inspected internally every year, and the result is reported to the NICS (National Institute of Chemical Safety). Also, in response to the increased nomination of hazardous chemicals by the Ministry of Environment, we proactively address the CHEMICAL SUBSTANCES MANAGEMENT ACT through regular internal monitoring.
ACT ON THE ALLOCATION AND TRADING OF GREENHOUSE-GAS EMISSION PERMITS	Taking effect from 2012, the act includes the information on the fundamental plans for the emission trading system, the allocation plans, the allocation of emission rights as well as transactions, which targets to effectively reach the national GHG reduction goal by introducing the trading system	As a business entity eligible for allocation of emission permits designated by the Ministry of Environment, Hyundai Steel actively engages in GHG reduction activities to ensure compliance with relevant laws and regulations. Furthermore, we conduct annual calculations of GHG emissions and transparently disclose the data, which is verified by external organizations.
FRAMEWORK ACT ON CARBON NEUTRALITY AND GREEN GROWTH FOR COPING WITH CLIMATE CRISIS	Taking effect from 2022, this act outlines the national carbon neutral vision for 2050 and sets GHG reduction targets for 2030. It also lays the groundwork for engaging in international GHG reduction activities in accordance with Article 6 of the Paris Agreement by establishing policies to adapt to climate change, foster eco-friendly industries, raise climate response funds, and define the key factors required for fostering net-zero policies	We developed a comprehensive mid-to-long-term Net Zero strategy aligned with the Nationally Determined Contribution (NDC), aiming to achieve Net Zero by 2050. We have set phased reduction targets and are actively working on detailed implementation plans to realize this vision. Moreover, we are dedicated to achieving Net Zero by 2050 through company-wide process improvements and are establishing a low emission product supply strategy and pursuing a transition to renewable energy.

3.2 Energy Management

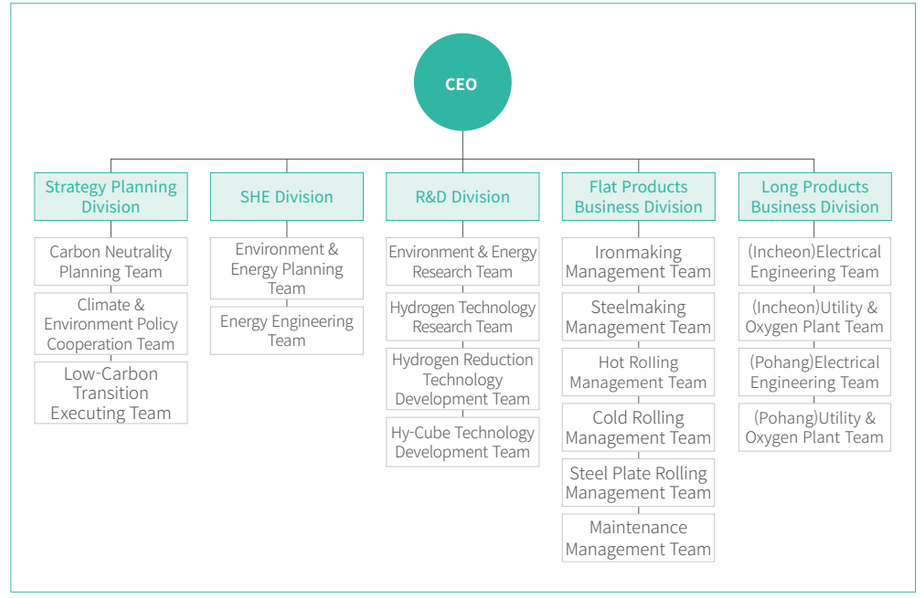
Hyundai Steel has established an effective energy usage management system and is directly improving the energy efficiency of process facilities through investments aimed at saving energy consumption. By participating in the efficiency innovation partnership, we set and implement visible energy saving targets, while expanding management scope to include energy-saving activities involving suppliers.

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3.2.1 Energy Management System

Hyundai Steel reports to each business division head three times a year on energy performance and key trends, and discusses internal energy use, energy-saving achievements, and major issues. To this end, a company-wide energy council operates bi-monthly, totaling six meetings annually, attended by executives and relevant staff to promote energy unit management and saving tasks.

We have established dedicated teams under each business division to manage energy usage effectively at individual business sites, and operates an energy management system based on ISO 50001 certification.



Strategy

3.2.2 Energy Saving Activities

Optimization of Automatic Combustion Control System for Hot Blast Stove

Hyundai Steel has automated combustion in hot blast stoves, which consume significant fuel and emit greenhouse gases, to improve energy efficiency. We developed the "Automatic Hot Blast Stove Fuel Control System" that supplies fuel amounts suitable for varying blast conditions, the "Model Automatic Tuning System" to enhance fuel model performance, and the "Automatic Combustion Air Control System" to improve combustion efficiency. These advancements have been applied to all blast furnaces at Dangjin Integrated Steelworks. Linked with the combustion automation system, we optimizes operational indicators to further improve energy efficiency. Through optimization of dome temperature, exhaust gas temperature, and COG co-firing rate, approximately 29,000 Gcal of by-product gas was saved in 2024.

Development of Virtual Sensor to Predict Coke Oven Temperature

Hyundai Steel is establishing a smart system capable of precise equipment control to improve the efficiency of our coke ovens. Traditionally, coke oven temperature is measured manually and not continuously, making it impossible to verify if the target temperature has been reached during non-measurement periods. To enhance the accuracy of maintaining the target temperature, we have developed and are applying a virtual sensor[1)] for predicting coke oven temperature using process data that impacts temperature changes, such as the amount of fuel. We are expecting to reduce excess heat and enhance the quality of coke. In 2023, we completed the development of the No. 3 Coke Plant virtual sensor and verified reliability by comparing it with actual temperature. In 2024, the virtual sensor was installed in No. 3 Coke Plant, and development for No. 1 and No. 2 Coke Plants was completed.

1) Virtual Sensor: A virtual sensor that predicts temperature in real-time by identifying patterns between process data and actual measured temperatures.

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3.2 Energy Management

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Establishment of Facility Operation Optimization System

Various energy sources are utilized across steelmaking processes, making real-time analysis of operational data essential for reducing energy consumption in each process. Since 2019, Hyundai Steel has been building a monitoring system to collect and analyze real-time operational data from hot blast stoves and utility facilities at each plant, starting with the heating furnace, which is a high-energy-consuming facility. Through this, we have established an analytical framework to optimize equipment from real-time diagnostics to identifying improvement areas, and are implementing various energy-saving initiatives based on the analysis results.
In 2024, we established a monitoring system for Selective Catalytic Reduction (SCR) equipment, which is an air pollution control facility, at 17 locations within the Dangjin Integrated Steelworks. This infrastructure enables efficient diagnostics throughout the entire process of nitrogen oxides (NOx) generation, reduction, and emission. Utilizing this, NOx emissions from the heating furnaces at the No. 2 Heavy Plate Plant were reduced, achieving an annual LNG saving of approximately 16,000 Nm^3 for two heating furnaces. Additionally, we established optimal operating standards that maintain catalyst performance while reducing the LNG consumption of duct burners used to heat exhaust gases within the SCR.

Partnership for Energy Efficiency Innovation

Hyundai Steel joined Korea Energy Efficiency Partnership 30 (KEEP 30), a Korean energy efficiency innovation partnership, with the goal of establishing an energy management system and driving innovation activities. “KEEP 30” is a voluntary agreement involving 30 major companies from energy-intensive industries such as steel, refining, chemicals, cement, and semiconductors. It aims for an annual 1% improvement in energy consumption rate over five years from 2023 to 2027, with government support in the form of incentive packages. Contributions to energy efficiency improvements at participating companies’ suppliers are also recognized as accomplishments.

3.2.3 Energy Diagnostics and Investment Management

Hyundai Steel conducts legally mandatory diagnosis at all business sites and collaborates annually with external specialists to perform energy diagnostics aimed at reducing electricity, steam, and other energy consumption. In addition, in connection with ISO 50001 (Energy Management System) certification, we are educating all company energy practitioners on the entire process from planning energy efficiency improvements and usage reductions to implementing improvements.
As part of energy-saving investments, we are constructing Coke Dry Quenching (CDQ) facilities. CDQ recovers waste heat generated during processes to produce high-pressure steam, which assists in power generation. Upon completion, the CDQ facility will include steam production units (two units at 114 t/h and one unit at 131 t/h) and three power generation units (two units at 34MW and one unit at 39MW). The greenhouse gas reduction effect is expected to be approximately 500,000 tonnes annually.

Metrics and Targets

3.2.4 Energy Use Reduction Targets

Hyundai Steel, aligning with the government’s energy-saving initiative, participated in “KEEP 30” in 2022 and is undertaking company-wide energy-saving activities to achieve a 5% energy-saving target by 2027.

In 2023, we completed 62 energy-saving projects, reducing energy costs by 15.6 (saving 7 GWh of electricity and 156 m^3 of LNG), achieving a 1.58% improvement in energy consumption rate, and KRW billion were recognized as an “Excellent KEEP 30 Participant” by the end of 2024. In 2024, we carried out 60 projects aimed at improving energy use, resulting in energy savings of KRW 13.2 billion.

Additionally, in 2023, we established a long-term strategic investment plan for energy to support carbon neutrality and are focusing on more efficient energy use management. In 2024, investments totaling approximately KRW 39.2 billion (with an energy-saving effect of KRW 12.5 billion) were made, and in 2025, investments of about KRW 32.5 billion (with an energy-saving effect of KRW 10.1 billion) are planned.

Energy Efficiency Improvement Goals

	Goals	Unit	2023	2024	2025	2026	2027
Goals[1]	Energy consumption rate[2]	TOE/kt	483.4	478.4	473.4	468.4	463.4
	Reduction rate	%	1	2	3	4	5
Performance[3]	Energy consumption rate	TOE/kt	481.0	485.4			
	Reduction rate	%	1.58	1.19[4]			

1) Calculated based on the energy consumption rate of 488.3 TOE/kt for the base years (2021-2022)
2) Weighted sum of Incheon Works and Dangjin Integrated Steelworks.
3) As confirmed by the Korea Energy Agency. Figures for 2024 are based on submissions (subject to change after finalization in September 2025)
4) Target for energy consumption rate reduction not met due to decreased production in 2024

Energy Cost Reduction Goals and Performance

Classification	Unit	2023	2024	2025
Goals	KRW 100 million	131	120	153
Performance		156	132	
Energy-saving projects	Case	62	60	114

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3.3 Natural Capital Protection

Hyundai Steel is strengthening policies and assessment processes for ecosystem and biodiversity conservation based on the Taskforce on Nature-related Financial Disclosure (TNFD) framework. Through ecological impact surveys at business sites and regional biodiversity risk analyses, we establish response measures for related risks and implement improvement activities accordingly.

Governance

3.3.1 Natural Capital Protection Approach and Policy

Hyundai Steel recognizes the importance of ecosystem and Natural capital conservation and operates a systematic management system to minimize negative impacts from business activities. Based on the global TNFD guidelines and the LEAP (Locate, Evaluate, Assess, Prepare) approach, we assess ecosystem changes, analyze and mitigate risks, and integrate these into the company-wide risk management system.

In addition, based on our biodiversity policy, we are implementing activities that enhance the ecological functions of the regions where our facilities are located to mitigate natural capital risks. We strive to fulfill our environmental responsibilities and protect local ecosystems, and the mid- to long-term plans and implementation status related to natural capital are regularly reported to the board of directors after receiving management approval.

We conducts training sessions at least once a year to enhance employees' understanding of natural capital protection and biodiversity, focusing especially on ESG-related departments and ESG governance council members. In 2024, sessions covered topics such as the relationship between climate change and natural capital, the status of natural capital initiatives, and forest conservation. In 2025, sessions included an overview of biodiversity, the Global Biodiversity Framework, and the LEAP approach.

Biodiversity Policy

Deforestation Prohibition Policy

Strategy

3.3.2 Natural Capital Risk and Opportunity Analysis

3.3.2.1 Identification of Regional Ecosystem Characteristics

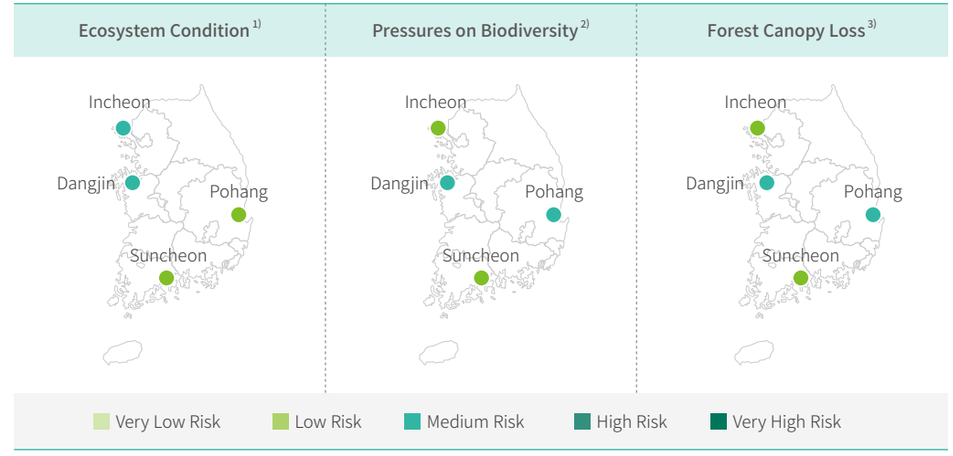
Hyundai Steel analyzed the ecosystem characteristics of local offices and surrounding areas accounting for 100% of crude steel production volume using the World Wide Fund for Nature (WWF) Biodiversity Risk Filter. Overall, considering the health of regional ecosystems and human impact comprehensively, no Natural Capital-related risks were identified. However, considering the limitations of risk assessment and our local environmental impact, we plan to continue monitoring the regional impacts on natural capital at the Dangjin Integrated Steelworks, which houses large-scale facilities, and domestic plants responsible for crude steel production.

Scope of Risk Assessment

The scope of natural capital risk analysis includes crude steel production sites and their surrounding areas

Classification	Unit	Target	Assessment Conducted	Risk Exposure Identification	Management Plan Development and Implementation
No. of Sites	ea.	4	4	0	0
Area	ha	1,155	1,155	0	0

World Wide Fund for Nature Biodiversity Risk Filter



1) Refers to the comprehensive risk related to biodiversity integrity index, water quality risks, marine health index and habitat condition data based on the criterion that ecosystems remain intact and well-connected. Lower risks refers to a healthy ecosystem.
2) Represents the impact of human activities on ecosystems and is an aggregate risk encompassing water use, loss of forest area, invasive alien species, and pollution. The lower the risk, the less human impact on nature.
3) Indicates the reduction of forest canopy (upper tree layer cover) (Risk is high if loss exceeds 20% since 2000).

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3.3.2.2 Identification of Ecosystem Dependence and Impact

Hyundai Steel analyzes the materiality of ecosystem dependence and impact in the industry by utilizing information provided by ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure). The analysis identified water supply utilization (Water supply), greenhouse gas emissions (GHG emissions), and pollutant emissions (Pollutant emissions) as highly material factors in our business activities.

Ecosystem Dependence			Ecosystem Impact			
Key Factors	Source	Materiality	Key Factors	Scope of Impact	Impact period	Materiality
Water as raw material(Groundwater, Water Supply, Industrial Water, etc.)	Water	H	Water	Region	Short/ Medium/Long	M
Water efficiency through purification functions	Habitats, species, water	M	Green house Gas Emissions	Global	Medium/Long	H
Production sustainability through climate stabilization	Air, habitats, soils and sediments, species, water	VL	Pollutant Emissions	Region	Short/Medium	H
Production sustainability through ground stabilization	Habitats, land geomorphology, soils and sediments	L				

Water Supply

Water supply utilization can impact the entire ecosystem, including droughts, habitat changes, population movement and decline, and invasive species intrusion. In particular, indiscriminate use of surface water and groundwater causes changes in terrain and geology and weakens the water circulation capacity within ecosystems. This directly affects the reproduction and growth of local plants and can sequentially influence vegetation changes across all populations.

Degradation of ecosystem circulation reduces the natural purification capacity of pollutants and lowers water availability (quantity and quality). If water resource management issues cause problems in water intake, the cost of water intake may increase. According to the 2025 Carbon Disclosure Project (CDP) report, 69% of global enterprises reported potential annual losses amounting to USD 225 billion due to water-related risks. Additionally, production facility operations may be halted due to water supply disruptions caused by droughts, or production stoppages and recovery costs may arise from flood damage, which can act as financial risks.

GHG emissions

GHG emissions cause a decrease in coastal habitat and wetlands and can provoke changes in plankton and marine species due to a rise in sea-level temperature. Also, pollutant overcrowding from atmospheric stagnation, habitat migration due to temperature change, wildlife damage, and geographical damage from natural disasters such as floods and typhoons can be caused.

According to the Ministry of Environment's report on predicted ecosystem damage from climate change (based on data from 2015 to 2020), two main scenarios are applied to forecast domestic ecosystem changes: one where greenhouse gases are left unchecked [1], and one where active reduction measures are taken [2]. The forecast suggests that without greenhouse gas reduction, 336 out of 5,700 domestic species (6%) could face extinction due to climate change—five times more than if active reduction measures are implemented. Furthermore, species that find it difficult to move habitats are expected to suffer significant damage. It is predicted that wetlands and aquatic ecosystems will be affected by increasing invasive alien species, for example, with damage from nutria in inland wetlands projected to affect 120 out of 2,500 wetlands (5%), which is four times higher compared to active reduction scenarios.

These environmental changes can pose various risks to enterprises. First, economic risks include increased costs from strengthened emissions trading schemes and carbon tax imposition. Second, reputational risks arise if companies fail to meet environmental protection demands, potentially damaging corporate image. Third, operational risks involve physical damages to production facilities or supply chains caused by natural disasters such as floods or typhoons. Lastly, market risks include falling behind competitors if unable to respond to growing preferences for eco-friendly products, which may also hinder investment attraction.

1) When GHG emission continue at the same trend globally as in 2017, leading to more than an average 4.5°C temperature increase in the Korean Peninsula compared to 1880
2) When global policies to significantly mitigate greenhouse gas emissions are effectively implemented, thereby restricting the temperature increase on the Korean Peninsula to an average of 2.9 °C compared to 1880

Pollutant Emissions

Pollutants emitted during the product manufacturing process can pose serious threats to ecosystems if not properly purified. Sulfur Oxides (SOx) and Nitrogen Oxides (NOx) convert into moisture in the atmosphere, causing pH imbalances in aquatic ecosystems, which can lead to declines in fish and aquatic plants. Particulate Matter (PM2.5/ PM10) deposits on surrounding soil, reducing crop productivity and biodiversity, while heavy metals (lead, arsenic, cadmium, etc.) infiltrating soil and groundwater can negatively affect the growth of flora and fauna.
If problems arise from pollutant emissions, Hyundai Steel may face various risks. First, economic burdens may increase due to fines for regulatory violations and surging costs for purchasing emission allowances. Second, litigation risks and related legal costs may rise due to community damages. Third, environmental reputation deterioration could lead to restrictions on customer orders, investment attraction, and access to government subsidies. Lastly, costs for ecosystem restoration (heavy metal removal, wetland regeneration, etc.) may occur, posing financial risks.

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3.3.2.3 Risk and Opportunity Identification

Hyundai Steel has analyzed the ecosystem dependence and impacts based on Natural capital risks in the business sites and adjacent areas, as well as in upstream and downstream of the value chain. Based on the analysis, we are implementing measures to prevent and mitigate the negative impacts and to recover and restore the ecosystem. We plan to broaden the analysis scope, mitigate ecosystem dependency risks, and minimize the impacts on the ecosystem.

Classification		Content	Dependence	Impact	Valu chain impact				Materiality	Response
					Business Sites	Adjacent Areas	UpStream	DownStream		
Risk	Business Operation	Ground weakening due to groundwater usage	●		All Business Sites	●			L	Maintenance of surface water and groundwater non-use
										Use only industrial water and water supply for all
		Declining supply water (Quantity, Quality) and product quality deterioration due to climate change	●	●	All Business Sites	●	●	●	H	Increase reuse rate
										Participate in environmental councils within local water impact areas
										Expand water quality inspection system for supply water
										Expand bypass pre-treatment system
		Increased damages on business sites due to extreme weather events such as sea level rise	●		All Business Sites	●			M	Establish response system for natural disasters such as typhoons, heavy rain, and flooding
		Declining supply of minerals like iron ore and coal	●		Dangjin		●	●	M	Expand mineral resource supply sources
										Encourage Natural Capital Protection activities throughout the value chain
	Regulations	Strengthened biodiversity related regulations such as expanded protected species and area	●	●	All Business Sites	●	●	●	H	Monitor ecological environment issues
		Strengthened pollutant and waste regulation due to weakened environment circulation	●	●	All Business Sites	●	●	●	H	Develop waste recycling and reuse methods
										Develop pollutant emission reduction methods
	Local Community	Surface water usage exceeding the sustainable boundaries of ecosystem	●		All Business Sites	●			L	Maintenance of surface water and groundwater non-use
										Use only industrial water and water supply for all
		Ecosystem damage due to environmental pollutant emissions such as GHG (direct damage, indirect damage due to atmospheric stagnation)	●	●	All Business Sites	●	●	●	H	Reduce greenhouse gas emissions according to carbon neutrality roadmap
										Effluent ecotoxicity monitoring
										Identify species and water through quarterly environmental impact assessments
										Identify and implement improvements related to pollutant emissions
										Manage pollutant emissions with strengthened internal consultation standards
										Participate in consultative bodies for protected species and protected areas
Opportunity	Business Operation	Stabilization of production output and product quality through smooth water supply		●	All Business Sites			●	M	Secure stable water sources
										Cost-competitive water supply monitoring compared to existing systems
		Reduction of waste disposal costs through expanded recycling across the entire value chain		●	All Business Sites		●	●	M	Waste disposal cost monitoring
										Research on Inter-industry Waste-linked Recycling Expansion

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3.3.3 Ecosystem Protection Activities

Hyundai Steel is conducting various activities centered on prevention, reduction, regeneration, restoration, and transformation to reduce environmental burdens on local ecosystems and protect and enhance natural capital. Key activities include resource substitution, pollutant emission reduction, strengthening the ecological niche of protected species, habitat restoration, and programs to raise biodiversity awareness among employees and the community.

To effectively implement these efforts, we have established partnerships with World Vision (overall cooperation with local environmental organizations), Korea Ecotourism Society (design and execution of protection and enhancement activities), Citizen's Institute for Environmental Studies (design and implementation of local community education programs), and NS Ecology Research Institute (ecological surveys). Based on these collaborations, comprehensive regional ecosystem enhancement projects are underway, striving to achieve targets of No Net Loss (NNL) and Net Positive Impact (NPI).

3.3.3.1 Prevention: Non-use of Surface Water and Underground Water, Replacement and Reduction of Hazardous Chemical Substances

The crude steel production process requires large amounts of coolants to cool off the heat of the product and facilities. Hyundai Steel refrains from withdrawing water from surface and underground water sources but uses industrial water and water supply instead. This policy prevents terrain and geological changes and weakening of water circulation within ecosystems caused by inconsiderate usage of surface and underground water resources.

Overuse of surface and underground water resources affects the reproduction and growth of local plants, leading to cascading effects such as population migration and decline, and invasion by alien species, causing vegetation changes. This degradation of ecosystem circulation reduces natural pollutant purification functions and water availability (quantity and quality), resulting in increased water withdrawal costs, stricter local pollutant discharge restrictions, and decreased quality and productivity, posing business risks. Therefore, Hyundai Steel will continue to maintain the policy of not using surface or underground water.

Furthermore, through substitution and reduction of hazardous chemicals, ecosystem risks from chemicals within the supply chain and business sites are managed. We have replaced or reduced 10 types of hazardous chemicals, including methanol (CH_3OH) used in wastewater treatment, inorganic zinc salts used for cooling water production, and chromium compounds used in product processing. Additionally, we are researching the use of trivalent chromium substances to replace hexavalent chromium hazardous chemicals. Benchmarking and pre-testing are being conducted continuously to reduce ecosystem burdens caused by chemical use and emissions.

3.3.3.2 Reduction: Implementation of Best Available Control Technology and Compliance with Enhanced Internal Emission Standards

Hyundai Steel reduces air pollutant emissions by adopting the Best Available Control Technology such as desulfurization and denitrification facilities in the Coke Plant and Selective Catalytic Reduction (SCR) facility. The effluent quality is managed through physical, chemical, and biological wastewater treatment facilities, and local water pollution risks have been mitigated by implementing a water quality monitoring system. Also, emission concentrations are managed through internal emission standards more stringent than legal standards to maintain ecosystem resilience. Furthermore, an immediate response process is in place for the production and environmental departments through system alerts in case of exceeding internal standards.

3.3.3.3 Regeneration: Protection/Enhancement Activities on Ecosystems and Protected Species

Biodiversity has been nominated to be one of the three most serious climate change risks the Earth is facing in the next 10 years. The International Union for Conservation of Nature (IUCN) announced that amphibians—organisms moving between land and water playing a key role as secondary consumers in ecosystems—could be the most affected at 41%. Among them, gold-spotted pond frog (Pelophylax chosenicus) is classified as Vulnerable (VU) in the IUCN Red List due to habitat destruction and invasive species introduction. In Korea, it is designated as a Class II endangered wild species serving as an environmental indicator.

In 2024, Hyundai Steel collaborated with the Korea Ecotourism Society and NS Ecology Research Institute to conduct habitat cleanup activities for the Gold-spotted Pond Frog centered on Dangsan Ecological Park in Songsan-myeon, Dangjin City, Chungnam Province, installing 30 ecological ladders. The installation of ecological ladders supports Gold-spotted Pond Frog reproduction and spawning, expected to increase individual numbers and populations; over 90 ecological ladders are planned for installation by 2026.

Additionally, together with NS Ecology Research Institute, biodiversity literature reviews and field surveys were conducted in the Suncheon area. Through the on-site inspection, we have found excrements of otter (IUCN Red List NT (Near Threatened)) and Japanese hop (Humulus japonicus), the alien invasive species. We plan to design future activities to protect the natural capital of the Suncheon region based on these survey results.

Suncheon is an important area of natural capital, home to Suncheon Bay, which supports over 140 species of birds, including the Hooded Crane (IUCN Vulnerable species VU). We have been supporting the Suncheon Bay National Garden Expo, which is promoting the protection of Suncheon Bay's ecosystem and contributing to efforts to curb urban expansion. Thanks to the conservation efforts of the entire local community, Suncheon Bay was registered under the Ramsar Convention in 2006 and designated as a UNESCO World Natural Heritage site in 2021.

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3.3.3.4 Restoration: Restoration Activities in Areas with Weakened Ecosystem Functions

Since 2018, Hyundai Steel has been pursuing forest restoration and greening projects with the aim of achieving Net Zero Deforestation. These efforts include expanding green spaces within our premises, creating parks near business sites, and greening multi-use facilities. From 2018 to 2020, we have funded KRW 100 million on tree planting and park building projects in Donggu area where Incheon Works is located. Even after the project's conclusion, we continued the tree-planting initiative "Making Dong-gu Green" through an employee participation fund. In 2021 and 2022, we planted 400 arborvitae trees, and in 2023, extended its efforts by using approximately KRW 40 million to plant 800 azaleas and boxwoods.

Additionally, we are making efforts to restore river ecosystem functions in each region where its business sites are situated. Gulpocheon in Incheon, the waterway connecting the Han River to the West Sea, had its ecosystem function weakened due to industrialization and urbanization. We, in collaboration with the local government, nearby companies, and residents have been conducting restoration efforts such as purification activities, releasing water-purifying organisms, and eliminating ecosystem-disrupting alien plants for over 10 years, contributing to the restoration of ecosystem functions of Gulpocheon.

3.3.3.5 Transformation: Shift to Businesses with Reduced Ecosystems Impacts

Hyundai Steel implemented the "I am a Citizen Scientist" program for teenagers and children in collaboration with World Vision and the Citizen's Institute for Environmental Studies. Environmental NGOs in Dangjin, including Dangjin Environmental Movement Union, Dangjin Sustainable Development Council, Poolsee Eco-Education Research Institute, and Our Seed Research Institute, participated in this program. The launching ceremony for the program was held in April 2024 with 20 teenagers and children. Through the program, participants conducted ecological monitoring and surveys in Dangjin Eumseom Port and Dangjincheon areas after receiving preliminary education on the value of natural capital, the current status of ecological resources in Dangjin, and methods for biological observation and recording. We plan to continue these activities by recruiting around 20 or more persons each year until 2026, gradually expanding beyond the Dangjin area. Through this initiative, they aim to support youth in local communities in enhancing their understanding of natural capital.

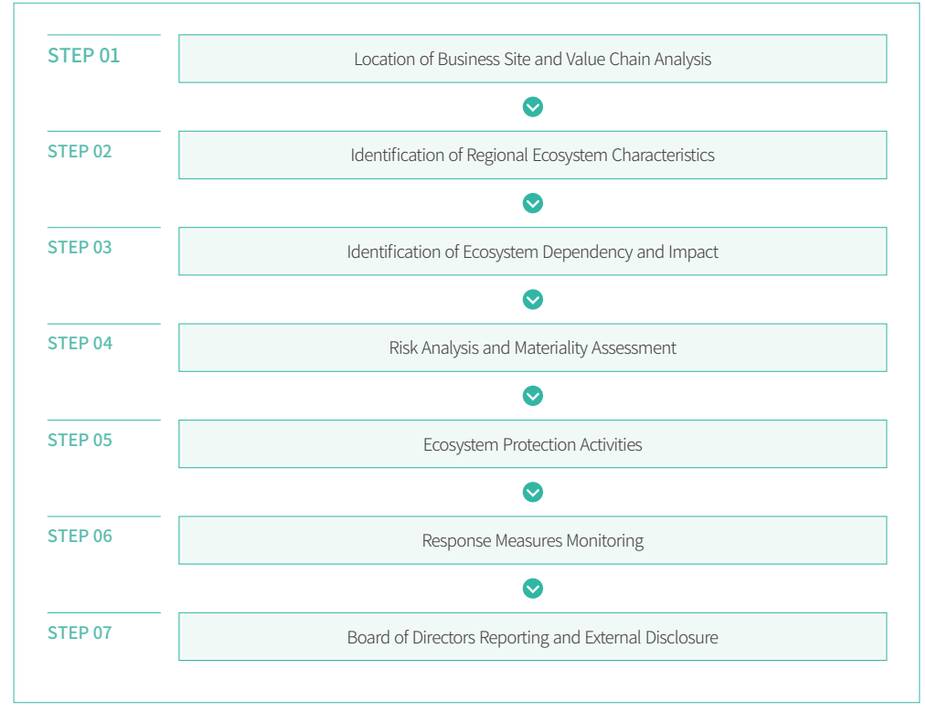
Furthermore, we comprehensively consider biodiversity-related factors in the strategic investment review process, such as additional water withdrawal and water source verification, recyclability of current resources, increases or decreases in greenhouse gas and pollutant emissions, and predictions of impacts on biodiversity.

Risk Management

3.3.4 Risk Analysis Process

Hyundai Steel considers environmental capital risks regarding dependency and impact when conducting ecological environment assessments.

Risk Analysis Process



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Risk Management

3.3.5 Response Measures Monitoring

In accordance with the risk analysis process, Hyundai Steel undertakes various response activities centered on prevention, reduction, regeneration, restoration, and transformation to reduce environmental burdens on local ecosystems and to protect and enhance natural capital. To evaluate the effectiveness of these efforts, ecological impacts are investigated through Environmental Impact Assessments, continuously managing and monitoring the surrounding ecosystems.

Dangjin Environmental Impact Assessment and Response

Hyundai Steel has conducted the environmental impact assessment on the Dangjin Integrated Steelworks and its adjacent areas to continuously manage the surrounding ecosystem. The environmental impact assessment focuses on various aspects of the environment, including air, freshwater, soil, noise, vibration, waste, etc. To preserve the ecosystem near business sites, we monitor the species composition and population status of various wildlife (mammals, birds, reptiles, amphibians, fish, insects, land plants, and seaweeds), including legally protected species (endangered species*).

To minimize impacts on nearby ecosystems, we have established and implemented enhancement plans for environmental facilities. These plans are based on our investigation results and focus on setting goals for pollutant reduction and biodiversity enhancement that often go beyond legal requirements. To engage with local residents, we have set up an “Environmental Issues Response Desk” to gather feedback on environmental issues and operate the “Environmental Improvement Council” through cooperation between the public and private sectors.

Status of Species Near Dangjin Integrated Steelworks

Year	Mammals	Birds	Amphibians & Reptiles	Freshwater Fish	Marine Fish	Insects	Plants	Plankton
2022	10	59	9	2	43	86	301	129
2023	11	60	8	2	43	87	293	125
2024	11	60	9	3	44	92	289	110

1) Endangered species identified in the Dangjin area: Wildcat (IUCN LC), Greater White-fronted Goose (IUCN LC), Black-headed Gull (IUCN LC), Common Kestrel (Natural Monument No. 323-8, IUCN LC), Spiny Water Flea (IUCN LC)
*IUCN Least Concern (LC), IUCN Endangered (EN)

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ESG Performance

Hyundai Steel is striving to enhance employee job satisfaction and take a leading role in protecting the rights of various stakeholders.

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4.1 Human Rights Management

Hyundai Steel is committed to realizing the value of respecting human rights and strives to protect the human rights of employees and stakeholders. Every year, it conducts human rights impact assessments and risk diagnoses across all business sites, suppliers, and consolidated subsidiaries including joint ventures to verify compliance with human rights policies and operational guidelines. Potential risks identified through this process are immediately addressed in collaboration with relevant departments, and human rights risks are proactively identified during business changes such as mergers and acquisitions.

Governance

4.1.1 Human Rights Management System

Hyundai Steel has established an internal management system to identify and prevent or mitigate negative human rights impacts and risks that may arise from its business activities. Revisions and amendments to the human rights policy and human rights risks identified through human rights impact assessments are reported to ESG governance structure with executive participation and the Transparent Management Committee under the Board of Directors, with the implementation results shared with all internal and external stakeholders. Additionally, we operate the human rights management system in cooperation with relevant departments (ESG, HR, Compliance, Procurement, etc.) and continuously improve it in response to internal and external environmental changes.

Human Rights Management Process



4.1.2 Human Rights Policy

Hyundai Steel actively supports international standards and guidelines pertaining to human rights and labor, such as the UN Guiding Principles on Business and Human Rights (UNGPs), the Universal Declaration of Human Rights (UDHR), International Labor Organization (ILO) conventions, and the OECD Due Diligence Guidance for Responsible Business Conduct. We have declared a human rights policy that reflects these standards and are committed to realizing the value of respecting human rights. We regularly revise and establish the human rights policy to proactively implement human rights management, prevent human rights infringements due to business operations and to alleviate the related risks.

The human rights policy applies to all employees of Hyundai Steel (including executives, employees, and contract workers), domestic and overseas production and sales subsidiaries, consolidated subsidiaries, affiliated companies and joint ventures. Furthermore, we encourage every stakeholder and transaction entity in the overall business activities including suppliers to respect these efforts. When the matters covered in the human rights policy conflict with the local laws in other nations, the local laws are prioritized. The overseas subsidiaries may reflect the legal requirements and industrial characteristics of the respective countries they are located in into their human rights policies and may also establish separate detailed policies when necessary. Except for cases where there are specific provisions in the local laws, organization's articles or company regulations, all our employees are required to conduct their work in accordance with the human rights policy.

Human Rights Policy

4.1.3 Anti-Discrimination and Harassment Policy

Hyundai Steel declared the anti-discrimination and harassment policy to prevent discrimination, harassment, and sexual harassment and respect the employees' rights to be treated equally without any form of discrimination. Under this policy, we strictly prohibit actions such as excluding or rejecting individuals or groups based on personal differences, inflicting physical or psychological harm, exploiting positions or relationships in the workplace, and actions causing sexual humiliation or discomfort. We respect diversity and are committed to fostering a workplace culture where all employees are treated fairly and without discrimination.

Anti-Discrimination and Harassment Policy

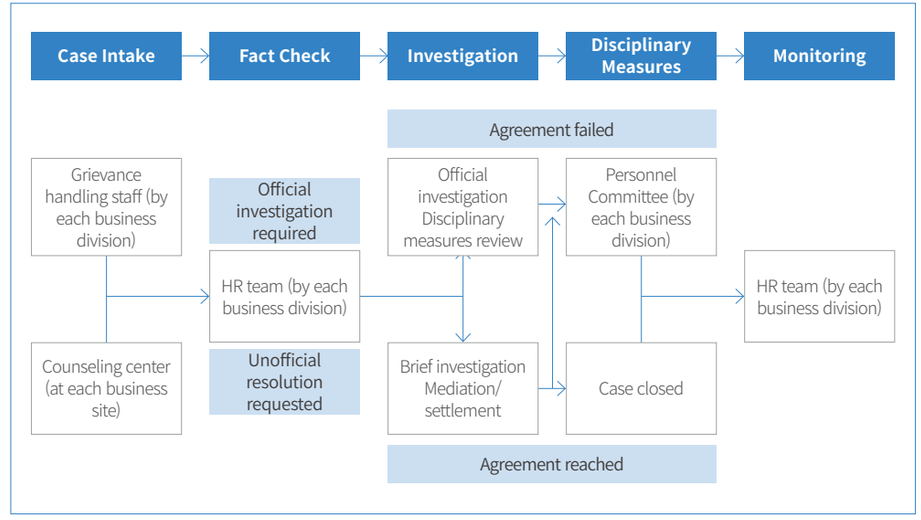
4.1 Human Rights Management

Strategy

4.1.4 Human Rights Grievance Handling

To address human rights violations and grievances experienced during work performance and protect the human rights of those affected, Hyundai Steel has established a comprehensive grievance handling process. The grievance handling channels are operated both on and off-line including mail, hot-line, Cyber Audit Group and external psychological counseling centers for better accessibility of the whistleblowers. The information on incident reporting, personnel responses, monitoring process, and the responsible organizational units are accessible on the grievance handling channels. Upon receipt of grievances, the situation is promptly assessed according to procedures, and internal systems or work methods are improved for fundamental resolution and to prevent recurrence. Employees who negatively impact human rights through discrimination or harassment are subject to disciplinary action based on standards and procedures specified in employment rules and disciplinary regulations. The company ensures the anonymity and confidentiality of whistleblowers and strictly prohibits any form of retaliation, identity disclosure, or employment-related disadvantages resulting from grievance reporting. This policy is publicly available on our official website(Cyber Audit Group) to ensure that everyone can access it.

Grievance Handling Process



Grievance Intake and Ethical Management Reporting Channels

All Stakeholders	Employees	Suppliers
Cyber Audit Group (Website)	Grievance PIC in Business Sites (Intranet)	Procurement Information Sharing Portal (Website)

4.1.5 Operation of Psychological Counseling Center

Hyundai Steel operates a psychological counseling center to provide professional psychological counseling for employees experiencing physical or mental difficulties such as family issues, interpersonal conflicts, and stress. The center is located within or near each business site, and non-face-to-face counseling via online channels is also available.

Internal	Greuteogi (Dangjin), Mind forest (Pangyo)
External	Naemamen (Incheon), Choi Seung-ae psychological counseling center (Pohang), Psychological Counseling Coaching Center (Suncheon), Doran Doran (Yeosu)
Online	Remote counseling reservation www.koreaeap.com/steel, Nudge EAP

4.1.6. Human Rights and Compliance Education

Hyundai Steel conducts human rights and compliance education to foster a fair and transparent corporate culture and a healthy working environment. Compliance education is mandatory for new appointees and new employees to enhance ethics and compliance awareness; in 2024, a total of 284 persons (82 new team leaders, 202 new employees) completed the course. For all employees company-wide (including retirees and dispatched workers), annual training on sexual harassment prevention, disability awareness improvement, and workplace bullying prevention is conducted; in 2024, all employees completed the training (4,139 online participants, 7,766 through cascade training).

We will continue to enhance trust and understanding among employees through human rights and compliance education, fostering ethics and compliance awareness across all employees to cultivate a mature organizational culture.

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Risk Management

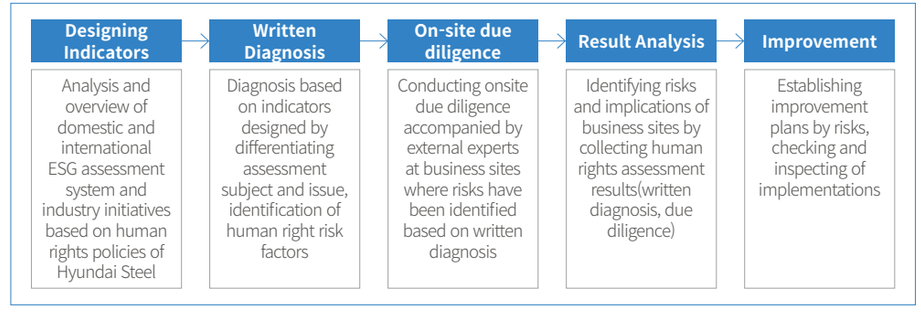
4.1.7 Human Right Impact Assessment

Hyundai Steel conducts an annual human rights impact assessment to proactively identify and systematically manage and improve human rights risks. The assessment covers not only all domestic and overseas business sites but also suppliers and consolidated subsidiaries including joint ventures. To ensure the independence and objectivity of the assessment, we collaborated with a third-party expert organization (2024 performer: Korea Standards Association). The dedicated human rights department, together with the third-party expert organization, designs evaluation indicators that broadly reflect major domestic and international guidelines and regulations related to human rights, such as the OECD Guidelines for Multinational Enterprises. Based on preliminary predictions, human rights risks are identified through document reviews and on-site inspections. Practical improvement measures are established and implemented for identified human rights risks, and the dedicated department supports and monitors these efforts.

Mid to Long-term Goals for Human Rights Impact Assessment

To strengthen human rights management, Hyundai Steel established a new ESG strategy system in 2022, setting “Address vulnerable areas of human rights and implement mid- to long-term human rights improvement programs” as a mid to long-term goal to be achieved by 2025, which is being pursued in stages. The annual goals are set as follows: “10% expansion of human rights impact assessment coverage” in 2023, “Expansion of assessment sites (including domestic subsidiaries) and launch of human rights improvement programs” in 2024, and “Strengthening supply chain assessment and advancement of grievance mechanism operation” in 2025. Through these goals, we are gradually enhancing the identification and improvement of human rights risks not only within the company but also throughout the value chain. Furthermore, Hyundai Steel aims to expand the scope of assessment with the goal of implementing human rights impact assessments at 100% of its business sites (including overseas branches) by 2026.

Human Right Impact Assessment Process



4.1.7.1 Results of the Human Rights Risk Forecast

Hyundai Steel conducted a preliminary forecast of human rights risks based on a human rights survey of employees and stakeholders vulnerable to human rights risks (women, children, migrant/contract workers, suppliers) and local communities. Issues where the proportion of responses indicating negative experiences exceeded 20% were classified as “potential risks”. As a result of the forecast, potential risks were identified in employee occupational safety and health, as well as in supplier-related areas such as working environment, employment conditions, occupational safety and health, and business impacts.

Human rights issues	Target					
	Employee	Women	Children	Migrant, Contract workers	Suppliers	Local communities
Working environment (Emotional labor, Discrimination, Freedom of association, etc)	Low risk	Low risk	Low risk	Low risk	Potential risk	Low risk
Employment conditions (Child/Forced labor, Working hours, Salary, etc.)	Low risk	Low risk	Low risk	Low risk	Potential risk	Low risk
Occupational safety and health (Wearing safety gears, Workplace safety facilities, etc.)	Potential risk	Low risk	Low risk	Low risk	Potential risk	Low risk
Business impacts (Environmental/Social risks near business sites)	Low risk	Low risk	Low risk	Low risk	Potential risk	Low risk
Conflict minerals (Human rights infringement occurred in raw material supply process)	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk

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4.1 Human Rights Management

Risk Management

4.1.7.2 Written Diagnosis

As of 2024, Hyundai Steel conducted human rights impact assessments prioritizing all five domestic business sites and 15 overseas subsidiaries. The assessed domestic sites and overseas subsidiaries account for over 90% of Hyundai Steel's employees. Additionally, assessments were carried out for 8 domestic subsidiaries including joint ventures and 444 suppliers.
This assessment was conducted through review and consultation with a third-party expert organization (Korea Standards Association). It targeted diverse groups, including stakeholders identified as vulnerable to human rights risks, categorized by gender, position, work type, and nationality. The assessment indicators were designed to evaluate both the overall implementation level of the human rights management system and the actual experiences of employees regarding human rights situations. This approach allowed for a balanced assessment of the institutional foundation of human rights management and the actual perceptions of employees.
The organization types were divided into two categories, applying 63 indicators to support organizations and 71 indicators to production and processing organizations, reflecting the operational characteristics of each. For production and processing organizations, the assessment strengthened items related to occupational safety and health and the protection of local community members' human rights, enhancing the precision of the diagnosis. Based on the results of the Written Diagnosis, items with a negative response rate of 10% or higher were identified as key human rights risks

Human Rights Risk Assessment Items

Human rights management system	Employee experience	
• Communication of Human Rights Policy • Human Rights Responsibility • Implementation of Human Rights Education • Grievance Handling and Remedy for Human Rights Violations	• Basic Human Rights and Prohibition of Discrimination • Freedom of Association and Collective Bargaining • Workplace Sexual Harassment • Workplace Bullying • Wages	• Compliance with Legal Working Hours • Prohibition of Child Labor and Forced Labor • Ensuring Industrial Safety • Protection of Personal Information • Protection of Local Residents' Human Rights

4.1.7.3 On-site Due Diligence

Hyundai Steel conducted on-site due diligence for 100% of the business sites where human rights risks were identified. Based on the assessment results, three business sites where negative responses exceeded a certain threshold were selected for on-site due diligence. The on-site due diligence was conducted to enhance the reliability of the document-based assessment results and to gain a more in-depth understanding of the identified human rights risks. These inspections were carried out using the Focus Group Interview (FGI) method, with the participation of external human rights experts.

Metrics and Targets

4.1.8 Human Rights Risk Assessment Results and Improvement Status

Hyundai Steel analyzed the human rights impacts of identified risks from written diagnosis and on-site due diligence across four aspects: Scale of impact, Scope (number of affected stakeholders), Irremediability, and Likelihood of occurrence. As a result, a total of five potential human rights risks were derived, for which improvement plans were established and measures were completed. Additionally, through human rights impact assessments conducted on 444 suppliers, we identified human rights risks in 40 suppliers. 100% of the suppliers where human rights risks were discovered have established improvement plans and shared the details with the company.

Diagnosis and Improvement Status of Human Rights Risk

Period	Content	Hyundai Steel	Suppliers
2024	Percentage of sites conducting human rights assessment	100%	82%
	Percentage of sites where risks were identified	15%	9%
	Implementation Rate of Improvement Measures and Activities	100%	100%
Past 3 years	Percentage of sites conducting human rights assessment	100%	60%
	Percentage of sites where risks were identified	15%	8%
	Implementation Rate of Improvement Measures and Activities	100%	100%

Improvement Measures on Identified Human Rights Risks

Target	Item	Identified Risks	Sites with Findings	Improvement measure
Hyundai Steel	Human Rights Policy	Insufficient internalization of human rights policy	Business site A, B, C	Distribute the human rights policy to all sites
	Working Environment/ Employment Conditions	Lack of attention to grievances of employees (office workers)	Business site A, B, C	Establish listening channels such as town hall meetings
		Lack of awareness about harassment prevention and grievance procedures	Business site B	Revise and promote grievance procedures
		Need to eliminate discrimination and strengthen fairness in evaluations	Business site B	Activate diversity council operations and improve evaluation criteria
	Industrial Safety	Lack of effectiveness in safety education	Business site B, C	Update safety education and reflect revisions in safety policies
Suppliers	Human Rights Policy	Lack of Human Rights Policy	Supplier A	Provide guidelines necessary for establishing human rights policies
	Diversity	Lack of Diversity Policy	Supplier B	Present UN recommendations related to diversity
	Grievance Handling	Need to establish grievance handling channels	Supplier C	Provide guidelines for grievance handling processes

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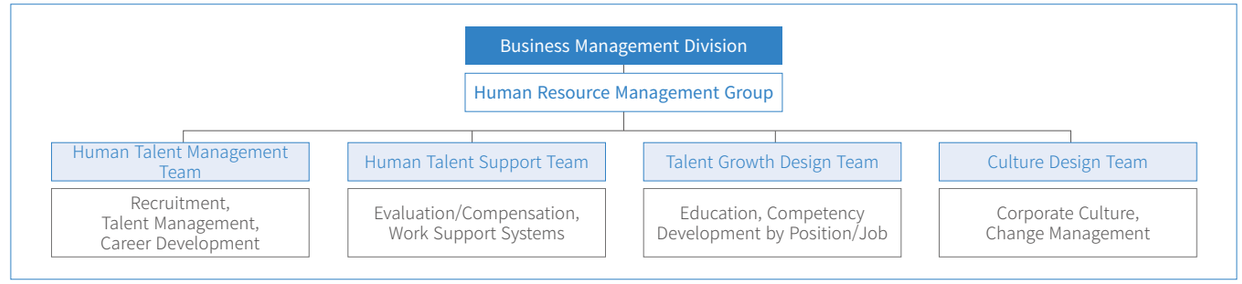
4.2 Talent Management

Hyundai Steel is building a flexible and healthy organizational culture to enhance employee job satisfaction and engagement, and operating various competency development programs with the goal of "Cultivating talents with competence and character". Based on this, we support employees in strengthening self-directed growth, job expertise, and future-readiness in line with changes in the business environment.

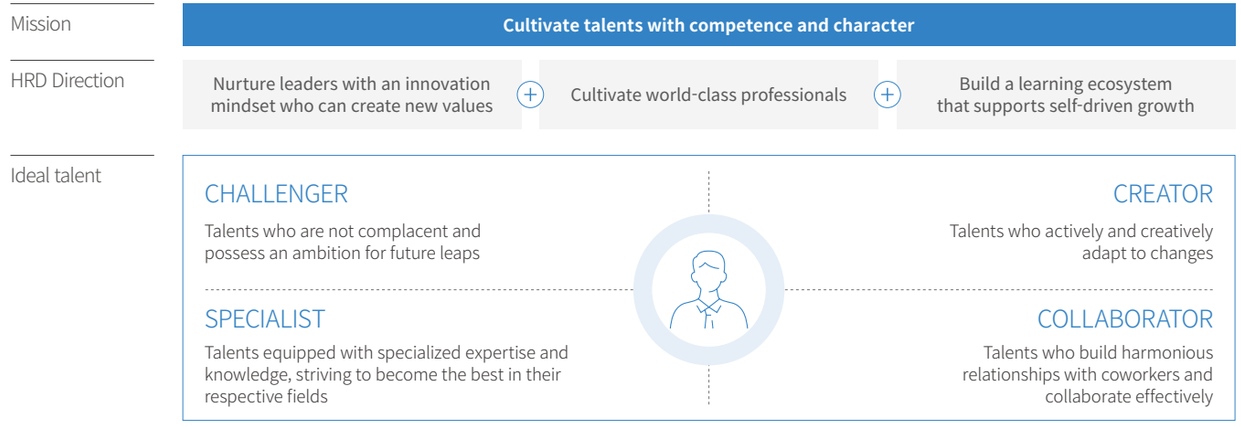
Governance

4.2.1 Talent Management System

Hyundai Steel supports sustainable growth of employees through an organization dedicated to talent management. Each division strengthens systems to secure and develop key talent who will lead future businesses based on HR strategies aligned with business goals. We focus on establishing a corporate culture of mutual growth and coexistence, where individuals and the company grow together, thereby securing momentum to drive change and innovation.



4.2.2 Talent Management Direction



Strategy

4.2.3 Talent Recruitment

4.2.3.1 Introduction of Year-round Recruitment System

Hyundai Steel implements a year-round recruitment system to ensure the acquisition of top talent for each position. Each division recruits talents with its own hiring plan, and the Human Resource Management Group cross-checks the screening results to ensure transparency in the recruitment process. Through this, we can allocate optimal talent timely and appropriately, increasing organizational engagement by placing candidates in departments matching their needs and reducing early turnover rates. Furthermore, by preventing career development unrelated to job competencies, it contributes to reducing socio-economic costs.

Meanwhile, we adhere to relevant laws and regulations by providing preferential hiring opportunities for national merit recipients and operates employment policies that take the needs of socially vulnerable individuals into consideration.

4.2.3.2 Global Talent Recruitment

Hyundai Steel is strengthening its global network by expanding overseas market bases in response to economic bloc formation and supply chain changes, securing excellent talent with global capabilities accordingly. Candidates recruited through online and local briefings in various countries undergo job suitability and personality assessments, with the company expanding necessary personnel by job category. In 2024, we hired master's and doctoral students with outstanding research capabilities and global business potential, enrolled at top universities in Asian countries including Singapore, Hong Kong, China, and Japan.

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4.2.4 Talent Development

4.2.4.1 Company-wide Education System

Hyundai Steel operates a company-wide education system to ensure all employees(including both permanent and contract employees) acquire the competencies necessary for organizational performance and personal growth.

Classification	Development Direction	Target	Key Programs	Training Methods
Job	Develop steel business experts equipped with understanding of the business and practical knowledge by job category	Team Member	• Steel Technology Academy • Job Academy • Pro Academy • DX Academy	• Coaching • Mentorship • Instructor-led training: Internal instructor (Employee resource group), External instructor (Professional networks) etc. • Group discussion and workshop etc.
Leadership	Develop steel business leaders who contribute to performance by fulfilling roles at each stage from practitioners to team leaders to executives	Executives, Team Leaders, Team Members	• Executive Insight Forum • Team Leader Leadership Training • Team Member Leadership Training • Onboarding Training	
Organizational Development	Foster a healthy organizational culture based on autonomy and responsibility	All Employees	• Retirement Preparation Training • Technical Master System • Mandatory Training (Prevention of Sexual Harassment, Workplace Bullying Prevention, Disability Awareness Improvement)	
Global	Develop global talent with business mindset and foreign language proficiency	All Employees	• Overseas Assignment Training • Foreign Language Training	

Job

Operation of Expertise Enhancement Programs

Hyundai Steel operates various training programs to enhance job expertise and practical skills for general and research positions to strengthen our competitiveness. Each academy is organized into four levels (beginner, intermediate, advanced, expert) according to the learner's steel knowledge level, and is conducted by external instructors (experts, university professors, etc.) and internal instructors. In 2024, a total of 78 sessions were held, with approximately 2,320 employees acquiring specialized knowledge in steel and related businesses.

Classification	Training Contents
Steel Technology Academy	Production Processes, Main Products, Core Steel Theories, R&D Cases
Hydrogen and Electric Academy	Carbon Neutrality, Future Mobility
Pro Academy	Common Technical Courses (Engineer-based)

Support for AI and Digital Competency Enhancement

Hyundai Steel operates the DX Academy, a digital competency enhancement program aimed at fostering talent to promote digital transformation and lead smart factory construction. This program is based on data from actual processes and various field cases, designed with four levels of digital competency and tailored learning objectives for each level.

In 2024, the program was restructured into three tracks: Data Track to develop engineer-centered personnel for task execution based on DX technology; Biz Track (Qlik, Excel) to improve work productivity through data analysis; and Data Literacy Track to strengthen understanding of DX importance and data management capabilities. A total of 896 participants completed the courses.

Each track offers courses based on programming languages such as Python and SQL, with various assessments including written exams, practical tests, and field task execution to support learners' skill improvement. Particularly in the Data Track, generative AI is utilized for coding tasks to enhance learning convenience and practical application. Additionally, an online course for all executives, general staff, and researchers provides opportunities to directly learn theory and technology-focused cases to strengthen the DX mindset.

Going forward, we will continue to establish a more effective performance foundation and strengthen organizational capabilities for future business through AI and digital competency enhancement training.

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Leadership Training Programs by Position

Hyundai Steel fosters employee growth within the organization by systematizing leadership training at each stage from new hires to executives.

For executives (group heads and above), education focused on enhancing decision-making capabilities such as "Leader Insight Training" is provided to enhance overall insight. For all team leaders company-wide, "Team Leader Leadership Training" is conducted to support successful team leader roles through performance management and coaching. For general and research employees, "Team Member Leadership Training" supports reflection on roles by position. For new employees, "Onboarding Training" is provided. In 2024, 108 executives attended Leader Insight Training over seven sessions; 338 team leaders participated in Team Leader Leadership Training; 206 staff-level employees took part in Team Member Leadership Training; and 165 new employees received onboarding training to support their quick settlement within the organization.

Classification	Key Programs	Target	Major Contents
Executive Leadership	• CEO Course • Leader Insight • HMG Prime	Executives (group head level and above)	• Enhancement of Management Information and Insight • Sharing Management Issues and Solutions by Timing • Providing Insights from Economic, Management, Historical, and Philosophical Perspectives
Team Leadership	• In-Hub Training • Team Leader Leadership Training • New Team Leader Training	Team Leaders	• MBA, Customer Value Creation, Entrepreneurship • Management Insight, Performance Management, Coaching • Role Awareness, Team Leader Leadership, Understanding and Application of Systems
Staff-level	• Newly Promoted Employee Training • Team Member Leadership Training	Senior Managers, Managers	• Role Awareness, Reflection, Motivation • Expected Roles by Position, Leadership Competencies
	• Onboarding	New Employees	• Orientation, Basic Steel Knowledge, Job Training, Organizational Adaptation

Leadership

Team Member Leadership Training

Hyundai Steel operates team member leadership training that clearly defines leadership development goals and roles based on position-specific growth paths to enable employees to grow independently.

This training consists of six courses reflecting organizational roles and levels of initiative by position. For senior-level employees, the focus is on "Proactiveness", "Communication" and "Performance Management", while for manager-level employees, the emphasis is on "Efficient Completion", "Continuous Improvement" and "Strategic Execution". Each course includes three stages: establishing an Action Plan for leadership practice, execution, and a Wrap-up reviewing growth experiences. The program spans approximately one month, encouraging practical application in daily work to maximize training effectiveness.

In 2024, 206 employees participated in 12 training sessions, achieving a Net Promoter Score (NPS) of 45 points. Post-training surveys on workplace application showed a score of 4.43 for willingness and appropriateness of workplace application and an individual work performance improvement score of 4.36, indicating participants effectively demonstrated leadership suited to their roles and positions.

Position	Growth Stage	Target Role	Training Program
Senior Researchers, Senior Managers	Over 8 years	Senior for Driving Performance	Performance Management
	5~7 years	Senior for Coordinating Opinions	Communication
	2~4 years	Senior for Inducing Growth	Proactiveness
Research Engineer, Managers	Over 7 years	Proactive Follower	Strategic Execution
	4~6 years	Improving Follower	Continuous Improvement
	2~3 years	Completing Follower	Efficient Completion

4.2 Talent Management

Strategy

Organizational Development

Fostering Master Certification System

The Master Certification System is operated to foster the motivation for growth among technical employees, while also expanding their learning opportunities and facilitating knowledge transfer. The technical employees earn growth points through participation in growth activities and obtain skill levels through verification and evaluation processes. The growth activities under this system are categorized into three main areas: self-development, technology transfer, and innovation. Self-development includes activities such as participating in job training, obtaining certifications, and publishing academic papers. Technology transfer encompasses working as an in-house lecturer, conducting on-the-job training (OJT), and patent applications. Innovation activities are composed of suggestion activities and quality circle activities. By engaging in these activities, technical employees can earn growth points and gain recognition as Skilled Worker, Innovator, Expert, or Master, based on their fulfillment of certification requirements. This system provides growth opportunities for technical employees and elevates the status of technical employees through certification and utilization of professional talents with high level of expertise.

Retirement Preparation Training

Hyundai Steel provides reemployment support services annually through retirement preparation training, helping employees approaching retirement age adapt to new environments after retirement and plan their post-retirement life. In 2024, training was conducted for a total of 194 employees approaching retirement age, with 169 (87%) completing the program. This training program, designed considering reemployment needs and job characteristics, has received positive evaluations from participants.

Classification	Change Management	Second Life Planning	Career Planning
Key Programs	• Diagnosis by life domain (health, relationships, assets, leisure, etc.)	• Happy retirement life • Government support programs • Exploration of career alternatives (return to farming/village, start-up, reemployment)	Career Vision Planning

4.2.4.2 Individual Development Plan (IDP) System

Hyundai Steel operates the Individual Development Plan (IDP) system to systematically support and encourage employees' competency development and career management. Team members establish job training and growth plans suited to their duties and manage progress with quantitative data, while team leaders provide ongoing feedback to actively support competency improvement. Team members' IDP plans and performance data are also used as reference indicators for team leader assessments regarding team members' competency enhancement. In 2024, total IDP performance reached 220,742 hours, an 85% increase compared to 119,106 hours at the system's inception in 2020.

4.2.4.3 Innovation Academy

Hyundai Steel operates the "Innovation Academy" to enhance the problem-solving capabilities of its general and research staff, and to mitigate the negative impacts on job continuity due to industry changes such as workforce automation from AI adoption. The Innovation Academy currently consists of six courses, systematically supporting employees in applying educational content to real work tasks and achieving outcomes. Among these, "Introductory Problem-Solving Methodologies" and "ntroductory Statistical Data Analysis Techniques" have demonstrated high effectiveness.

The "Introductory Problem-Solving Methodologies" course is designed to enable comprehensive quality innovation and process improvement, covering everything from basic theory acquisition to practical application. The course is structured around the five stages: Define, Measure, Analyze, Improve, and Control, allowing employees to master our unique problem-solving approach. A notable achievement is the "Intermediate Material Processing Improvement Project", which resulted in process simplification and reductions in material variable costs despite rising raw material expenses. Over the past four years (2021–2024), a total of 241 employees have completed this course at the Dangjin Integrated Steelworks.

Additionally, to enhance data-driven work capabilities, we offer training in "Introductory Statistical Data Analysis Techniques". This course aims to improve employees' proficiency in using statistical tools and enhance their statistical communication skills, focusing on immediately applicable statistical techniques such as creating control charts, normality testing, and correlation analysis. A notable achievement is the "Plates Flatness Improvement Project". Through this project, we were able to identify the causes of defects in detail using data analysis, significantly reducing product defect rates. Over the past four years (2021–2024), a total of 127 employees have completed this training.

The financial results of projects (86 in total) conducted by employees who completed both the "Introductory Problem-Solving Methodologies" and "Introductory Statistical Data Analysis Techniques" courses amounted to approximately KRW 17 billion in 2024.

Financial Performance[1)]

Classification	Unit	2021	2022	2023	2024	Cumulative Total
Introductory Problem-Solving Methodologies	KRW million	2,453	1,948	19,785	7,057	31,243
Introductory Statistical Data Analysis Techniques	KRW million	2,862	6,919	7,091	9,672	26,545

1) Financial Performance: Calculated based on a formula developed by the company's finance department, which includes factors such as operation period, cost, product price, electricity cost, transportation cost, and savings per unit.

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4.2.5 Fair Evaluation and Compensation System

4.2.5.1 Evaluation System

Hyundai Steel operates an MBO (Management by Objectives)-based evaluation linked to organizational goals and a continuous performance management system to ensure fair and acceptable assessments of work performance and capabilities.

Classification	Content	Frequency	Target
Performance Assessment	Evaluation of annual work performance based on work targets set at the beginning of the year	Once per year	All employees[1]
Capability Assessment	Evaluation of individual knowledge, skills, and behaviors demonstrated during work execution		
360-degree leadership feedback	Leadership assessment aimed at enhancing work engagement, leadership development, inter-organizational communication, and fostering a culture of coexistence		Senior managers, all managerial positions

1) 100% of employees at domestic business sites within the reporting scope

Employees establish specific individual targets and achievement levels in consultation with their supervisors based on organizational (division, group, etc.) goals set at the beginning of the year. When setting targets, not only strategy and operations but also ESG management goals and other key company initiatives are discussed. Established targets can be revised through ongoing consultation with supervisors in cases of job changes or transfers.

To conduct performance and capability management and assessment more fairly, Hyundai Steel operates a Continuous Performance Management System (Agile Communication Method). Employees regularly review and discuss work goals, performance, and issues with organizational leaders, documenting this process for use in year-end evaluations.

At year-end, performance and capability assessments are conducted for all employees, confirming individual goal achievement through evaluation interviews, with supervisors and higher-level personnel finalizing the assessments. Evaluations are finalized at the group level, where group heads hold review sessions with team leaders to comprehensively discuss workload, difficulty, and achievement across teams. Some KPIs in individual employee evaluations are linked to team leaders' KPIs, enabling team-based performance assessments that evaluate individuals as part of their teams.

Additionally, through 360-degree evaluations, feedback on individual leadership is gathered from supervisors, subordinates, peers, and self-assessments to promote improvements in leadership and collaboration skills. Results from 360-degree evaluations are referenced in personnel decisions such as appointments and transfers to place suitable talent in each organization.

4.2.5.2 Compensation System

Hyundai Steel's fundamental principle is performance-based compensation, with evaluation results reflected in promotions, grade advancements, and salary increases. The base salary for both male and female employees is the same, based on their position and years of service, and both managers and non-managers receive the same base salary within the same job level, ensuring there is no wage discrimination.

4.2.5.3 Reward System

Hyundai Steel operates various reward systems to enhance employee engagement and foster a corporate culture of challenge and innovation. Each division autonomously manages reward systems suited to its characteristics, such as patent applications and safety excellence cases, while at the company-wide level, reward systems focus on performance and capabilities.

One of the reward programs, the "Innovation Leader Award", is an ongoing reward system given to employees who contribute to company development and management performance through innovative ideas aligned with the company's management philosophy. For achievements generating economic effects exceeding KRW 1 billion, the "Challenger Award" is granted based on a comprehensive evaluation of factors such as innovation and challenging spirit, awarding a portion of the economic effect amount as a prize. The "Exemplary Employee Award" is given to outstanding employees who set an example for the entire company.

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4.2.6 Organizational Culture for Coexistence and Symbiosis

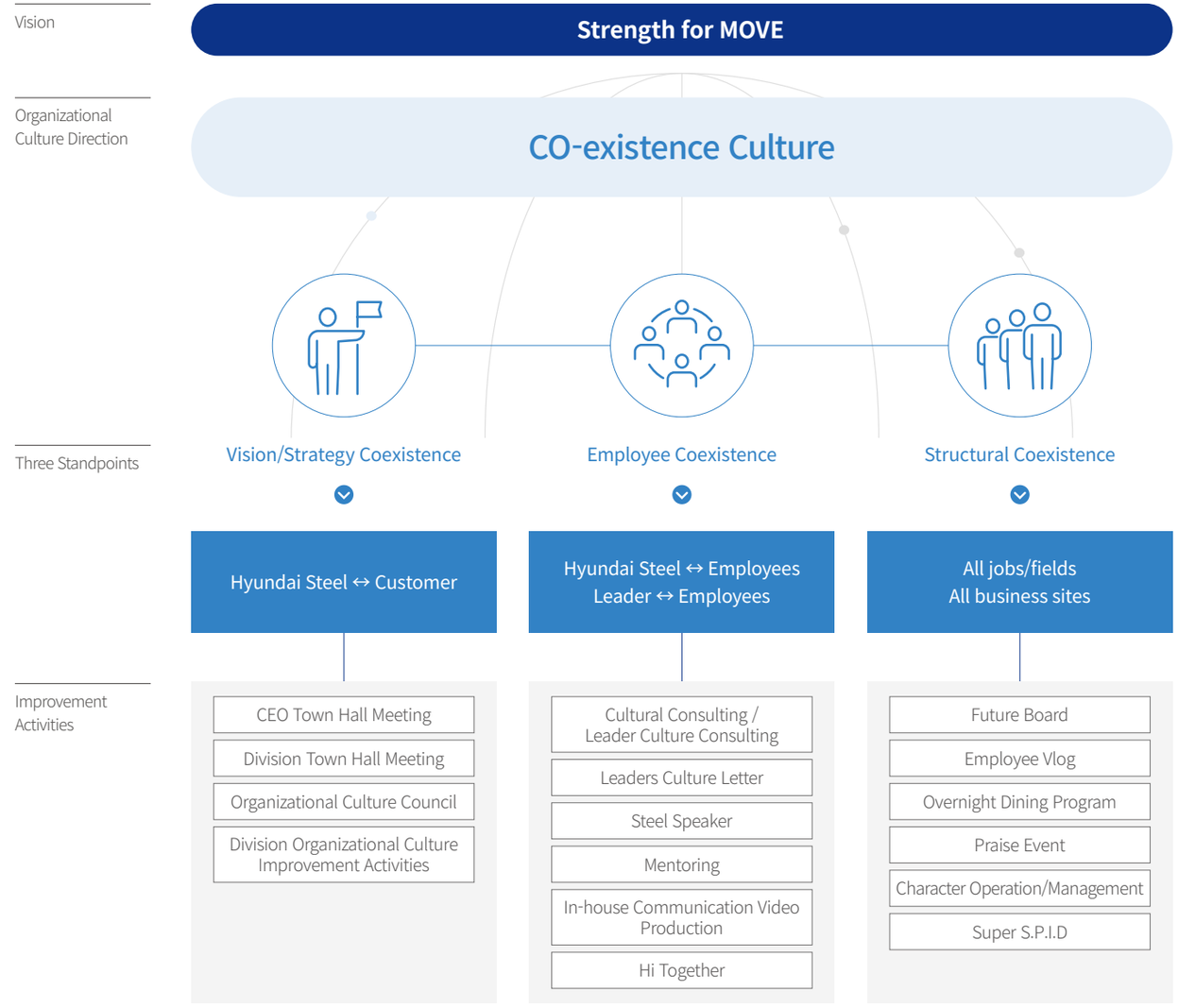
4.2.6.1 Mid-to-Long Term Organizational Culture Strategy System and Improvement Activities

Hyundai Steel recognizes that a healthy organizational culture is an essential element for the enterprise's sustainable growth and is pursuing change by establishing a mid-to-long term strategy system aimed at organizational culture for coexistence and symbiosis.

First, to build internal and external consensus on the company vision and strategy, CEO Town Hall Meetings and Division Town Hall Meetings are held to provide opportunities for executives and employees to directly communicate about management vision and direction. Additionally, Organizational Culture Councils are formed within each Business Division, appointing Culture Designers and Culture Leaders to promote organizational culture improvement activities aimed at achieving the vision and strategy.

From the perspective of coexistence and symbiosis among members, cultural consulting and leader culture consulting are operated to enhance teamwork and facilitate vertical communication, while establishing and supporting a team-level culture management system.

To address structural differences such as job roles, job groups, and business sites, cultural improvement tasks are identified and executed through the Future Board, a non-standing organization composed of juniors from various organizations. Furthermore, programs such as Employee Vlogs sharing members' work and daily lives, and the Overnight Dining Program expressing praise and gratitude to night shift employees, foster a culture where employees understand each other's differences and cooperate mutually.



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4.2.6.2 Labor-Management Relations for Coexistence

Hyundai Steel maintains an equal and cooperative relationship with the Labor Union and respects workers' basic labor rights guaranteed by the Constitution (right to organize, collective bargaining, and collective action). Union activities are guaranteed within the framework of relevant laws, and annual collective bargaining is conducted with the bargaining representative union selected through the single bargaining channel procedure under a multi-union system. Through this, collective agreements are concluded, discussing and deciding on employees' wages, performance bonuses, welfare systems, and working environments. Additionally, quarterly Labor-Management Councils are held to discuss ways to enhance employee welfare. These councils are implemented according to the characteristics of each business site such as Incheon, Pohang, Dangjin, and Suncheon, listening to employees' grievances and suggestions, deriving and executing improvements to the working environment. In 2024, discussions included welfare center improvements such as elevator replacements, installation of unmanned parcel lockers, remodeling of in-house cafeterias and cafes, expansion of on-site rest facilities and supplies, improvement of in-house car wash facilities, and expansion of electric vehicle charging stations.

2024 Hyundai Steel Labor-Management Council Key Status

Business Sites	Annual Key Agendas
Incheon Works	• Improvement of welfare center facilities and parking lot safety facilities • Replacement of outdated gym equipment and installation of new equipment
Pohang Works	• Elevator replacement and facility environment improvement at welfare center • Expansion of on-site rest facilities and supplies
Dangjin Integrated Steelworks	• Remodeling of in-house cafeteria and improvement of car wash facilities • Expansion of electric vehicle charging facilities and renewal of in-house cafe
Suncheon Works	• Installation of unmanned parcel lockers • Improvement of welfare center restrooms, shower rooms, and gym facilities

4.2.7 Diversity and Inclusion Activities

4.2.7.1 Female Talent Development

As part of strengthening diversity, Hyundai Steel is committed to developing female talents. Beyond areas with traditionally high female employee ratios such as planning, finance and accounting, and R&D, recruitment is expanding into production management and quality sectors. Female talents are identified across various fields to be appointed as team leader positions or higher to grow as future leaders. We also foster a work environment where female talents can have long-term employment, maintain work-life balance, and maximize their capabilities. Thanks to these efforts, the proportion of female employees has steadily increased. Additionally, we operate the women's semi-professional soccer team "Incheon Hyundai Steel Red Angels" to nurture female soccer talent by discovering and developing promising players.

4.2.7.2 Diversity Policy and Awareness Improvement Activities

Hyundai Steel respects and embraces employee diversity, improving culture and systems to ensure fair opportunities without discrimination based on gender, age, race, or any other reason. To this end, the "Diversity Policy" was established in September 2022, and the "Anti-Discrimination and Harassment Prevention Policy" was separately enacted and disclosed in August 2023. In June 2024, the "Cultural Diversity Council" was launched to continue activities aimed at enhancing employee awareness of diversity including race, ethnicity (multiculturalism), gender, religion, disability, and sexual orientation for the second year. In 2024, gender awareness sensitivity training and D&I (Diversity and Inclusion) campaigns were conducted. In 2025, there are plans to promote practical diversity experience activities, such as communication among diverse employee groups and minority experiences, in connection with the division change initiative "Hi Together". Additionally, all employees are required to annually complete mandatory training on disability awareness improvement, anti-discrimination, and gender equality.

Diversity Policy

Anti-Discrimination and Harassment Preention Policy

4.2.8 Establishing a Family-Friendly Culture

Hyundai Steel supports employees in balancing work and family life while fully demonstrating their work capabilities through multifaceted support. The implementation of our family-friendly systems has been recognized by the Ministry of Gender Equality and Family as an exemplary case and has certified us as a "Family-Friendly Company" since 2014.

Flexible Work	To manage working hours rationally and flexibly, a selective working hours system is operated allowing employees to select their own working hours. When planned working hours are exceeded, a program automatically controls PCs to enhance work focus and efficiency. Additionally, we operate working-from-home arrangements to enable employees to work autonomously and focus on tasks regardless of location.
Childbirth and Childcare Support	Both new mothers and their spouses are granted up to two years of parental leave (with incentives paid during this period). Family care leave, reduced working hours during pregnancy and child-rearing periods are also implemented, with on-site daycare centers and breastfeeding rooms installed and operated.
Health Promotion and Sufficient Rest	To help employees and their families maintain healthy lives, we provide support for medical expenses, comprehensive health checkups, and psychological counseling, along with operation of on-site gyms and swimming pools. Additionally, to ensure sufficient rest, up to 5 days of promotion leave are provided to employees who have been promoted, and extended leave and birthday leave are encouraged to be taken by all employees.

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Major Employee Welfare and Benefits Programs on Diversity and Inclusion[1)]

Classification	Program	Major benefits
Childbirth Support	Reduced working hours in pregnancy period	Reduced working hours for employees in their early pregnancy period (within 12 weeks) and late pregnancy period (over 32 weeks). 2 hours reduced from daily working hours * Full period reduction if diagnosed by a doctor as high-risk pregnancy, etc.
	Medical check-up leave for pregnant employees	Leave days for pregnancy medical check-ups of pregnant employees. Once a month before 28 weeks, once in every two weeks after 29 weeks and once a week after 36 weeks
	Leave days before and after birth	Leave days during pregnancy, available before and after birth. 90 days for single pregnancy, 120 days for multiple pregnancy, 100 days for premature birth.
	Spousal birth leave	Birth leave days for spouses. 20 days available within 120 days of birth
	Stillbirth and Miscarriage leave	Leave days for stillbirth and miscarriage during pregnancy. Different number of days depending on pregnancy period
	Fertility leave	Leave days for fertility treatment. 6 days per year (5 paid, 1 unpaid)
Childcare	Parental leave	Parental leave support for employees with children 8 years old or younger or in second grade of elementary school, or for pregnant employees. Both male and female employees can use up to 2 years per child, divisible into three periods within the 2-year term. * If both parents use at least 3 months, or in case of single parent or parents of children with severe disabilities, the statutory 1 year and 6 months can be used.
	Reduced working hours in child caring periods	Support for reduced working hours to care for children 12 years old or younger or in sixth grade or below in elementary school. Both male and female employees can use in units of at least 1 month up to 1 year per child, working 15 to 35 hours per week. * If statutory parental leave is not used, the period can be doubled up to a maximum of 3 years.
	Breastfeeding break	Breastfeeding break (paid) is given for female employees with children under 1. Two times a day, 30 minutes each
Family Care Support * In cases where parents and children of employees or parents of employee's spouse require family care due to disease, accident and age	Family care leave	Leave support for family care. Up to 10 days per year in units of one day (the days used are included in the family care leave period).
	Family care absence	Family care parental leave available for family care. Up to 90 days per year.
	Reduced working hours for family care	Reduced working hours available for family care. Up to 1 year, working 15 to 30 hours per week.
Medical support *Partially includes families	Diagnosis and treatment	Company hospital, physical therapy rooms, exercise prescription room, oriental clinic. Diagnosis and treatment by medical experts provided
	Comprehensive medical check-ups	Regular/Special medical check-ups for employees. Once a year
	Operation of psychological counseling center	Diagnosis and prevention of workplace stress, and support for psychological and mental health management

1) For all employees (including permanent and contract employees)

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Strategy

4.2.8.1 Support for Work-Life Balance

Hyundai Steel is committed to operating various systems that support work-life balance for its employees. In compliance with Articles 50 and 53 of the LABOR STANDARDS ACT, we adhere to the 52-hour workweek system implemented to protect workers' health and achieve work-life balance. For general and research staff, a selective working hours system is operated to allow employees to choose their own working hours for rational and flexible work time management. A program that automatically controls PCs when planned work hours are exceeded is also applied.

We set a maximum working time (52 hours per week) and manage regular and overtime hours in real-time through the company intranet. To prevent excessive work, we send email notifications to employees and their supervisors when overtime is expected to exceed a certain level. In cases of unavoidable work on weekly holidays, public holidays, or night shifts, additional compensation is provided according to legal standards.

To help employees maintain work-life balance through vacations, we grant annual paid leave and paid summer vacation (5 days) in accordance with Article 60 of the LABOR STANDARDS ACT, and monitor usage through the company intranet. Vacations can be used freely throughout the year. Additionally, we operate various leave systems such as Leader's Insight vacation, Refresh vacation, and promotion leave to support employees in getting sufficient rest.

4.2.8.2 Ensuring an Adequate Standard of Living

Hyundai Steel is committed to making multifaceted efforts to help its employees maintain an adequate standard of living. We pay wages above the legal minimum wage and implement annual wage increases considering industry peers and inflation rates. Currently, we are paying above the average amount for large companies (with 1,000 or more regular employees).

Furthermore, we are monitoring to ensure that employees and their families in all countries where we operate can maintain an adequate standard of living by guaranteeing at least a living wage. A living wage generally refers to the compensation received by employees for standard working hours that provides sufficient income for workers and their families to maintain an adequate standard of living. To verify the provision of an appropriate living wage, we compare and evaluate the living wage announced by Seoul Metropolitan City with the salary levels disclosed in business reports for domestic operations, confirming that we are paying wages above the living wage level.

In the future, we will strive to provide an adequate standard of living for employees by monitoring whether wages are paid above the living wage level using the Anker Methodology for more accurate living wage calculation, and by managing related indicators. Additionally, to prevent livelihood difficulties due to sudden dismissal, we provide 30 days' advance notice of dismissal in accordance with Article 26 of the LABOR STANDARDS ACT, and there have been no cases of large-scale dismissals to date.

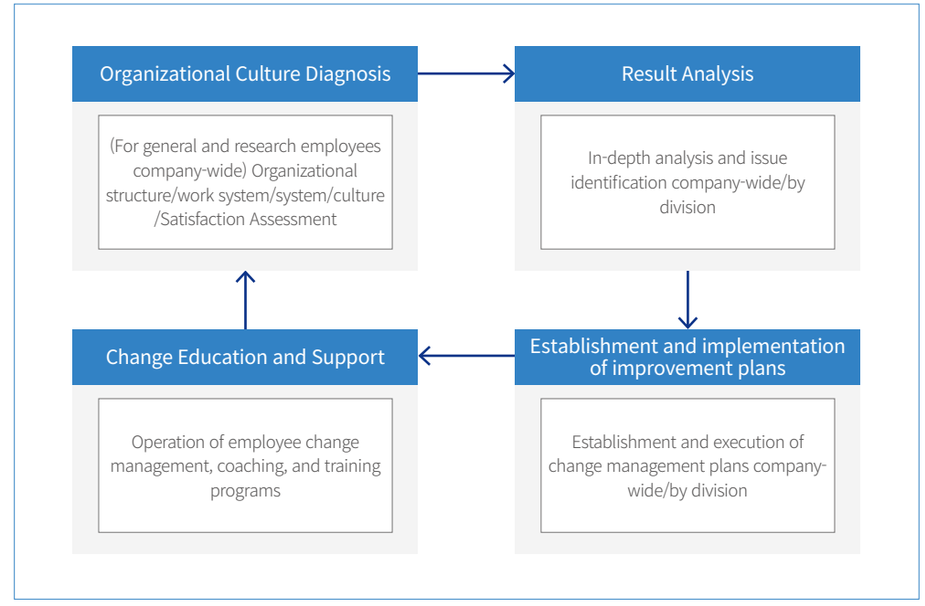
Risk Management

4.2.9 Organizational Culture Diagnosis

Hyundai Steel listens to its employees' opinions through various channels and identifies and manages risks to become a company that grows together with employees.

An organizational culture diagnosis is conducted once a year to evaluate the overall organization, including organizational structure, work processes, systems, and culture, and to assess employees' satisfaction with their work, organization, and company. Through this, key issues at the company-wide and division levels are identified, and change management plans are established and implemented to address them. The diagnosis results are also utilized in employee change management, coaching, and training programs.

Additionally, talent management trends are monitored and risks detected through regular meetings and listening to employee opinions (Voice of Employee). In particular, for overseas subsidiaries, to prevent blind spots in risk management, regular monthly meetings between head office and subsidiaries are held to discuss subsidiary operations and issues, and an emergency contact system is established and operated to enable prompt response in case of urgent situations.



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Metrics and Targets

4.2.10 Talent Employment Status

As of December 31, 2024, Hyundai Steel has a total of 11,806 employees with an average length of service of 13 years and 7 months. Across all business sites, there are 206 employees with disabilities and 368 employees with national merit. The number of locally hired employees by overseas region is 408 in Asia, 289 in the Americas, and 238 in Europe. Within the organization, there are 179 female managers (in general and research positions), accounting for 7.2% of all managers.

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4.3 Local Community Engagement

Hyundai Steel has established a social contribution strategy system linked to its management vision and sustainability management direction, and is promoting social contribution activities focused on three key areas: Environment, Safety and Protection, and Next generations. Additionally, based on a local community engagement framework, we communicate with various stakeholders and strive to fulfill our social responsibility through local community engagement activities that reflect their needs.

4.3.1 Social Contribution Implementation Roadmap

2007	2008 ~ 2017	2018 ~ 2023	2024 ~ 2028
Introduction of Social Contribution system Introduction of Various Social Contribution	Expansion of Social Contribution Participation Participation of Diverse Stakeholders	Advancement of Social Contribution System Social Contribution related to Business	Strategy-based Social Contribution Environment, Safety and Protection, Next Generation
• Introduction of Employee Participation Fund • Establishment of Employee Volunteer Group System	• University Student Volunteering: Happy Yes • Employee Volunteering: House repair for hope	• Resource circularity: Coffee Grounds Recycling • Steel Art: H Steel Atelier	• Environment: Endangered Species Conservation • Safety and Protection: Type H Shining Road • Future Generations: Elementary Archery Class

4.3.2 Social Contribution Strategy System

Company Vision
Strength for MOVE

ESG Slogan
We do in Sustainable H-ways

CSR Mission
Value creation for future together
Hyundai Steel will make future together through various value-creating social contributions

Key Areas

Environment	Safety & Protection	Next Generation
Preservance of healthy environment and ecosystem	Creation of safe society and protection of socially vulnerable citizens	Discovering future talents for new era

Implementation Method

① Local-based	– Prioritizing areas near the business site and fostering cooperative communication with local residents
② Business-related	– Promoting unique social contribution utilizing corporate characteristics and strengths
③ Employee participation	– Internalizing social value and expanding social impact

4.3.3 Mid- to Long-term Strategy

Key Areas	Targets by Area	Key Activities	Goals by Activity
Environment	• Conservation activities for endangered species at business sites → Execute more than 10 cases cumulatively (~2027)	Endangered Species Protecting	Conduct conservation activities for endangered animals → Execute at least twice a year (2023 ~ 2027)
Safety & Protection	• Contribute to preventing traffic accidents near business sites through traffic safety infrastructure development • Contribute to social integration between disabled and non-disabled through establishment of convenience facilities for mobility-impaired persons → Install 200 locations cumulatively (~2027)	H-shaped Shining Road	Install traffic safety LED auxiliary signals in nighttime accident-prone and heavy truck concentration zones → Install 110 locations cumulatively (2021 ~ 2027)
		Bench for Everyone	Design barrier-free bench, manufacture and install benches for installation → Install 90 locations cumulatively (2023 ~ 2026)
Next Generation	• Contribute to discovering future talents and expanding in arts and sports education linked to business • Support improvement of educational environment and facilities near domestic and overseas business sites' schools → Benefit 20,000 persons cumulatively (~2028)	Elementary school Archery Class	Provide archery participation opportunities for elementary students nationwide, contributing to establishing archery as a school sport → Enter Ministry of Education system as an official school sports (2028)
		Dream School	Improve educational environment such as electricity and sanitation facilities at schools near overseas subsidiary in India → Support 10 schools cumulatively (2023 ~ 2026)

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4.3.4 Social Contribution Activities

4.3.4.1 Environment

Protecting Endangered Species

Hyundai Steel is implementing a protecting endangered species project to protect the ecological environment near the business sites. In 2024, in the Dangjin area, we operated the "Junior Citizen Scientist", conducting ecological monitoring and Pelophylax chosenicus (Korean Golden Frog) conservation activities on-site together with students and employees at Dangjin Eumseom Port and Dangjin-cheon. In the Suncheon area, ecological research were conducted in cooperation with local environmental organizations.



Junior Citizen Scientist

4.3.4.2 Safety and Protection

H-shaped Shining Road Main

Hyundai Steel is installing LED auxiliary signals for pedestrian crossings in nighttime accident-prone zones and concentrated freight vehicle areas near the business sites to prevent traffic accidents. These LED signals provide psychological reassurance to pedestrians and help drivers easily recognize crosswalks, contributing to traffic accident prevention. After verifying its effectiveness since implementating in Dangjin in 2021, the program has been expanded to Incheon, Pohang, and Suncheon from 2024.

Mid- to Long-term Goals	• Traffic accident prevention through installation of LED auxiliary signals at pedestrian crossings near business sites • (2021) Project planning/initiation → (By 2024) Cumulative 60 locations installed → (By 2027) Cumulative 110 locations installed
Business Achievements	• Creation of a favorable business environment and enhancement of the company's image as a leading enterprise in traffic safety related to its business operations - Establishment of social safety net partnerships through Memorandums of Understanding (MOUs) with eight institutions including city halls and police stations at business sites - Four annual joint traffic safety campaigns conducted with local governments, civic groups, and employees • Internalization of social responsibility and strengthening positive perception of the company through employee participation - Fundraising participation by 3,880 employees, with a cumulative investment of KRW 800 million
Social Achievements	• Contribution to reduction and prevention of traffic accidents near business sites - Contribution to reduction of traffic accidents in Dangjin area (2021-2023, Dangjin): 596 cases in 2021 → 350 cases in 2023 (Ranked first nationwide in traffic safety index improvement rate) - Expanded operation to all business following initial implementation in Dangjin (Incheon, Pohang, Dangjin, Suncheon - 4 business sites) : A cumulative total of 65 installations completed (42 signposts, 19 ground signals, 4 digital traffic lights)

Bench for Everyone

Hyundai Steel has been conducting the "Bench for Everyone" project since 2023 to expand accessible facilities usable by both disabled and non-disabled individuals and to improve awareness of disabilities. In collaboration with architect Professor Hyun-Jun Yoo, user-friendly bench models were designed, and using the company's steel materials, they were manufactured and installed together with the Purme Foundation. In 2024, we installed a total of 26 units, starting with Yeouido Park in Seoul.

4.3.4.3 Next Generations

Elementary Archery Class

Hyundai Steel has been conducting the "Elementary Archery Class with Hyundai Steel" program since 2024 in cooperation with the Korea Archery Association to broaden the base of school sports and promote archery as a leisure sport. Through this program, a foundational model for elementary archery classes has been established, developing and distributing teaching materials and equipment. Additionally, professional archery instructors are dispatched to regular classes, after-school programs, and school sports clubs to conduct lessons.


Elementary Archery Class

Dream School

Hyundai Steel is collaborating with World Vision India to carry out the "Dream School" project, targeting schools in the regions near the Chennai and Anantapur subsidiaries of Hyundai Steel in India. Through this project, we support Indian children to focus on learning in safe and comfortable environments by expanding school buildings, renovating facilities, constructing drainage systems and restrooms. Additionally, the project contributes to energy efficiency by installing solar streetlights and distributing high-efficiency stoves.


Dream Challenge Volunteers

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4.3.5 Employee Participation in Social Contribution

4.3.5.1 Employee Fund Participation

Employee Participation Fund

Hyundai Steel has been operating an Employee Participation Fund since 2005 based on the voluntary participation of employees. A fixed amount is deducted monthly from employees' salaries to create the fund, which is used for social contribution activities in the regions where the business sites are situated. In 2024, a total of 3,880 employees, representing approximately 32% of the workforce, participated in raising KRW 269.32 million. This fund is currently being used for the "H-shaped Shining Road" project, which is ongoing in the regions of Incheon, Pohang, Dangjin, and Suncheon.

<table>
<tr><th>Area</th><th>~2020</th><th>2021</th><th>2022</th><th>2023</th><th>2024</th></tr>
<tr><td>Seoul/Gyeonggi</td><td rowspan="5">House repair for Hope</td><td>Building Han-river Forest for citiznes</td><td>Establishment of traffic-safety yellow carpets</td><td>Bench for Everyone</td><td rowspan="5">H-shaped Shining Road</td></tr>
<tr><td>Incheon</td><td colspan="3">Green Dong-gu Project</td></tr>
<tr><td>Pohang</td><td>Zero-waste campaign</td><td>Volunteer activities for disabled and social partnership</td><td>Bench for Everyone</td></tr>
<tr><td>Dangjin</td><td colspan="3">H-shaped Shining Road</td></tr>
<tr><td>Suncheon</td><td>Culture sharing concerts</td><td></td><td>Fire safety equipment support for vulnerable groups</td></tr>
</table>

Employee-Exclusive Donation Kiosk

Since 2024, Hyundai Steel has operated donation kiosks to expand donation channels that allow employees to directly support underserved populations. Donation campaigns supporting underserved groups are conducted periodically, including funding for pediatric cancer treatment, construction of a nursing hospital for ALS patients, and holiday meal programs for children at risk of food insecurity. This new donation model offers transparency and convenience, enhancing trust in the donation process through blockchain technology.

4.3.5.2 Employee Volunteer Activities

Dream Volunteer Group

Hyundai Steel continuously conducts volunteer activities centered on various volunteer groups in which employees participate autonomously. Through diverse activities such as preserving local cultural heritage, environmental cleanup, maintenance of electrical facilities at welfare institutions, donation of lectures by master craftsmen, music and magic performances, and distribution of gifts during holidays and year-end, we extend a helping hand to local communities. Additionally, a Family Volunteer Group composed of employees and their families is also operated.

Dream Challenge Volunteer Group

Hyundai Steel dispatches the Dream Challenge Volunteer Group overseas in connection with the "Dream School" project aimed at improving educational environments near the local subsidiary in India. In 2023 and 2024, about 10 volunteers were sent to schools in Chennai and Anantapur in India respectively. This initiative has contributed to enhancing cultural exchange and contributing to the formation of friendly relationships with local students and residents.

4.3.5.3 Social Contribution Mileage System

Hyundai Steel operates a Social Contribution Mileage System to foster pride among employee volunteer groups actively participating in social contribution activities and to encourage a positive cycle of social contribution. Activities such as volunteering, fund participation, knowledge sharing, and blood donation are converted into a single indicator. Outstanding volunteer groups and individuals who exceed a specific number of hours receive benefits such as increased financial support for activities. This system is also used as a minimum requirement in the selection process for the Dream Challenge volunteer group.

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4.3.6 Local Community Support Activities

4.3.6.1 Local Community Donations and Support Activities

Hyundai Steel strives to improve the quality of life for local residents, including underserved populations, by supporting regional festivals, cultural and sports activities, and educational environment enhancements. Through these efforts, we contribute to local community development and build trust with local residents.

Annual Local Community Donation Support Status

(Unit: KRW Million)

Area	2023		2024		Main Supports
	Amount	Proportion	Amount	Proportion	
Welfare	3,024	46%	3,047	37%	Hygiene, safety and welfare support on vulnerable social groups near business area
Culture & Sports	2,572	39%	3,905	47%	Creating cultural capital in the local community through support for cultural and sports events and artistic activities
Education	937	14%	1,325	16%	Investments in local educational environment development and scholarships for academic achievers
Total	6,533	100%	8,277	100%	27% increase compared to 2023

4.3.6.2 Local Community Employment Provision

In May 2023, Hyundai Steel established a subsidiary in Savannah, Georgia, United States, and as of the end of 2024, has hired a total of 32 local residents as employees. Employees have completed relevant job training and work in both office and on-site positions at the subsidiary. Additionally, We have established a branch in Pune, India, where six local residents have been hired for office roles, with plans to recruit on-site workers in the future. Moving forward, We plan to continue providing employment opportunities to local communities and contribute to job stability by actively hiring local residents at both domestic and international business sites.

4.3.6.3 Local Community Communication Channels

Hyundai Steel regularly operates consultative bodies composed of stakeholders in each region where its business sites are situated. These bodies discuss various issues for local community development and set directions for response.

Operation Status of Local Communicy Council

Site	Name of Council	Year of operation	Core agenda	Frequency
Dangjin	Hyundai Steel Environmental Improvement Council	2019	• Management status of air and water pollutant in Steel works • Air pollutant reduction status of steelworks and environment issues	Once every quarter
	H-Shaped Shining Road Social Safety Net Stakeholder Council	2020	• Detailed implementation of H-shaped shining road installation • Engaging employees and citizens in road safety campaign	4-5 times per year
	Child Protection Social Security Network Working Group	2021	• Participation in children harassment prevention meeting and campaign	2-3 times per year
Suncheon	Sinsung-ri Development Council	1996	• Environmental issues in Suncheon Works etc.	Once every quarter
	Suncheon Local Community Security Council	2023	• Establishment and operation of local community protection systems through public-private cooperation	Once every quarter
	Local Community Welfare Council	2024	• Detailed implementation plan for side dish delivery support to 30 households of elderly living alone	Once every quarter
	Administrative Council of H-shaped Shining Road	2024	• Detailed implementation of H-shaped shining road installation • Joint traffic safety campaign by employees and Suncheon police station	4-5 times per year

Status of Production Assets Requiring Local Community Consultation

Category	2024
Total Number of Production Assets	18 (4 Domestic, 14 Overseas)
Number of Production Assets Requiring Local Community Consultation [1]	18
Percentage of Production Assets Requiring Local Community Consultation [1]	100%
Total Number of Development Projects	0
Number of Development Projects Requiring Local Community Consultation	0
Percentage of Development Projects Requiring Local Community Consultation	0%

1) Hyundai Steel consult with the surrounding communities at all of our business sites on a variety of issues, and disclose major consultations with local communities in our Sustainability Reporting.

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Governance

ESG Performance

The Board of Directors at Hyundai Steel is founded on principles of independence, expertise, and diversity and is dedicated to supervising management while safeguarding shareholder rights and interests.

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5.1 Ethics and Compliance management

Hyundai Steel faithfully fulfills its economic and legal responsibilities as an enterprise to strengthen trust with stakeholders, and strives to enable employees to practice Ethics and Compliance Management through the establishment of Ethics Charter and Code of Conduct, compliance support programs, and training.

Governance

5.1.1 Compliance Management System

Hyundai Steel has established the Compliance Management Committee and the CP Council under the Board of Directors to strictly manage key risks related to fair trade and trade secrets. The Board serves as the compliance control supervision and final decision-making body, reviewing and supervising the Compliance Officer, receiving reports on compliance support activities, and performing final review and approval when establishing or revising compliance control standards. Through the Compliance Management Committee, which deliberates and resolves compliance control matters, the CEO directly manages and supervises compliance control activities. Under the CP Council, Compliance PICs(person in charge) are appointed in each department to operate a compliance control system that extends from the field to management. Compliance PICs conduct compliance control activities such as investigating, inspecting, and improving illegal risk factors in the field. The CP Council reviews improvement measures and implementation levels for key risks identified, including fair trade and trade secrets. The discussion and improvement results are reported to the CEO, who chairs the Compliance Management Committee, and to the Board.

Compliance Control System

Board of Directors Highest decision-making body for compliance control	• Executive·Independent Director
Compliance Management Committee(CEO) Responsible for deliberation/decision on compliance control activities and policies	• Chair: CEO • Steward: Compliance Officer • Committee members : Heads of each business division
CP Council(Compliance Officer) Perform compliance control activities for key risks (fair trade, trade secrets)	• Chair: Compliance Officer • Steward: Compliance Team • Committee members : Heads of departments related to Fair Trade/ Trade Secrets
Compliance PIC Execute compliance activities such as risk investigations, self-checks, information dissemination, and risk mitigation	• Composed of team leaders from all departments

5.1.2 Ethics and Compliance management Policy

Hyundai Steel pursues values specified in international human rights norms such as the Universal Declaration of Human Rights and OECD Guidelines for Multinational Enterprises, as well as related laws. Based on this, we have established an Ethics Charter and Code of Conduct to provide behavioral standards to all members, including domestic and overseas employees and subsidiaries. To build an ethical and sustainable supply chain, a separate Code of Conduct for suppliers has been established.

Ethics Charter and Code of Conduct

Supplier Code of Conduct

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5.1 Ethics and Compliance management

Strategy

5.1.3 Operational Directions of Ethics and Compliance management

Hyundai Steel has established ethical practice standards based on the "Hyundai Steel Five Guiding Principles of Ethics Charters" and operates ethical management inspection activities and support programs to spread a compliance culture within the company. Through this, employees are enabled to practice ethical management and aim to form fair and transparent relationships with stakeholders.

Establishment of Ethics and Compliance management policy	Pre-risk inspection	Employee recognition improvement
• Establishment of ethics charter and code of conducts • Establishment of ethics regulations	• Execution of ethics inspection • Operating reporting channels (Cyber Audit Group)	• Operation of customized ethics training • Compliance and Ethical Management pledge

5.1.4 Establishment and Operation of Compliance Principles

To prevent legal violation risks and strengthen the compliance management system, Hyundai Steel established the "Three Principles of Fair Trade at Hyundai Steel" in 2022 based on relevant laws concerning fair trade, HR & labor, safety, environment, personal data protection, trade secrets, and in-person interviews with related department personnel. Additionally, eight business principles to prevent collusion, unfair support acts, and unfair trade practices have been developed along with manuals, behavioral guidelines, and checklists detailing regulatory areas, which are currently in operation. Furthermore, to ensure that employees continuously recognize compliance principles, recent compliance issues and trends, related manual contents, and guidelines are distributed via individual emails and mobiles. Departments related to compliance management have performance goals (KPIs) set based on compliance activities.

Compliance Regulation Development and Revision

For systematic compliance support activities, Hyundai Steel revised the "Compliance Control Standards" through Board of Directors' resolution in 2023 and revised its subordinate regulation, the fair trade compliance program regulations in 2024.

Compliance Regulations	Overview
Ethics Charter and Code of Conduct	General Ethical Management
Compliance Control Standards	Organization, Roles, Duties, Operation of training programs, Inspections, Internal reports, Violation handling, Restriction standards, Awards, etc.
Compliance Support Regulations	
Fair Trade Compliance Program Regulations	

5.1.5 Ethics and Compliance Risk Inspection

5.1.5.1 Fair Trade Compliance Program

Since 2002, Hyundai Steel has introduced and implemented the Compliance Program (CP) and aims to lead a culture of compliance through adherence to the seven key components.

Fair Trade Compliance System

Commitment	Formation of Organization	Implementation Plan	Monitoring
• Statement of the CEO's Commitment of Compliance	• Independence of Compliance Department • Formation/Operation of company-wide compliance operation organization	• Training and compliance hand book distribution, restrictions on employee violation of regulation and self-compliance awards	• Operation of internal reporting channel • Detection of threat through computerized monitoring system, vindication and management

3 Principles and 7 Key Components of Fair Trade

3 Principles

1	Avoid contact with competitors' employees
2	Avoid discrimination between affiliates and non-affiliates
3	Refrain from engaging in unilateral communications and transactions without justifiable reason or reasonable basis

7 Key Components

1. Introduction of CP and establishment of operational policies
- Establishment of Compliance Control Standards (1st Revision in January 2023)
- Establishment of Compliance Support Regulations (Established in January 2023)
- Establishment of Fair Trade Compliance Program Regulations (8th Revision in December 2024)

2. Executive Support
- Declaration of CEO compliance message to affirm commitment to fair trade (twice a year)
- Signing of compliance and ethical training pledge by all employees (once a year)
- Incorporating compliance management activity indicators into KPIs
- Designating the compliance manager (Head of Compliance Management Group)

3. Publishing and utilizing compliance handbook
- Publishing of 2024 compliance handbook and distribution to all employees

4. Sustainable and systematic compliance training
- Customized compliance training by departments and positions

5. Establishment of pre-monitoring system
- Implementation of pre-task briefing system
- Operation of an internal whistleblowing system(Cyber Audit Group)
- Direct report to the board on CP operations plan and performance
- Operating administrative councils such as Compliance Management Committee and CP Council
- Execution of self-inspection and risk assessment

6. Restriction and incentive system
- Establishment of restriction standards according to the intentionality/significance of legal violations
- Incentivizing top performance and whistleblowers

7. Effectiveness assessment and improvement measures
- Quarterly CP operation effectiveness assessment and improvement measures

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5.1.5.2 Whistleblowing System

Hyundai Steel identifies illegal and unethical acts occurring within the company through the operation of the Cyber Audit Group. Reports can be submitted anonymously not only by employees but also by external stakeholders including suppliers and customers. The identity of informants is strictly protected by prohibiting any disclosure or implication without their consent, ensuring confidentiality, protection from disadvantages or discrimination due to reporting, and adherence to principles of confidentiality, identity protection, and exemption from responsibility. Additionally, we strictly prohibit any retaliation against whistleblowers and maintains a zero-tolerance policy for such actions.

Reports are also received and processed regarding unfair demands using employees' positions and facts of fraud or corruption. This includes unfair trading practices based on academic or regional ties, improper demands or provision of money, goods or entertainment, abuse of authority and solicitation acts, and other violations of the Code of Ethics. Suggestions for improving unreasonable practices are also accepted. Reports can be submitted via internet, phone, fax, or mail through various methods and are handled confidentially to guarantee anonymity. Report processing results can be checked on the Cyber Audit Group website.

Cyber Audit Group

5.1.6 Expansion of Ethics and Compliance management Culture

Hyundai Steel operates various support programs to enable all employees to practice compliance management.

Strengthening employee awareness	Systematic management	Follow-up actions
• Submission of a written pledge • Distribution of the compliance handbook • Regular training sessions	• Frequent monitoring • Cyber Audit Group • Preventive inspection	• Disciplinary measures • System improvement • Follow-up training

5.1.6.1 Activities of Internalizing Compliance Management

Hyundai Steel implements various compliance support programs to promote effective compliance management practices. Twice a year, the CEO's message on compliance management is posted on the website and intranet and disseminated to all employees. In addition, we release timely compliance news once a month, covering updates on laws and regulations (fair trade, environment, safety, HR & labor, etc.), precedents and decisions, reporting channels, and other key issues. We also enhance employees' awareness of compliance through a text message service that provides case studies and important notices related to fair trade practices. In 2024, we distributed compliance news 14 times and sent out fair trade text messages 46 times. We operate a reporting system for pre-and post- contact with competitors, and enforce rules that ban information exchange. In December 2024, we published and distributed a revised compliance handbook to all employees. We also conduct employee compliance surveys to assess our compliance status, measure improvements, and evaluate employees' understanding of laws and regulations related to their work. Insights from these surveys are applied to our compliance support activities. In October 2024, we conducted the Ethics and Compliance Management Pledge for 3,614 general and research employees, which encourages them to practice ethical and compliant behavior in their daily work.

5.1.6.2 Ethics and Compliance Education

Hyundai Steel conducts education on ethical management, fair trade, trade secrets, and more to enhance employees' understanding of Ethical and Compliance Management and foster compliance awareness. Ethics education includes the meaning and necessity of ethical management, we effort for ethical management, anti-corruption topics such as prohibition of bribery and entertainment, and prevention of workplace harassment and sexual harassment. In 2024, ethics education was provided to 284 newly appointed team leaders and new hires (82 new team leaders, 202 new hires), including contract employees in general positions, and FOREIGN CORRUPT PRACTICES ACT training was conducted for 27 newly appointed expatriates and corporate heads. Ethics education is available as online lectures accessible anytime. In 2024, basic fair trade education was conducted for new and experienced hires, and information legality education was provided to all employees. Specifically, fair trade education was given to related departments such as purchasing, sales, and finance, while subcontracting law education was conducted for departments involved in subcontracting transactions.

Compliance Education Contents

Category	Training Period	Training Subjects and Achievements	Remarks
Employee Ethics Education	Once a Year	All Employees (100%)	Implementation of three mandatory legal education courses (Disability Awareness Improvement, Sexual Harassment Prevention, Prevention of Workplace Bullying)
New Employee Ethical Management Education	Ongoing	All new general and research position hires in 2024	Included within the new hire orientation program
New Team Leader Ethical Management Education	Once every six months	All new team leaders in 2024	Included within the new team leader training program
Information Legality Education	Ongoing	All Employees (100%)	Conducted online and offline training and team-level dissemination
Fair Trade Job Group Training	September–October	Related departments in Purchasing, Sales, Finance, Planning, and Support: 860 employees	
Compliance Management Training	October	Positions at general manager level and above: 107 employees	
Basic Fair Trade Training	November	New general and research position hires in 2024: 202 employees	
Subcontracting Act Training	December	Related departments in Operations, Maintenance, and Purchasing: 67 employees Related departments in subsidiaries: 15 employees	
Subsidiary Ethics and Compliance Training	December	Subsidiary employees: 120 employees	
Subsidiary Fair Trade Job Group Training	December	Related departments in subsidiaries: 42 employees	

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Risk Management

5.1.7 Legal Violation Risk Investigation Process

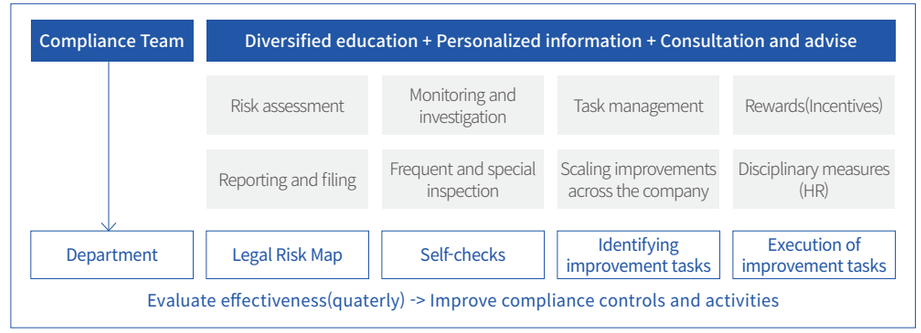
Establishment of Compliance Control System

Hyundai Steel has established a compliance control system to enable practical organizations to directly ensure the sustainability and effectiveness of compliance management. The compliance team prepares and distributes common tasks and legal violation risk-related checklists to all departments within domestic business locations[1]. Based on this, the Compliance PICs in each operational department conduct self-assessments, identify improvement tasks, and implement them. Subsequently, the status of improvement task implementation is reported to the Compliance Management Committee through the compliance team.

1) Incheon Works, Pohang Works, Dangjin Integrated Steelworks, Suncheon Works, Pangyo Office

Compliance Management Campaigns and Monitoring

Hyundai Steel conducts various campaigns and inspection activities to spread a culture of compliance management and manage legal violation risks. In 2024, company-wide focused training to secure information legality and on-site inspection visits enhanced operational legal violation risk management capabilities. Additionally, various programs such as on-site visit campaigns and job-specific training are conducted to raise employees' awareness of Ethical and Compliance Management.



5.1.8 External Audit Operation Status

Hyundai Steel operates an Internal Accounting Control System in accordance with the ACT ON EXTERNAL AUDIT OF STOCK COMPANIES. Regarding ethical management, internal control activities such as posting the Ethics Charter and Code of Conduct on the website and internal intranet, conducting related training (corporate ethics and fair trade), and the CEO's declaration of commitment to voluntary fair trade compliance are carried out. These activities are verified annually by a third-party external auditor (accounting firm).

Metrics and Targets

5.1.9 Ethics and Compliance management Targets

Hyundai Steel places Ethics and Compliance Management at the fundamental core of its corporate operations. By fostering a transparent and fair business environment through Ethics and Compliance management, it builds trust with all stakeholders and pursues sustainable growth based on the trust we have bulit.

Establishing ethical management system
- Establishment and Revision of Ethical Policies (Ethics Charter, Code of Conduct, Regulations)
- Acquisition of ISO 37301 Certification (2027)

Expansion of ethical management culture
- Ethics and Compliance management peldge signing by all employees
- Maintain a 100% ethical management pledge sign rate by 2025

Education for corporate ethics expansion
- 100% attendance rate for Ethics and Compliance management education by 2025

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The Board of Directors at Hyundai Steel is founded on principles of independence, expertise, and diversity and is dedicated to supervising management while safeguarding shareholder rights and interests. To create a sustainable management environment, it establishes transparent and sound governance and discloses detailed information through the Sustainability Reporting, Business Report, and official Website.

5.2.1 Composition of BOD

The Hyundai Steel Board of Directors consists of nine directors (four executive directors and five independent directors), ensuring the ratio of independent directors remains at 55% or higher to strengthen its independence. In addition, the Board has separate specialized committees, which include Audit Committee, Transparent Management Committee, Independent Director Candidate Recommendation Committee, and Compensation Committee to secure expertise in decision-making and improve operational efficiency. On these specialized committees, at least half of the members are independent directors to reinforce the Board's management supervisory function. To systematically ensure the autonomy and participation opportunities of independent directors, we appointed independent directors as the chairs of the specialized committees and composed the Audit Committee and Transparent Management Committee entirely of independent directors. All independent directors are prohibited from holding concurrent positions as directors, executive officers, or auditors in two or more other companies than our own, in order to ensure they faithfully fulfill their duties. As our highest decision-making body, our Board of Directors prioritizes sustainable growth by enhancing corporate value.

5.2.1.1 Positions and Roles of Directors

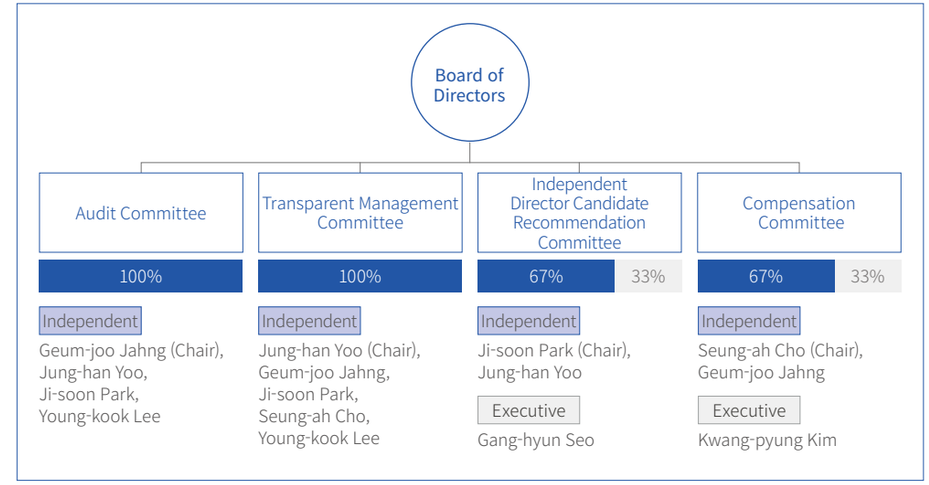
● Chairperson ○ Committee members (As of June 2025)

Name	Gender	Position	Chair of the Board	Audit Committee	Transparency Management Committee	Independent Director Candidate Recommendation Committee	Compen-sation Committee	Verification of the independence-diversity of the independent directors
Executive Director								
Gang-hyun Seo	Male	President of Hyundai Steel (CEO)	●			○		
Won-bae Kim	Male	Executive Vice President of Hyundai Steel (Head of Long Products Business Division)	○					
Bo-Ryong Lee	Male	Executive Vice President of Hyundai Steel (Head of Flat Products Business Division)	○					
Kwang-pyung Kim	Male	Senior Vice President of Hyundai Steel (Head of Financial Management Division)	○				○	
Independent Director								
Jung-han Yoo	Male	Professor of School of Architecture at Seoul National University of Science & Technology (production/R&D)	○	○	●	○		Verified
Guem-joo Jahng	Female	Professor of the University of Seoul (Finance/Accounting)	○	●	○		○	Verified
Ji-soon Park	Male	Professor of School of Law at Korea University (Laws/Regulations)	○	○	○	●		Verified
Seung-ah Cho	Female	Professor of School of Business at Seoul National University (Businses/Economy)	○		○		●	Verified
Young-kook Lee[1]	Male	Professor of Material Science & Engineering(production/R&D) at Yonsei University	○	○	○			Verified

1) Newly appointed at the general meeting on March 25, 2025

5.2.1.2 Committees within the BOD

(As of June 2025)



Audit Committee

The Audit Committee consists of four independent directors, and its main duties include supervising management to facilitate informed decision-making by directors and management, deliberating and resolving matters assigned by the Board of Directors, and auditing accounting-related affairs. The committee has the duties and authority to convene or request an extraordinary general meeting of shareholders, provide statements on the agenda of general meetings and submit audit reports. In addition, it reviews the feasibility of changes to important accounting standards or accounting estimates, appoints, dismisses, and evaluates external auditors, and assesses control systems such as Internal Accounting Control System.

In 2024, the Audit Committee held a total of seven meetings, deliberating on matters such as the operation of the Internal Accounting Control System and the reporting of quarterly business performance. The Committee also conducted quarterly meetings with external auditors without the presence of the management.

Training Date	Training Content
February 26, 2024	Training on Global Minimum Tax
October 25, 2024	Recent Trends and Countermeasures for Internal Accounting Control System

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Transparent Management Committee

The Transparent Management Committee consists of five directors and entirely of independent directors. Its duties include building an ethical corporate culture and practicing sustainable management with the purpose of reviewing the transparency of internal transactions, promoting ethical management, and protecting shareholder rights and interests. In order to enhance shareholder-friendly management, the Committee assign a member responsible for safeguarding shareholder rights and interests, enhancing engagement with shareholders at home and abroad, and continuing activities such as identifying policies that enhance their rights and interests. In 2024, the Transparent Management Committee held a total of five meetings to deliberate on matters such as social contribution activities, fair trade compliance program, activities of the compliance officer, and the approval of large-scale internal transactions, and it also discussed on the materiality assessment results to identify core risks in July. In addition, we deliberate and discuss various agenda items through the Committee with a focus on overall ESG management, including the approval of our safety and health management plan.

Independent Director Candidate Recommendation Committee

The Independent Director Candidate Recommendation Committee nominates candidates who align with the interests of our company and shareholders through fair and transparent procedures. The Committee verifies that the candidates meet the legal requirements for independence and expertise. The Committee consists of two independent directors and one executive director, ensuring a majority of independent directors in compliance with relevant laws, the Articles of Association, and the regulations of the Board of Directors. The committee has appointed the independent director Ji-soon Park as the chairman to ensure transparency and independence, and in 2025, has re-appointed and newly appointed two independent directors.

Compensation Committee

The Compensation Committee reviews the remuneration limit for directors and the executive director compensation system at least once a year. The committee operates to enhance transparency and improve governance, meeting annually prior to the Board meeting that convenes the regular shareholders' meeting in February. The Committee consists of two independent director and one executive director, making a majority of independent directors. Seung-ah Cho an independent director, was appointed as the chairman.

5.2.1.3 Transparency of BOD

Hyundai Steel provides transparent information on its overall governance structures. As part of our disclosure expansion efforts, we have disclosed BOD information on appointing female executives to the Board to ensure diversity, providing notice periods of general shareholder meetings and granting greater convening authority, and disclosing annual compensation, compliance status, and independence of independent directors. We have also enhanced the disclosure of information on ESG management activities during our quarterly IR sessions.
We announced our commitment to a sound governance structure and established the Charter of Corporate Governance, which outlines general principles and is available on our website. In an effort to further enhance transparency of the governance structure, the Charter was revised to include a minimum attendance rate (75%) and specific diversity requirements for director appointments. Furthermore, through the amendment of Articles of Association in 2021, the equal authority was granted for each director in convening the Board to improve the flexibility and independence of the Board. In addition, the step-by-step tasks are established as a response to the mid-to-long term agenda and to systematize the governance performance assessment.

5.2.2 Considerations for Appointment and Composition of BOD

In accordance with the COMMERCIAL ACT and the Articles of Association, directors are elected during the general meeting of shareholders. The Independent Director Candidate Recommendation Committee selects qualified Independent director candidates by considering expertise and independence. Subsequently, at the board meeting convened to call the shareholders' meeting, Independent director candidates and Executive director candidates are finalized as nominees, and these candidates are presented as individual agenda items at the shareholders' meeting for appointment as directors. Having experts from different fields, the Board facilitates objective decision and execution of important matters related to management supervision and the fundamental policies and provides diverse insights and perspectives based on their respective areas of expertise. In particular, as the changing business environment requires strategic judgment by the Board, we appoint independent directors from diverse fields to enhance the Board's expertise, while executive directors are selected from among senior managers across our business divisions. The chair of the Board is elected through a resolution passed at an extraordinary board meeting following the general meeting of shareholders. As the chair leads the convening of the Board and the deliberation of agenda items, the chair should have a thorough understanding of all issues brought to the Board and be capable of providing sufficient explanations and information. In this regard, as an expert in steel industry with thorough understanding of overall business, President and CEO of Hyundai Steel, Gang-hyun Seo was elected as Board Chairman in March 2025.

Currently, the Board is composed of experts from various fields (finance/accounting, management/economics, law/regulation, production/R&D, etc.). In particular, independent directors Jung-han Yoo and Young-kook Lee are experts in the construction and steel industry fields. Yoo has work experience at a construction company (LH Corporation in South Korea), while Lee has worked at a steel company (Bethlehem Steel in the United States).

Business Skills Matrix (BSM) (As of June 2025)

Category	Gang-hyun Seo	Won-bae Kim	Bo-ryong Lee	Kwang-pyung Kim	Jung-han Yoo	Geum-joo Jahng	Ji-soon Park	Seung-ah Cho	Young-kook Lee	Ratio
Leadership	●	●	●	●	●	●	●	●	●	100%
CEO experience	●	●								22%
CFO experience	●			●						22%
Finance / Accounting	●			●		●				33%
Business management/ Economics	●	●	●	●				●		56%
Production / R&D		●	●		●				●	44%
Law / Regulation							●			11%
Year of first appointment	2023	2023	2025	2024	2021	2021	2022	2024	2025	
Age	57	59	59	56	55	53	57	57	61	
Gender	Male	Male	Male	Male	Male	Female	Male	Female	Male	

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5.2.2.1 Expertise of BOD

Since the Board operates mainly through delegated subcommittees, the roles of subcommittee members are crucial. Accordingly, regular training is supported to enhance members' expertise. Hyundai Steel established a basis for "providing regular training to improve the expertise of Board members and enhance company understanding" through Board regulations enacted in April 2020, and conducts training annually using external experts and internal instructors.

In 2024, independent directors visited overseas business locations to improve understanding of our overseas operations and assess local steel market conditions. Internal instructor-led training was conducted on changes in the steel trade environment and company response strategies. External expert training was provided to Audit Committee members on global minimum tax issues and countermeasures for internal accounting control systems.

Training Status of Independent Directors

Training Date	Training Subject	Attending Independent Directors	Main Training Content
May 31, 2024	Hyundai Steel	One new independent director	• Provision of video content on basic company knowledge One new Independent Director - Company history, business locations status, understanding of the steel industry and future outlook, etc.
June 3, 2024	Korea Listed Companies Association	One new independent director	• Training on roles and responsibilities of new independent directors - Roles and legal responsibilities of independent directors - Practical matters related to Board and committee operations
July 29, 2024	Hyundai Steel	All five directors	• Visit to overseas business locations - Enhancing understanding of overseas business and checking local steel market conditions
October 25, 2024	Hyundai Steel	All five directors	• Changes in steel trade environment and company response strategies

5.2.2.2 Diversity of BOD

The "Guideline upon Independence and Diversity of Independent Directors" at Hyundai Steel specify the expertise required of independent director candidates and outline the diversity of the Board (nationality, age, gender, background, race, religion, ethnicity, etc.) in consideration of the business environment. Article 2-3 (Qualifications and Independence of Directors) of the "Charter of Corporate Governance" stipulates that directors shall be persons from diverse backgrounds who have sufficient expertise and/or practical experience in related fields, such as finance, economy, management, law, and accounting, and can make substantial contributions to corporate management. To promote diversity on the Board, Article 2-4 (Election of the Directors and Recommendation of the Candidates) states that candidates shall not be discriminated based on gender, age, nationality, experience and background, but be evaluated on an equal basis to enhance corporate value and protect shareholders' rights and interests. Furthermore, we strive to promote diversity on our Board by considering the interests of various stakeholders, including shareholders.

We are dedicated to ensuring that the Board of Directors consists of directors from diverse backgrounds and experiences, considering all stakeholders, including shareholders and customers. The current average tenure of our directors is two years.

Background of Board Appointment (As of June 2025)

Name	Evaluation of Expertise and Diversity	Reappointment	Number of reappointments	Tenure (years)	Concurrent position status
Executive Director					
Gang-hyun Seo	To ensure reliable management of overall business activities, such as enhancing competitiveness and securing sustainable growth engine as CEO and the president of the Company	X	-	1.5 years	-
Won-bae Kim	As the head of the Long Products Business Division, to ensure reliable management of overall business activities, including expanding production and technical capabilities	X	-	2.3 years	-
Bo-ryong Lee	As the head of the Flat Products Business Division, to ensure reliable management of overall business activities, including expanding production and technical capabilities	X	-	0.3 years	-
Kwang-pyung Kim	As the head of the Financial Management Division, to ensure reliable management of overall business activities	X	-	1.3 years	O
Independent Director					
Jung-han Yoo	As an expert in construction, to ensure reliable management of overall business activities related to steel product development and sales strategy for upstream industries	O	1	4.3 years	-
Geum-joo Jahng	As an expert in accounting, to ensure reliable management of overall business activities necessary for transparent accounting information disclosure, such as compliance with corporate accounting standards	O	1	4.3 years	O
Ji-soon Park	As an expert in labor laws, to ensure reliable management of overall business activities necessary for building sound labor-management relationship	O	1	3.3 years	O
Seung-ah Cho	As an expert in global management strategy, to ensure reliable management of overall business activities necessary for establishing management strategies	X	-	1.3 years	O
Young-kook Lee	As an expert in steel/metal, to ensure reliable management of overall business activities necessary for research and development in steel products	X	-	0.3 years	-

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5.2.2.3 BOD Independence

The Hyundai Steel Independent Director Candidate Recommendation Committee adheres to the "Guideline upon Independence of Independent Directors" to promote fairness and transparency. Moreover, independent directors are elected only from the candidates recommended by the Committee, during the general meeting of shareholders, ensuring fair nomination process. The "Guideline upon Independence" outlines the Committee's responsibilities in considering any significant relationship between an independent director and our company, including the domestic and international environment and any circumstances around the candidate and our company. In addition, we clearly stipulate the importance of director independence in our "Charter of Corporate Governance". Article 2-2 (1) (Composition and Operation of the Board of Directors) states that a majority of the Board of Directors shall be independent directors who serve independently of the management and the controlling shareholders. Article 2-3 (4) (Qualification and Independence of Directors) states that an independent director is a person who has a wealth of professional knowledge and/or practical experience in related fields such as finance, economics, management, law and accounting, and should have no stake or interest in our company and be able to make decisions independently from the management and the controlling shareholders. We verify the legal qualifications and in-house independence requirements, and this information is explicitly stated in the notice of the general meeting of shareholders.

Furthermore, we submit a "Certificate of Independent Director Qualifications" to the Korea Exchange to confirm the validation of the independence from our company and the legal qualifications of independent directors.

Independence requirements of BOD

Independence requirements of BOD	Jung-han Yoo	Geum-joo Jahng	Ji-soon Park	Seung-ah Cho	Young-kook Lee
Independent directors must not have held a management position below the CEO level within the Company in the past five years	●	●	●	●	●
Independent directors and their family members must not have received more than $60,000 in any form from the Company, its parent company or its subsidiaries within the past three years	●	●	●	●	●
Independent directors and their family members should not have been employed as executives within the Company, its parent company, or its subsidiaries in the past three years	●	●	●	●	●
Independent directors must not serve as advisors or consultants to the Company or its senior management, and they should not be affiliated with the Company	●	●	●	●	●
Independent directors must not have affiliations with the Company's major clients or suppliers	●	●	●	●	●
Independent directors should not engage in personal transactions or service agreements with the Company or its senior management	●	●	●	●	●
Independent directors should not have transactions or relationships with nonprofit organizations (NGOs) that receive significant aid from the Company	●	●	●	●	●
Independent directors must not have served as partners or employees of the Company's auditor within the past three years	●	●	●	●	●
Independent directors must meet other requirements for independence as defined by the Board of Directors and should not have any other conflicts of interest with the Company	●	●	●	●	●

* In addition to the above requirements, the Board of Directors will comprehensively consider any substantial relationship an independent director has with the Company, including the domestic and international environment and the circumstances around the director and the Company, in determining independence.

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5.2.3 Operation of BOD

Each director submits his or her proposals to the Chair of the Board, along with the relevant explanations, and the chair notifies each director of the meeting at least seven days in advance in writing, verbally or via electronic document, and then convenes a Board meeting. The directors may attend the meeting virtually and can also request the attendance of relevant employees and external personnel to voice their opinions about the matter in question. The Board of Directors is divided into regular and extraordinary meetings according to the Articles of Association. Regular board meetings are convened quarterly, while extraordinary meetings are called when necessary. In 2024 the Board of Directors held 8 meetings (four regular and four extraordinary), deliberating on 28 agenda items (including business plan and budget, issuance of corporate bonds, signing off on management performance). The attendance rate of executive and independent directors at the Board of Directors was 98%, and the individual attendance and voting on agenda items are disclosed in the business report. Furthermore, the Board reviewed both financial and non-financial business performance, including the status of the internal accounting management system, fair trade compliance program and activities of the compliance officer.

Main Agenda Items of the General Meeting of Shareholder (2024)

Agenda Item No.	Item	Details
Agenda Item 1	Approval of the 60th financial statements (fiscal year 2024)	※ Profit distribution (planned): Dividend KRW 750 won per share
Agenda Item 2	Election of directors	• Item 2-1: Election of Bo-ryong Lee as executive director • Item 2-2: Election of Ji-soon Park as independent director • Item 2-3: Election of Young-kook Lee as independent director
Agenda Item 3	Election of Audit Committee Member	• Item 3-1: Election of Ji-soon Park as Audit Committee Member • Item 3-2: Election of Young-kook Lee as Audit Committee Member
Agenda Item 4	Approval of the limit of remuneration for directors	• KRW 5 billion

Differences from the Model Standard (Feedback of the independent institution on the BOD evaluation)

Recommendation for the model standard	Adoption status
Introduction of the Charter of Corporate Governance	O
Introduction of ethics regulation for executives and employees	O
Adoption of the cumulative voting, and disclosure of the adaptation status	X
Disclosure of independent directors taking the majority	O
Separation of the representative director and the chairperson, or appointment of the lead independent director	X
Disclosure of BOD activities, attendance rate, and voting results (pros and cons) on major agenda items	O
Composition of the Independent Director Candidate Recommendation Committee	O
Composition of the Compensation Committee	O
Disclosure of the composition of the Audit Committee (100% independent directors)	O
Introduction of regulations regarding the roles and operational procedures of the Board of Directors and each Committee	O
Subscription to the director's liability insurance at the Company's expense	O
Maintaining independence of external auditors	O
Validation on the accuracy and completeness of financial reporting by the CEO and the CFO	O
Explanation of the differences from the model standard	O
Disclosure of audit reports and important occasional disclosures in Korean and English	O

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5.2.4 Board Assessment and Remuneration

Hyundai Steel operates the BOD assessment system from December 2022 to enhance management responsibility and operational efficiency of the BOD members. To ensure the objectivity of the BOD assessment, the assessment entity was restricted to independent directors, conducting anonymous online self-assessments annually. The assessment is comprised of 30 questions in 4 items: Role and responsibilities of the BOD, BOD composition, BOD operation, and committees under the BOD. The board has scored an average score of 4.6 out of 5, scoring 4.8 for the Role and responsibilities of the BOD, 4.6 for BOD composition, 4.4 for BOD operation, and 4.6 for committees under the BOD. The results and core improvement measures were reported to the BOD convened on the January 22, 2025. Major improvements based on the assessment include holding pre-board meetings for all agenda items and expanding reports on major issues beyond mandatory reporting and resolutions. Additionally, we undergo an annual year-end evaluation by a third-party institution covering overall governance including Board activities. We are continuously improving the BOD operation by reflecting the assessment opinions and feedback.

In accordance with Article 388 of COMMERCIAL ACT and the Articles of Association of our company, the limit of remuneration for directors is determined by the resolution of the general meeting of shareholders. After the resolution, remuneration is paid in a transparent and reasonable manner pursuant to a payment regulation. At the regular general shareholders' meeting in March 2025, the remuneration limit for the 60th Board was set at KRW 5 billion, and the actual amount paid in 2024 was KRW 2.8 billion. This amount does not include the retirement payment made to retired executives, and the provision for executive retirement payments is excluded from the limit because it received separate approval at the general meeting of shareholders. During the regular general meeting of shareholders in 2025, the remuneration limit of directors was decided to be frozen at KRW 5 billion.

The CEO's compensation varies annually based on performance. The performance evaluation process takes various factors such as tenure, leadership, expertise, contribution to our company, and human resources development into account. Moreover, evaluations are conducted as per reasonable standards and on a variety of items, such as financial performance (business performance including sales and operating income which forms the basis of financial indicators such as ROE and ROI), comparative indicators (e.g. stock price variation vs. steel industry peers, competitiveness evaluation, ESG evaluation ratings), the executive's performance and contribution, and internal/external business environment. Performance evaluations for executives, including the CEO, are conducted on a yearly basis, and all performance-related bonuses are determined through these evaluations.

Shareholding Status of Majority Shareholders and Related Parties

(As of March 31, 2025)

Relationship	Name	Number of Shares Held	Remarks
Majority Shareholder	Kia	23,049,159 shares	
Affiliated person	Mong-koo Chung	15,761,674 shares	
Affiliated company	Hyundai Motor Company	9,173,595 shares	
Registered director	Gang-hyun Seo	2,000 shares	* Affiliated person: Honorary chairman of Hyundai Motor Group * Current outstanding shares 133,445,785 shares (treasury stock: 1,900,046) * Pension Fund: No golden share granted
	Bo-ryong Lee	200 shares	
	Jung-han Yoo	1,000 shares	
	Geum-joo Jahng	2,000 shares	
Non-registered director	Myung-gu Lee and 31 others	14,469 shares	
Pension Fund (e.g., operated by government institutions)	National Pension Fund (NPF)	12,309,659 shares	
Total		60,313,753 shares	

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5.2.5 CEO Candidate Management

Hyundai Steel secures stable succession of the management and continuity of strategies through the preparation of a CEO succession plan. The Talent Management Team annually verifies the qualifications required of executives, such as expertise and leadership. They identify potential successors for each business division and develop and implement a Succession Plan that includes strategies for their future development and utilization.

Considering the recent business environment and mid-to-long-term strategic plans, we define the qualification criteria for potential successors. The candidates are comprehensively evaluated based on their recent performance, experience, capabilities, and leadership through an internal review committee. Additionally, we establish career development plans for these candidates and incorporate them into regular executive appointments. We support their development through internal and external training programs, focusing on enhancing business insights and leadership skills.

Training Status of Major Candidates in 2024

Category		Purpose	Target	Training Method
Internal Courses	[Interpreneur-HUB] – CVC	Enhancing future business creation capabilities based on foresight for next-generation business leaders	1 department/ division head candidate	Off-line (4 times)
	[Interpreneur-HUB] – Advanced MBA	Strengthening the fundamentals to achieve the group's future strategy by securing management capabilities that create customer value and drive business innovation	1 department/ division head candidate	Off-line (5 times)
External Courses	CEO training course	Acquisition of professional management knowledge required as a leader and enhancement of leadership and external communication capabilities	1 department head candidate	Enrollment in top-level programs at leading domestic universities/ institutions such as Seoul National University
	Leader insight training	Enhancing insights on business, leadership, and trends to support executive decision-making	108 department/ division head candidates	On-line training (7 times)

Succession Process

Hyundai Steel designates the appointment of the CEO as a BOD responsibility, as outlined in Article 30 of the Articles of Association and board regulations. The management succession process is as follows.

1. The Succession Committee recommends an optimal candidate among the CEO candidates based on comprehensive considerations of management status and strategic directions.
2. The BOD verifies whether the candidate is capable of managing the Company in direction aligning with the Company's and shareholders' interests and possesses the capabilities to efficiently execute core values and vision.
3. Confirmed candidate is appointed as an executive director at the shareholders' meeting according to the shareholders will and subsequently elected as CEO through the resolution of the Board.

When the CEO cannot commence with the given duty due to personal reasons, the director designated by the CEO will act as an acting CEO. When there is no designated director, the responsibilities will be assumed in following order: President-Vice President-Executive Director- Managing Director. Additionally, in accordance with advisor management regulations, the former CEO is nominated as advisor for smooth succession process.

5.2.6 Protection of Shareholder Rights and Interest and IR Activities

5.2.6.1 Reinforcing Protection of Shareholder Rights and Interest

Hyundai Steel has extended the notice period for agenda items beyond the legally stipulated duration (two weeks before the general meeting) and disclosed the agenda four weeks before the general meeting, ensuring shareholders have ample time for review. Additionally, we hold meetings with major institutional investors before the general meeting to thoroughly explain our agenda and actively consider the opinions of shareholders and market participants. We have implemented an electronic voting system to make participation more convenient for minority shareholders. As such, We are committed to establishing a transparent and shareholder-friendly corporate governance structure and actively reviewing measures to improve mid- to long-term shareholder returns, such as increasing dividends. To strengthen communication with the shareholders for reinforced protection of shareholder authority and profit, we held a "conversation with shareholders" session at the 2024 annual general meeting where internal directors directly answered various questions from shareholders. We plan to continuously expand communication with shareholders in the future.

5.2.6.2 Investor Relations (IR) Activities

Hyundai Steel conducts quarterly, semi-annual, and annual conference calls for analysts, institutional investors, credit rating agencies, and the media. The heads of each business division, including the Chief Financial Officer (CFO), explain our performance and key management issues, and engage in related Q&As to actively broaden communication. We participate in major investment conferences and conduct quarterly non-deal roadshows (NDRs) for major institutional investors, including our shareholders, to widen our engagement with domestic and international investors. Additionally, we occasionally hold analyst visits and conference calls to provide information to investors who are unable to visit us in person. We actively utilize virtual conference calls for participants' convenience, and we have established a consultation and inquiry page on our website to proactively respond to investors' inquiries regarding the business environment and investment. We also promptly provide information through disclosures and other means in the event of market events.

Quarterly	• Business performance explanation (quarterly, half year, annual performance) • NDR (Non-Deal Roadshow)
Frequently	• Analyst visit, conference calls, and major conferences

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5.3 Research and Development

Hyundai Steel is strengthening its competitiveness in the automotive materials sector through continuous Research and Development (R&D) investments and technological advancements, thereby contributing to the domestic Future Mobility industry. By actively engaging in academic / research institution networks and partnerships, we are enhancing our capabilities to foster mutual growth with our customers.

5.3.1 Development of Core Materials and Parts in Future Mobility

Commercialization of 3rd Generation and MartenSitic (MS) Steel Sheets for Automobiles

Hyundai Steel is improving heat treatment facilities to commercialize 3rd Generation and MS steel sheets by 2025.

Unlike conventional steel sheets where strength and formability are inversely related, the 3rd Generation steel sheet is a next-generation product combining high strength and high formability. Particularly, the 1.0 and 1.2 GPa grade 3rd Generation steel sheets being commercialized exhibit excellent formability suitable for curved surfaces while maintaining high strength. Compared to existing steel sheets of the same grade, elongation (formability) has improved by over 10%, making it an optimized material for electric vehicles that require design, crash safety, and lightweighting.

Furthermore, through this facility improvement, We plan to commercialize 1.3, 1.5, and 1.7 GPa grade MS steel sheets to supply to automakers. MS steel sheets are ultra-high-strength materials that significantly increase material strength, enabling them to withstand deformation during vehicle collisions.

The 3rd Generation and MS steel sheets are developed with driver and occupant safety as the highest priority. When used to construct internal frameworks such as automotive front pillars, center pillars, roof side inners, and bumper beams, vehicle collision performance is enhanced to safely protect occupants.

Development of New Heat Treatment Technology for Carbon Emission Reduction

In December 2024, Hyundai Steel jointly developed carbon reduction heat treatment technology applicable to automobile Differential Gear[1)] parts with Hyundai Motor Company and obtained New Excellent Technology (NET) certification.

Applying the newly developed heat treatment technology to mass production of automobile differential gear parts is expected to achieve physical properties equivalent to existing spheroidizing heat treatment technology while reducing process time by 78% and carbon emissions by approximately 40%.

This technology will be applied to differential gear parts of vehicles such as Palisade, Tucson, Sonata, and Avante starting in 2025, with anticipated expansion to various vehicle parts, heavy equipment, machine tools, and other industrial products in the future.

1) Differential Gear: A device that distributes driving force to the left and right wheels to enable smooth rotation.



Differential Gear System Diagram



New Excellent Technology (NET) Award Ceremony for Automatic Gear Parts

Exhibition of Low Emission Products at Global Automotive Body Congresses

In 2024, Hyundai Steel showcased its low emission automotive steel sheet technologies at various global automotive body congresses.

In June, we participated in CBP (Car Body Parts), the world's largest automotive body materials and parts congress held in Germany; in September and October, it attended IABC (International Automotive Body Congress) in the United States and ECB (Euro Car Body) in Germany, respectively.

The company presented test evaluation results of automotive exterior panels made from low emission steel sheets produced using the Electric Arc Furnace-Blast Furnace Combined Process and exhibited 1.0 GPa grade Hot Rolled Sheet/Coils, 1.2 GPa grade Cold Rolled Sheet/Coils, and 1.5 GPa grade Hot stamping products with reduced carbon emissions, attracting attention from global automakers.

Through participation and promotional activities at major global automotive body congresses, we aim to highlight our differentiated automotive steel sheet technological competitiveness—including low emission steel sheets and ultra-high-strength steel sheets—and expand sales of products for global automakers.



Carbon Reduction Sheet Products Exhibited at Germany's ECB (Euro Car Body)

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5.3.2 Development of Core Materials in the Energy Sector

Cryogenic Rebar for LNG Storage Tanks

Hyundai Steel's cryogenic rebar for LNG storage tanks, guaranteed to withstand minus 170 degrees Celsius, was developed domestically for the first time and received the top IR52 Jangyeongsil Prize [1] in 2024. This awarded product is the first domestic rebar product to apply nickel (Ni) and manganese (Mn) composite addition technology, ensuring quality not only at room temperature but also at the ultra-low temperature of minus 170 degrees Celsius. With recent carbon emissions regulations and reduction demands in industry, traditional fossil energy demand is expected to be largely replaced by natural gas (LNG), increasing the importance of LNG storage tank safety. This product is a structural safety steel used for the outer walls of LNG storage tanks, preventing sudden structural collapse even if LNG, which liquefies at minus 162 degrees Celsius, leaks. Furthermore, due to its cryogenic performance, it can eliminate the need for polyurethane foam (PUF) insulation methods previously used in LNG tank construction, potentially shortening construction time and reducing costs.

1) IR52 Jangyeongsil Prize: An award system by the Ministry of Science and ICT recognizing outstanding new technology products and research organizations with excellent technological innovation achievements.



Cryogenic Rebar for LNG Storage Tanks



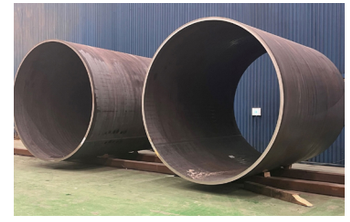
IR52 Jangyeongsil Prize Ceremony

Successful Joint Assessment of Low Emission Plates for Offshore Wind Substructures

Hyundai Steel, focusing on producing low emission products through the Electric Arc Furnace-Blast Furnace Combined Process as the first step toward carbon neutrality transition, has succeeded in a joint assessment of low emission plates for offshore wind substructures. In August 2024, low emission plates produced by us via the Electric Arc Furnace-Blast Furnace Combined Process were fabricated into offshore wind substructures by SeAH Steel, and after conducting a pipe forming assessment, they received a passing evaluation.

The low emission plates that succeeded in this trial production and pipe forming assessment were produced by mixing molten iron made from our Direct Reduced Iron (DRI) and steel scrap (steel) in an electric furnace with molten iron from a blast furnace. According to our internal evaluation, this product shows approximately a 12% reduction in carbon emissions compared to thick plates produced solely from blast furnace molten iron in 2021.

Through this joint assessment, we confirmed the applicability of low emission plates produced by the Electric Arc Furnace-Blast Furnace Combined Process for offshore wind substructures and plan to develop plate materials with further reduced carbon emissions. Additionally, we intend to proactively supply these low emission plates to markets requiring them, including the offshore wind power sector.



Offshore Wind Substructure Manufactured with Low Emission Plates

5.3.3 Strengthening Specialized R&D Infrastructure

AI·BIG DATA Festival Held

In June 2024, Hyundai Steel held the 3rd AI·BIG DATA Festival to share outstanding achievements from smart factory-related projects conducted by each business division.

Among the excellent projects selected at this festival was the "Development of a nitrogen behavior prediction model based on steelmaking converter simulation", which applied a big data-based simulation model to control nitrogen factors in the electric arc furnace steelmaking process. Applying this model in practice increased the accuracy of nitrogen content prediction in products, optimizing molten iron production.

The project "Optimization of Plate Design and Casting Width Combination for Plates" also attracted attention. Plates, which are heavy steel products, have traditionally been manually combined according to diverse customer orders and factory operation conditions to produce plates. Using the model developed through this project, design simulations based on actual orders were performed, resulting in optimized process combinations.

We plan to continue promoting the AI·BIG DATA Festival to enhance our employees' capabilities and motivation for digital transformation.



2024 AI·BIG DATA Festival

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5.3.4 Improved Networking Based on Industry-Academic Association

Promotion of Joint Development of Construction Steel H CORE Solution Products through Industry-Academia-Research Collaboration

In September 2024, Hyundai Steel held the “H CORE Solution Product Development Performance Sharing Meeting” at our Training Center in Dangjin, Chungnam, where we presented technological development achievements in eco-friendly carbon reduction, smart construction, and safety. Among these, the project selected as the best was the “Development of Reverse Pile Columns Using H-Beams”, which received high evaluation for its potential to reduce steel usage on construction sites compared to simple application of H-beams, thereby contributing to cost savings for customers.

We plan to apply outstanding projects to actual construction sites and develop related commercialization models to expand the utilization of the H CORE product brand in the construction market. Furthermore, to contribute to the advancement of future construction technologies, we will continuously collaborate with industry and academia to promote the excellence of H CORE products and strengthen market competitiveness.



2024 H CORE Solution Product Development Performance Sharing Meeting

Establishment of a Modular Construction Testing Site, “H-Modular Lab”

In November 2024, Hyundai Steel, in partnership with Hyundai Engineering, established the “H-Modular Lab”, a full-scale modular testing laboratory. The H-Modular Lab is a two-story building with eight rooms and a total floor area of 400㎡ (approximately 120 pyeong). Four rooms on the second floor serve as test beds for performance testing, while four rooms on the first floor are designated as model houses and exhibition spaces.

The modular construction method applies mass production concepts from manufacturing to construction by assembling pre-fabricated modules on-site to complete buildings. Thanks to advantages such as high quality, safety, and rapid construction periods, modular buildings are expected to increase in the future. In line with this construction trend, the H-Modular Lab serves as a demonstration testing site by replicating actual processes at full scale that were previously limited by conventional sample production methods. Additionally, both companies conduct the entire modular construction process—from design to production, transportation, and installation—at this site while researching specialized building technologies applying new steel technologies.





Exterior and Interior Views of the H-Modular Lab

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Hyundai Steel proactively identifies potential risks in various areas that may impact management activities according to we wide risk management process and responds in advance. Through the risk management system, risks by division are continuously monitored, and anticipated risks are regularly updated in response to changes in internal and external management environments. At the monthly Management Strategy Meeting chaired by the CEO, key risks are reviewed and optimal countermeasures are established to minimize negative impacts.

Governance

5.4.1 Risk Management System

Hyundai Steel has established a risk management system to identify and prevent potential risks across all management areas including business, social, environmental, and compliance aspects. The Transparent Management Committee, delegated by the Board of Directors to oversee risk management, supervises company-wide risks, while the Audit Committee monitors and conducts final reviews of risks that have occurred.

Within each business department, responsible organizations and function-specific teams directly manage individual risks (First line). The Strategy Planning Division oversees company-wide risk management (Second line) by reviewing major risks of each business department and establishing response plans. It reports annually on non-financial material issues and management status to the Transparent Management Committee, and reports significant risk occurrences to the Board through the Transparent Management Committee. The Audit Committee discusses guidelines and policies for risk assessment and management processes, performs annual reviews of major financial impacts and mitigation plans, and fulfills audit functions (Third line).

Major Risk Management (Second Line)

- Transparent Management Committee of the BOD
  - Strategy Planning Division
  - Business Management Group
  - Business Management Team

• Chief of the Headquarter Strategy Planning Division

Internal Transaction and Ethical Management (Third Line)

- Audit Committee of the BOD
  - Management Improvement Group
  - Management Improvement Team (Independent assurance function)

Operational Risk Management (First Line)

Business department organizations in charge	
Production	Production Planning Team in each business division
Sales Strategy	Planning Team in each business division
Procurement	Procurement Planning Team
Quality	Quality Planning Team

Organizations in charge according to functions			
R&D	R&D strategy Planning Team	Legal	Legal Team 1, 2
Finance	Transparent Management Support Team	HR/Labor	Human Talent Support Team, Policy Support Team
Investment	Investment Planning Team	Safety	Safety and Health Planning Team

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5.4.2 Risk Management Council

Hyundai Steel reviews internal and external management environments and key potential risks, including management issues, through monthly management strategy meetings, and establishes measures to enhance the competitiveness of the steel business. Additionally, core risks are selected based on priority from potential risks identified through objective evaluations such as materiality assessments including expert group surveys. Since the introduction of the divisional system in 2021, each division monitors risks under its responsibility, derives improvement tasks, and implements them. We promptly respond to changing management environments through regular meetings by sector, such as General Meetings of Safety Management, Company-wide Level Environment Energy Meetings, and New Technology Strategy Meetings. CEO directives arising from each meeting are efficiently managed through the Instruction Management System.

Furthermore, to respond more effectively to risks, roles between support organizations and field organizations are distinguished. The Strategy Planning Division, a company-wide support organization, comprehensively collects, manages, monitors, and assesses risk factors at the enterprise level, while business sites focus on operations and are prepared to respond immediately to any incidental risks that may arise during operations.

When measuring individual employee performance, the impact related to risk is considered, and areas concerning security and ethics applied company-wide directly affect promotions. In particular, for personnel in charge of risk management departments, risk management tasks account for at least 10% of their individual performance evaluations.

Strategy

5.4.3 Key Tasks of Company-wide Risk Mitigation

Category	Task	Detaiil	Organization in charge	Impact[1)]	Urgency[1)]	Significance[2)]
Planning	Mid- to Long-Term Business Strategy Management (Establishment)	Company-wide Sales and Profitability Expansion Implementation	Strategy Planning Division	H	M	🔴
Production	Stable advancement of blast furnace renovation	Check and implement the optimal timing for blast furnace overhaul	Ironmaking Production Group	M	L	🟢
Carbon Neutrality	Department of Low-Carbon Processes	Carbon reduction in blast furnace processes and development of CCUS processes	Process Research & Development Group	M	L	🟡
	Transition to a Low-Carbon Production System	Establishment of a Blast Furnace-Electric Arc Furnace Hybrid Process	Facility Engineering Group	M	M	🔴
Sales	Promoting customer diversification	Developing new customers and markets for Flat Products/Long Products	Flat Products Marketing Group Rebar/Section Steel Sales Group	H	M	🟡
Supply Chain	Stable Securing of Low-Carbon Raw Materials	Securing Domestic Scrap Procurement and Operating Shredder Sorters	Scrap Supply Chain Establishment TFT	M	M	🟡
Local community	Communication with Local Community Stakeholders	Implementation of Social Contribution Activities by Business Locations	Managment Support Group, General Affairs Group	M	L	🟢

1) Impact and Urgency are scored as High: 3 points, Medium: 2 points, Low: 1 point
2) Importance is scored up to 3 points, calculated as a weighted average of 70% Impact and 30% Urgency. Based on the calculated score, grades are classified as 🔴 Red (2.5 points or above), 🟡 Orange (2.0–2.49 points), 🟢 Green (below 2.0 points).

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5.4.4 Emerging Risk and Responses

Hyundai Steel identifies and monitors emerging risks that we anticipate will have a significant impact on our business.

Increased Instability in Global Supply Chains Due to Geopolitical Issues

Hyundai Steel sources its raw materials through a diverse network of domestic and international suppliers, some of which rely on global logistics. In light of recent geopolitical developments such as the U.S.–China trade conflict and the Russia–Ukraine war, escalating strategic competition between major powers is accelerating the fragmentation of global supply chains. As a result, many countries are shifting toward "friendly-shoring" strategies, prioritizing supply partnerships with allied nations.

This global realignment of supply chains is also having a direct impact on corporate procurement strategies, and we are increasingly exposed to risks in raw material sourcing as a result of these developments. The restructuring and fragmentation of supply chains can disrupt supply stability, increase price volatility, and raise logistics costs. According to the Korea International Trade Association, if key logistics routes through conflict zones are blocked, securing alternative routes could raise transportation costs by as much as 30 to 50 percent, resulting in a significant increase in our annual logistics spending.

If such risks become prolonged, we could face a 5 to 15 percent decline in profitability due to rising raw material and logistics costs. Accordingly, it has become inevitable for us to establish proactive strategies to respond to the changing global landscape and evolving supply chain paradigm. To this end, we are conducting systematic analyses of geopolitical risks and preparing various scenarios to address potential route disruptions and supply interruptions. The Guidebook on the Collection of Maritime Transport Costs and Other Related Data for Use in IMO Impact Assessments, published by the International Maritime Organization (IMO), emphasizes the importance of securing alternative shipping routes and establishing preemptive operational procedures to prepare for international conflicts. Based on these insights, we are actively pursuing solutions to minimize delivery delays from route changes and reduce related costs by up to 10 to 20 percent.

We are also advancing supply chain diversification to reduce excessive reliance on specific countries or suppliers. By securing sourcing channels across a broader range of regions, we aim to avoid risk concentration and strengthen the stability and continuity of raw material procurement. Through these efforts, we seek to maintain business continuity and logistics resilience in a volatile global environment while minimizing the impact of geopolitical risks on our operational and financial performance.

Strengthening Competitiveness in Raw Material Procurement for Low Emission Products

Hyundai Steel has established the carbon neutrality roadmap to achieve 2050 Net-Zero and is promoting product development and production system transformation. We plan to reduce carbon emissions by developing new low emission and establishing a new electric arc furnace production process. Producing low emission products and new production process innovation requires raw materials with low carbon emissions. Specifically, the impact of low carbon raw materials is significant, before hydrogen-reduced steel technology is applied to the production process and renewable energy is expanded. Steel scrap [1] and Direct Reduced Iron (DRI) are exemplary low-carbon raw materials, and the supply of both materials is expected to arise as an important issue in the near future.

High-quality steel scrap is a raw material for electric arc furnace production, being a core raw material for producing high quality products with low carbon emission. However, the international demand for steel scrap is expected to exceed the supply capability. According to the analysis conducted by BCG (Boston Consulting Group), the estimated demand for 2030 marks 883 million tonnes whereas the supply marks 868 million tonnes, resulting in a global shortage of 15 million tonnes. Since the steel scrap usage portions and the electric arc furnace usage are expected to be increased to 50% and 41%, whereas the transaction amount is expected to decrease due to the increased demands of nations worldwide. Like steel scrap, another low-carbon raw material that can be used in the electric arc furnace process is Direct Reduced Iron (DRI). We currently use about 120 million tonnes of DRI (as of 2022), but due to the operation of electric arc furnaces and the transition to a low-carbon production system, a significant increase in demand is expected in the future.

However, due to the geopolitical concentration of production in regions such as India, Iran, and Algeria, securing future supply chains is essential. We are developing mid-to-long-term plans to secure a stable supply chain of low-carbon raw materials by 2030. To maintain the shares (30~40%) of high-quality steel scraps, we plan to diversify and expand the long-term supply chain within the domestic steel scrap market. Also, we will expand the operation of high-quality steel scrap sorting devices installed at some of our business sites and increase related investments. In addition, we anticipate that Hot Briquetted Iron (HBI), a form of direct reduced steel, could potentially increase its share up to 60% of the total raw materials used in electric furnaces and therefore is seeking for new supplier that could meet the optimal blending requirements, establishing a close relationship.

Simultaneously, the overall risk factors including ESG are preemptively identified and prevented through annual supply chain assessments on our supply chains. The supply chain assessment rate has increased by more than 17% compared to 2023, and high-risk supply chains are continuously managed to prevent problems by identifying risks through on-site inspections, establishing improvement plans, and monitoring their implementation status. We will continue to establish a stable foundation for securing future resources through various supply chain management measures, thereby achieving carbon neutrality.

1) Steel scrap: leftover pieces or discarded steel products. Used as the primary raw material in electric arc furnaces for steel production

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5.4.5 Risk Management Process

Hyundai Steel analyzes the level of risk the enterprise can accept based on its risk appetite to create value. It operates its business within defined risk appetite boundaries to mitigate financial and non-financial risks affecting corporate reputation, sales, and operations, regularly reviewing risk exposures. Through annual materiality assessments, core risks among enterprise-wide risks are selected and response methods are discussed under each division's accountable management system.

Key risks significantly impacting business activities and financial performance are identified and reviewed monthly by management meetings composed of C-level executives including the CEO, where risk analysis results are examined and response plans established. Inadequate responses to key risks may lead to operational constraints or financial losses; therefore, core risks are managed as division KPIs and key tasks to focus capabilities on prevention and mitigation. Audits on risk factors and management processes are conducted according to internal guidelines, and external third-party audits are performed to ensure soundness of enterprise-wide risk management approaches and internal controls, including obtaining ISO 22301 (Business Continuity Management System) certification in 2024.

5.4.6 Risk Culture

Hyundai Steel conducts regular risk management training annually for all members of the Audit Committee, including topics such as "Cases of Financial Incidents and Internal Accounting Control System Countermeasures". Additionally, risk-related education is continuously provided to employees via the online education platform e-Campus, and ethical management training is held annually to establish a risk management culture throughout the organization.

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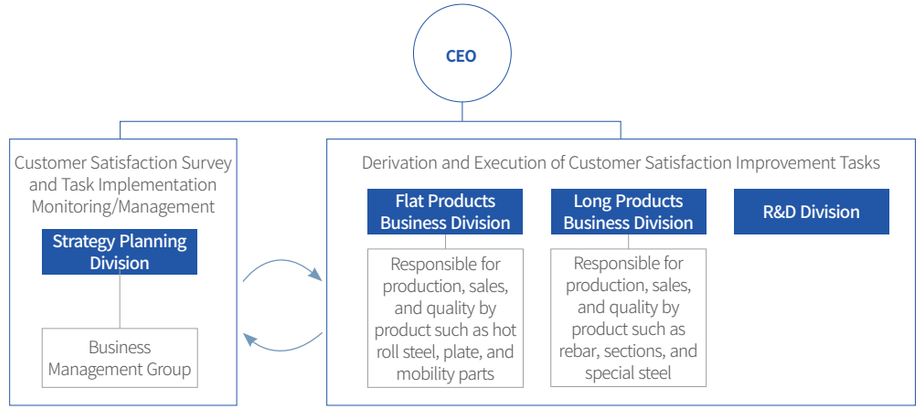
5.5 Customer Management

To meet the diversifying needs of our customers, Hyundai Steel is committed to improving customer satisfaction based on three customer management directions. Alongside strengthening cooperative relationships through various customer support activities, we are also dedicated to achieving sustainable growth with our customers by maintaining regular exchange channels such as the 3S forums and bench-dit activities.

Governance

5.5.1 Customer Management System

Hyundai Steel regards customer satisfaction as a core management principle and operates a customer management system to provide high-quality products and differentiated services. The Business Management Group within the Strategy Planning Division annually reviews the status of customer satisfaction and, based on this, collaborates with the Flat Products Business Division, Long Products Business Division, and R&D Division to identify and implement customer satisfaction improvement measures. Customer satisfaction scores and the implementation rate of improvement tasks are set as key performance indicators (KPIs) for the respective business divisions and reported to the CEO twice a year.



5.5.2 Customer Management Policy

Hyundai Steel pursues customer value innovation based on three objectives to become a company that grows together with its customers: optimizing S-Mix and restructuring sales channels, rapid response to market changes and new opportunities, and organizational improvement along with employee capability enhancement.

- S-Mix optimization and sales structure restructuring
- Response to new business and trend transformations
- Organizational improvement and employee capability reinforcement

Strategy

5.5.3 Customer Satisfaction Survey Implementation

Hyundai Steel conducts an annual customer satisfaction survey with the aim of minimizing customer attrition by “diagnosis satisfaction levels, analyzing customers’ needs, and implementing measures for improvement”. In 2024, we conducted a satisfaction survey over approximately 11 weeks targeting domestic customers regarding transactions with our company from January 2023 to June 2024. Analysis of responses from 254 participating customers showed a satisfaction score of 75.9 points, an increase of 5.6 points compared to the previous survey. This positive outcome is attributed to various customer activities, quality support efforts, and the management system in place despite stagnant domestic and international market conditions. Additionally, in-depth interviews were conducted with 47 customers to establish improvement tasks aimed at enhancing customer satisfaction. These tasks are linked to key performance indicators (KPIs), and their implementation status is continuously monitored. The 2025 customer satisfaction survey is scheduled for the second half of the year.

5.5.4 3S Forum

Hyundai Steel operates the 3S (Steel for Safe Society) Forum as a platform for communication, cooperation, and change with customers and other stakeholders to lead a safe construction culture in Korea. The 3S Forum consists of construction experts and leaders from key related fields. Participants discuss construction safety trends and policy improvements while exploring ways in which steel, a primary construction material, can contribute to safe buildings and social infrastructure. This initiative goes beyond simple customer response; it seeks practical measures for a safe society through broad communication with stakeholders in related industries, participation in safe steel development, and research on safe structures and designs.

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5.5.5 Customer Support System Operation

Hyundai Steel actively listens to the opinions of distribution and end-use customers by conducting on-site visits and holding meetings, as well as organizing customer technology and quality exchange meetings. We continuously support customers by providing solutions to product usage issues and conducting satisfaction surveys. These activities not only maximize customer satisfaction but also enhance mutual understanding, thereby building sustained trust relationships with customers.

Customer Engagement and Top Customer Management

To further solidify our partnership with customers, Hyundai Steel regularly organizes customer meetings, including business exchanges and roundtable discussions for customers, where we discuss key issues. Additionally, various events including annual customer invitation New Year gatherings are held to solidify ongoing relationships. These events share diverse information and issues such as company business status and plans, progress on improvement activities responding to customer requests, and technology development status, while collecting customer feedback.

Hosting Customer Technology and Quality Exchange Meetings

Hyundai Steel continuously manages customer complaints and prevents issues by conducting technology and quality exchange meetings, technical training, and pre-technical support for customers. Feedback is gathered by product category such as sheet metal, mobility parts, and long products to provide necessary technical education, solution support, and improvement activities related to quality and requests. Newsletters are also distributed to inform customers about key standard revisions, technology development status, and relevant issues. Notably, in 2024, technology exchange meetings were held with global OEM customers and eco-friendly energy customers to identify their needs and requests.

Customer Technical Support Activities

To efficiently resolve forming quality issues faced by major parts processing customers, Hyundai Steel provides comprehensive remote root cause analysis and solutions to support problem improvement. Assistance includes root cause analysis, forming simulation, and solution derivation, with on-site visits conducted when necessary. This approach minimizes defective steel sheet occurrences during parts processing and contributes to enhancing customers' parts processing capabilities.

5.5.6 Factory Tours and Quality Risk Education for Cold rolled Coils Sector Customers

Hyundai Steel conducts factory tours and quality education for press and forming development practitioners, who are the actual users of steel sheets at customer companies. This initiative is part of continuous efforts to strengthen cooperation with customers and enhance understanding of steel sheet quality. Through this visit, participants experienced Hyundai Steel's latest cold rolled coils technologies and production processes firsthand and verified the quality management level of automotive steel sheets. Additionally, quality education was provided to address users' questions about steel sheets from their practical perspective. This contributes to improving the efficiency of steel sheet utilization by customers and strengthening quality competitiveness across the supply chain.

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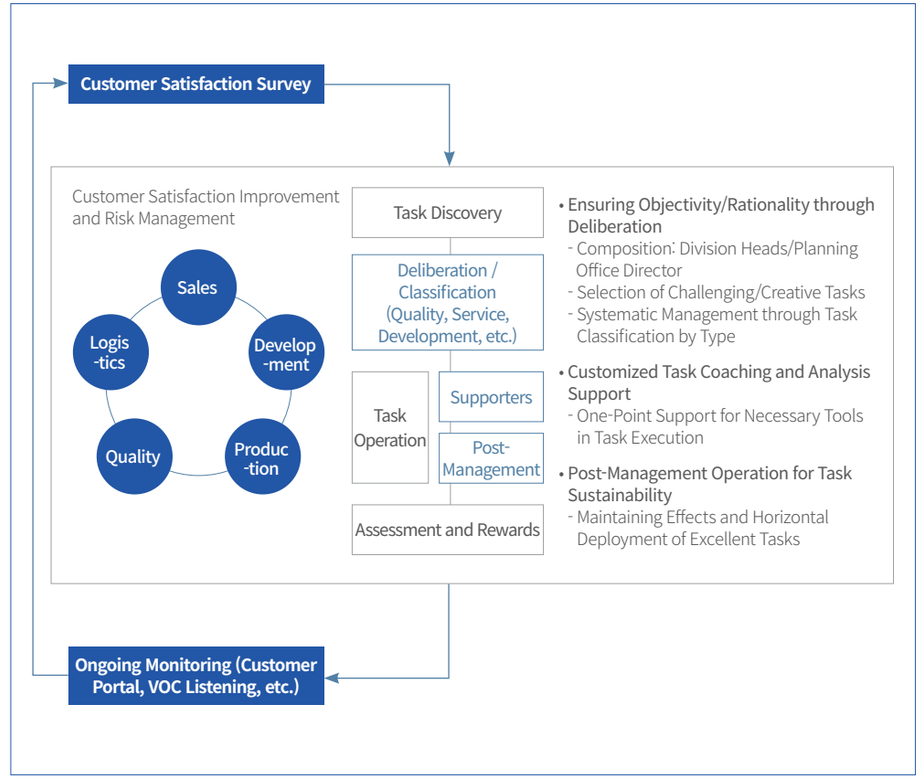
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5.5.7 Customer Satisfaction Improvement and Risk Management System

Hyundai Steel continuously monitors customer complaints and demands through the Customer Portal System and interaction activities, and core issues identified through customer satisfaction surveys are collaboratively improved by quality, research and development, production, sales/service, and other departments. We systematically manage improvement tasks for enhancing customer satisfaction through our company-wide performance innovation task management system.

Customer Satisfaction Improvement System



Metrics and Targets

5.5.8 Customer Satisfaction Management Status and Plans

Hyundai Steel conducts annual customer satisfaction surveys to identify customer needs and complaints in order to enhance customer value. In 2024, evaluations were conducted across nine dimensions for a total of eight product groups. As a result, a score of 75.9 was achieved, an increase of 5.6 points compared to previous survey 70.3. Based on this, key tasks for practical customer satisfaction improvement were established and promoted; in 2024, a total of 40 tasks were completed, and 20 tasks are underway in the first half of 2025.

Customer Satisfaction Status and Targets

Category	2021	2022	2023[1)]	2024	2025
Goal (points)	80.0	74.0	n/a	71.0	76.0
Overall Satisfaction (points)	73.5	70.3	n/a	75.9	

1) Not conducted in 2023 due to a change in the customer satisfaction survey timing

Improvement Task Implementation Status

Category	2022	2023	2024	2025(As of June)
Number of Cases	n/a	18	40	20

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5.6 Tax Strategy

Hyundai Steel complies with the tax laws of each state authority and the Organization for Economic Cooperation and Development (OECD) Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations in international transactions and faithfully fulfills its obligations to file and pay taxes as stipulated by domestic and international laws. In addition, We continuously manage and monitor our tax management and reporting system by outlining system and payment responsibilities in our internal regulations, while maintaining a cooperative relationship with tax authorities through transparent data disclosure.

5.6.1 Tax Policy

Hyundai Steel established its tax policy in February 2019 to faithfully comply with tax laws and systems, continuously operating and managing it through two subsequent revisions. We diligently fulfill tax filing and payment obligations according to each country's laws and tax treaties, refrain from tax avoidance, and follow legitimate taxation principles. Furthermore, responses to BEPS-related regulations and tax information disclosures are reviewed by external experts to ensure reliability and objectivity. These tax-related principles and implementation policies are transparently communicated to customers and stakeholders through publication on the official website.

Tax Policy

5.6.2 Tax Risk Management

Hyundai Steel manages its tax risk based on "strict compliance with the law". We maintain transparent relations with the tax authorities and provide relevant factual evidence upon request, further strengthening our credibility. We do not own subsidiaries established for the purpose of tax evasion, and do not transfer income to subsidiaries located in tax havens. We recognize the risk of double taxation in transfer pricing that involves our overseas business sites as caused by competition between the tax authorities for taxation rights. To address this issue, we abide by the principle of transacting within the "normal price range".

5.6.3 Tax Reporting

Every year, Hyundai Steel faithfully pays corporate taxes in the countries where we operate, with no instances of unpaid taxes. Currently, we operate overseas subsidiaries (18) and overseas branches (10) in 14 countries and disclose tax information on our major legal entities in our business report.

Tax Reporting of Major Entities

(Based on 2024 K-IFRS)

Country	Names of entities	Primary Activities	Number of Employees (persons)	Revenue (KRW million)	Profit before tax (KRW million)	Income xax accrued (KRW million)
Korea	Hyundai Steel Company	Manufacturing	11,361	18,617,622	-155,917	0
United States	HSAL, Hyundai Steel America, Inc.	Overseas steel service center	111	931,815	4,515	0
United States	HSSA, Hyundai Steel USA, Inc. [1]	Steel product sales	10	420,966	67,106	0
China	HSCN, Hyundai Steel Investment Co., Ltd.	Overseas steel service center	77	136,977	-7,439	0
India	HSCH, Hyundai Steel India Private, Ltd.	Oversease steel service center	182	678,361	-1,200	0

1) Formerly HSSA Hyundai Steel America

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5.7 Information Security

At Hyundai Steel, in order to proactively respond to internal and external information security threats, our Audit Committee under the Board of Directors, oversees security risks while Chief Information Security Officer (CISO) and Chief Information Officer (CIO) establish and implement management strategies for each area of information security. In adherence with the information security management system (ISO 27001), we annually diagnose and improve security levels and policies and strive to internalize security awareness among employees through in-house security training.

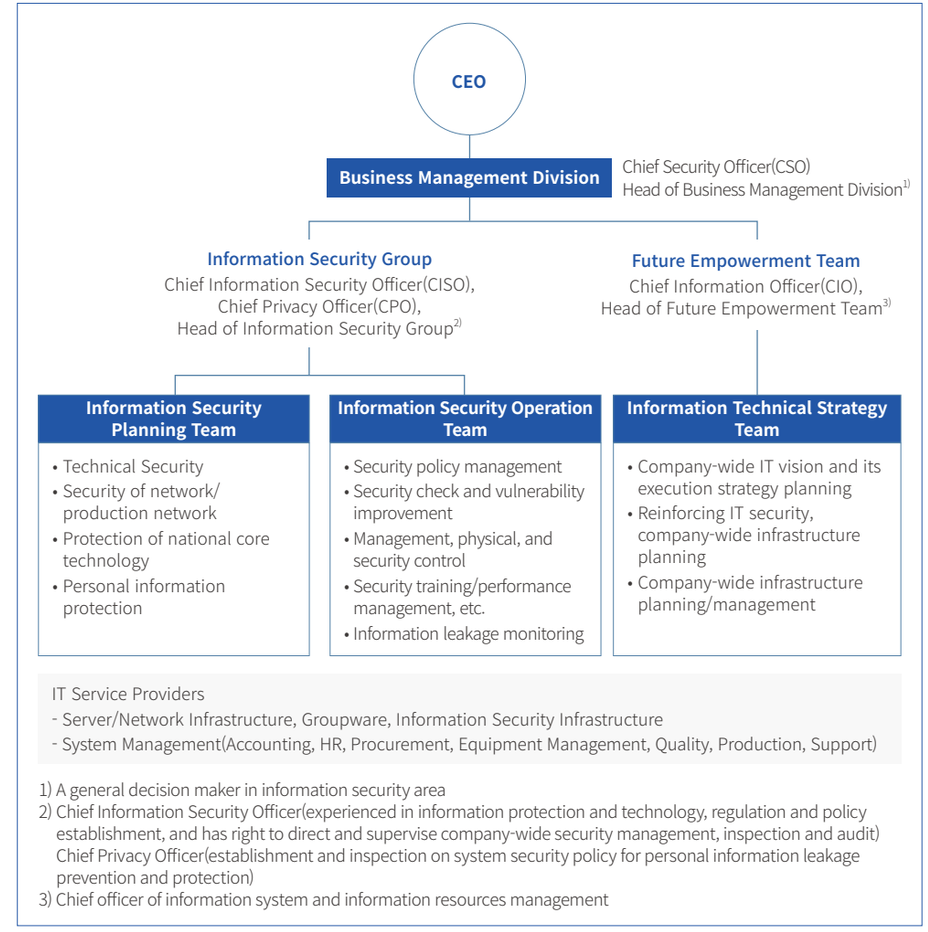
Governance

5.7.1 Information Security Policy

Hyundai Steel has established and operates an information security policy in accordance with its security operation guidelines for the "protection of tangible and intangible business information and technical information". This policy includes the continuous improvement of information security systems, real-time monitoring of security threats, and prompt response measures. We have made our "Regulations on Security Management" accessible on our in-house standards management system, allowing all employees to recognize rules on entry, everyday security rules, personal information protection, and rules for suppliers/outsourcing companies, etc., and apply them to everyday work and helping employees promptly respond to any emergency, such as information leakage and hacking attempts.

To strengthen our information protection capabilities, we conduct annual assessments of our IT systems and infrastructure through hacking simulations to identify vulnerabilities and establish and improve countermeasures tailored to each type of vulnerability, thereby raising our security level. In addition, we enhance our crisis management capabilities by diagnosing security policies through the Hyundai Motor Group's security level assessment and the ISO 27001 certification audit. Furthermore, we have introduced companywide security performance evaluation to foster employees' understanding of security policies and compliance, and are conducting assessment, notification, and improvement activities on 41 items, based on the security management policy. With the recent increase in utilization of generative AI technology such as ChatGPT, we have published and distributed the security policy on generative AI and are guiding the employees to not manually enter company information including reports and meeting details, and customer information.

5.7.2 Information Security Management System



1) A general decision maker in information security area
2) Chief Information Security Officer(experienced in information protection and technology, regulation and policy establishment, and has right to direct and supervise company-wide security management, inspection and audit)
Chief Privacy Officer(establishment and inspection on system security policy for personal information leakage prevention and protection)
3) Chief officer of information system and information resources management

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Strategy

5.7.3 Personal Information Protection

Hyundai Steel operates a personal information protection management system to safeguard the personal information of employees and customers. Internal regulations establish personal information processing rules, and designated managers responsible for personal information management, technology, and protection systematically carry out personal information protection activities. Key activities include administrative tasks such as preparing consent forms for the collection and use of personal information in accordance with the personal information lifecycle, establishing personal information processing policies, and destroying personal information, alongside technical activities like encrypting unique identification information, access control, and malware prevention.

Through regular inspections, preemptive management against threats is conducted to prevent misuse and leakage of personal information. To guarantee the rights of personal information subjects, processing status is notified via personal information processing policies, and guidance is provided on viewing personal information and measures in case of breach incidents. Additionally, unnecessary retention or misuse of personal information is prevented through operation of a "Personal Information Detection Solution" to ensure proper destruction and management.

5.7.4 Strengthening the National Core Technology Protection System

In accordance with the revised ACT ON PREVENTION OF DIVULGENCE AND PROTECTION OF INDUSTRIAL TECHNOLOGY, Hyundai Steel has organized a special protection organization and strengthened its security management system for the national core technologies[1] it owns. The organization defines, identifies and manages core technologies, on 12 special security areas to enable more stringent security control. To prevent data leakage of core technologies, we have established a file centralization system for management and check of the data, and with our field-oriented, practical core technology activities, we continue to comply with relevant laws and regulations. In addition, we have revised security management regulations and rules, collected security pledges, provided security education, conducted self-inspection and checked on the management status of national core technologies, to further reinforce our protection system.

Core Technology Protection System

Management and Security	Technological improvement	Security inspection
• Protection body • Segmentation(category and grade) • Protection pledge • Security training for employees dealing with core technology • Procedures for external provision of technology • Operation of Export Assessment Committee of National Core Technology • Patent registration security assessment	• Security policy for external work • Application of watermarks	• Security assessment upon employee resignation/retirement • Monitoring and security assessment on information leakages • Leakage response

1) Current status of National Core Technologies owned by Hyundai Steel: ① Manufacturing technology for reinforcing bars with yield strength of 700MPa or higher and Sections with 650MPa or higher ② Giga-class, high-strength steel sheet manufacturing technology with a sum of total alloying elements of less than 4% ③ Fuel cell Metal Bipolar Plate coating technology

5.7.5 Cyber Security

Hyundai Steel has implemented and operates 25 types of security solutions across company-wide key systems and information assets to strictly control intrusion prevention and external leakage. To respond to advancing cyber attacks and personal information breach incidents, continuous 24/7 monitoring is conducted through an integrated security control center. Activities include ongoing detection of abnormal behaviors such as various network packets and logs, malware within systems and user PCs, and information leakage, as well as continuous collection and analysis of domestic and international hacking trend information to identify, block, and mitigate potential cyber threats.

5.7.5.1 Cyberattack Prevention Training

Hyundai Steel conducts preventive training activities against cyberattacks for all employees. To enhance security awareness, we conduct quarterly simulated phishing training sessions reflecting various attack types such as phishing websites and attachment of malicious files. Through the introduction of simulated phishing training system, the stereotypical training methods were developed, reflecting recent trends. Also, we analyze the results of the phishing exercises and provide additional, in-depth training to employees who are susceptible to phishing attacks. Since 2023, we have extended these exercises to our overseas subsidiaries to strengthen our overall resilience against cyberattacks. Through continuous and systematic training, employees are equipped to take prompt action in the event of an actual cyberattack.

5.7.5.2 Operation of Reward System on Phishing Reporting

In 2023, Hyundai Steel introduced a phishing reporting reward system to incentivize employee participation in prevention activities and increase awareness. Along with verifying and analyzing reported phishing emails and attacks and giving feedbacks of the results to the reporters, we provide rewards to employees who contribute to preventing damage from actual external attacks and improving security vulnerabilities. This will not only prevent any potential damage to an individual and company, but also contribute to raising awareness and motivating employees about phishing attacks. The system also facilitates early detection of damage from external attacks, such as phishing and ransomware, and enables a swift first response.

5.7.5.3 Cyberattack Reporting and Response

We encourage employees to report any suspected or actual cyberattacks to the security organization and the security control department, who will immediately block the source of the attack upon receiving the report. They will then take prompt damage restoration and follow-up measures, such as backing up the infected person's data and initializing the PC. Through strict monitoring, the security control staff prevents further damage from occurring and prevents it from escalating to a critical stage. This maintains an agile reporting system to minimize damage and ensure quick recovery.

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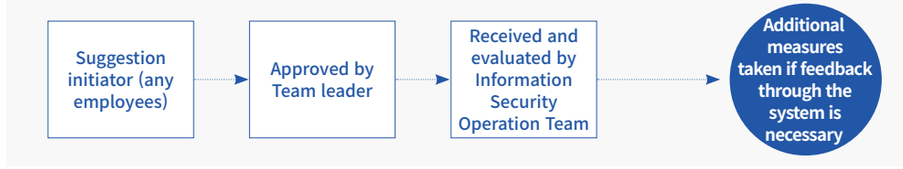
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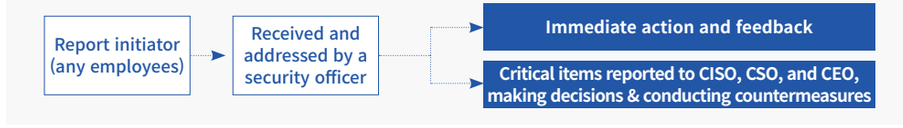
5.7.6 Suggestion and Reporting System for Security Control

Hyundai Steel operates a security suggestion and reporting system that allows all employees to report and suggest opinions on information protection-related threats and improvement factors. Items of high priority are escalated to the top management for necessary actions and improvement. We also operate a variety of security-related channels to share threat attempts and information, and through our multi-channel communication channels, we quickly respond to security incidents, threats, etc. and provide feedback on the results.

MY Security System Suggestion



MY Security System Security Interference and Reporting(report on security violation)



5.7.7 Security Awareness Training

Hyundai Steel conducts annual security training and campaigns to prevent various threats and incidents. Security briefings are held every year for employees to discuss security issue trends and policies, security knowledge, privacy, and trade secret protection. Additionally, video content on ransomware prevention and information leakage prevention is used to enhance training comprehension, and content is continuously improved based on training satisfaction survey results. In 2024, online training was conducted for employees on basic life security compliance, information leakage prevention, and the latest technology management guidelines. Training was also provided for new security officers, overseas expatriates, executives' aides, and information education for overseas subsidiaries and affiliates. Going forward, new channels such as SNS and mobile will be utilized to improve training accessibility and timeliness.
Alongside this, the third Tuesday of every month is designated as "Security Day" to check the status of basic life security inspections by department and share important security issues. A monthly "Security Quiz Event" is also operated so that all employees can easily engage with security issues, trends, regulations, and security knowledge.

Risk Management

5.7.8 Security Breach Response Process

Security Breach Prevention

1. Hyundai Motor Group security task monitoring
2. Security assessment upon system development
3. Security vulnerability inspection of business systems
   - including infrastructure security checks and penetration testing
4. Security inspection (audit) executio
5. Employee education/training
   - including simulated phishing email training

Security Breach Response Procedure

Incident Detection	• Report/Filing	• Security Monitoring	• Anomaly Analysis	• CISO Reporting • Internal Incident Response Team Formation
Incident Response	• Classification of Breach Types	• Emergency Measures by Incident Type	• Response Strategy Establishment/ Implementation	
Incident Handling/ Recovery	• Incident Handling Inspection	• Vulnerability Removal	• Service Resumption Review	
Post-incident Measures	• Completion Report(Cause Analysis / Recurrence Prevention Measures Establishment)	• Collection/Preservation of Breach Evidence	• Employee Notification/ Education	

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Metrics and Targets

5.7.8 Information Security Certification

ISO 27001(Information Security Management System) Certification

Hyundai Steel maintains the ISO 27001 certification through post-certification assessments conducted every half year. In the second half of 2023, we passed the ISO 27001 certification assessment conducted on a three-year cycle, renewing the certification. In the second half of 2024, we passed the transition assessment of certification sectors in accordance with the updates on the certificate standard and renewed the certification. Through proactive responses such as document review, on-site due diligence, and on-site assessment, we are continuously strengthening our security system, and maintaining the international security standard certification.

Regular Information System Security Inspections

To proactively address emerging security threats in the rapidly changing digital environment, regular security inspections based on regulations are conducted. Infrastructure inspections and penetration testing are performed on operating systems, and network scans are continuously carried out to detect and eliminate vulnerabilities exposed during operation. Before building the information system, we conduct infrastructure inspections, penetration testing, and source code reviews to proactively assess the stability of the information system, thereby securely protecting customer data and enterprise assets. Additionally, based on the results of security incident response, we continuously improve policies and systems.

5.7.9 Information Security Investment and Education Status

Category	Unit	2022	2023	2024 investment ratio
Investment ratio for information security[1)]	%	5.8	6.7	6.4
Information security training completion rate[2)]	%	99.8	99.7	100

1) Investment ratio for information security relative to total IT budget (performance disclosed up to previous reporting year)
2) Information security training completion rate (attendance rate) for employees

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Hyundai Steel pursues sustainable growth through various activities aimed at enhancing the value of the enterprise and society.

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6.1 Environmental Performance

6.1.1 Environmental Targets [1)]

Classification	Unit	2021	2022	2023	2024
GHG emissions (Scope 1, 2)	$ktCO_2e$	29,266	29,268	29,162	28,661
Energy consumption	TJ	169,920	168,840	167,200	165,360
Water consumption	Million m^3	48.7	57.2	53.4	51.2
By-products generation	kt	10,432	10,424	10,491	10,208
Recycling amount	kt	10,312	10,162	10,231	10,175
Recycling Rate	%	98.8	97.5	97.5	99.7

1) The GHG emission and energy consumption targets, applicable only to domestic business sites (separate), have been set conditional to complying with the total emission allowances under the emission trading scheme (ETS) for that year

6.1.2 GHG Emissions Scope 1 & 2 [1) 2) 3) 4) 5)]

Classification		Unit	2021	2022	2023	2024
Scope 1	Domestic(separate)	$ktCO_2e$	25,857	25,907	26,679	26,580
	subsidiaries		n/a	n/a	177	166
	subtotal		n/a	n/a	26,856	26,746
Scope 2	Domestic(separate)		2,633	2,594	2,590	2,238
	subsidiaries		n/a	n/a	220	240
	subtotal		n/a	n/a	2,810	2,478
Total (Scope 1 + Scope 2)	Domestic(separate)		28,489	28,501	29,269	28,818
	subsidiaries		n/a	n/a	396	406
	total		n/a	n/a	29,665	29,224

1) In accordance with Article 2, subparagraph 5 of FRAMEWORK ACT ON CARBON NEUTRALITY AND GREEN GROWTH FOR COPING WITH CLIMATE CRISIS, includes CO_2, CH_4, N_2O, HFCs, PFCs, and SF_6
2) GHG emissions are reported according to the "Guidance for Reporting and Certifying Emissions from GHG Emissions Trading Scheme" and have completed the compliance assessment by the Ministry of Environment
3) Since 2021, a benchmark approach has been applied, which provides incentives for companies with high emissions efficiency
4) The annual total GHG emission may differ from the sum of Scope 1 and Scope 2 emissions. The total amount is calculated by aggregating rounded emission amounts at the business site level
5) Subsidiaries' emissions represent the total emissions from 8 domestic and 14 overseas subsidiaries (Emissions from HSRU and any sub-subsidiaries are excluded)

6.1.3 GHG Emissions Scope 3 [1) 2)]

Classification	Unit	2021	2022	2023	2024
Purchased goods and services [3)]	$ktCO_2e$	617.45	655.82	764.83	3,310.10
Emission from capital goods [4)]		n/a	n/a	2.39	3.61
Fuel- and energy-related activities not included in Scope 1 or Scope 2 [5)]		292.63	277.83	279.26	444.52
Upstream transportation and distribution [6)]		677.24	589.41	1,339.78	1,321.86
Waste generated in operations [7)]		n/a	31.55	99.65	90.75
Business travel [8)]		n/a	2.60	4.08	5.03
Employee commuting [9)]		n/a	22.93	9.71	8.39
Upstream leased assets [10)]		n/a	n/a	0.82	0.84
Downstream transportation and distribution [11)]		n/a	n/a	14.67	10.27
Processing of sold products		n/a	n/a	n/a	n/a
Use of sold products		n/a	n/a	n/a	n/a
End-of-life treatment of sold products [12)]		n/a	177.59	222.68	241.10
Downstream leased assets [13)]		n/a	n/a	0.14	0.24
Franchises [14)]		n/a	n/a	n/a	n/a
Investments [15)]		n/a	733.64	749.36	472.93
Total (Scope 3)		1,587.32	2,491.36	3,487.37	5,909.66

1) Only includes categories that were validated by a third party
2) Calculated based on internal calculation standards in accordance with the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard
3) Calculation was based on the purchased volume of key raw materials and water(iron ore, coal, limestone, quicklime, dolomite, light-burned dolomite, major ferroalloys and non-ferrous metals). Compared to the previous year, the number of items calculated was increased and DB's accuracy was improved(from average-based: global average DB → to weighted average of DBs considering imported regions)
4) Calculated based on newly acquired production facilities in the 2024 business report (spend-based)
5) Impact of upstream activities on purchased LNG and electricity. Improved accuracy of LNG DB (from average-based: global average DB → to weighted average of DBs considering import regions)
6) Calculation was based on the transportation of purchased raw materials and transportation services which our company procured for sold products. Additional items from Cat 1 were included (distance-based)
7) Calculation was based on waste treatment methods and types of waste generated at domestic sites (waste-type-specific)
8) Expense data for domestic and international business trips of employees from domestic sites (distance-based)
9) Calculation was based on a survey on commuting methods among employees at domestic sites. Compared to the previous year, the scope of collected data was expanded to include employees commuting by buses and subways (distance-based)
10) Calculation of emissions from energy use in domestically leased buildings (average-based, using statistical data)
11) Calculation of emissions for transportation not paid for by the company. Reflected additional items from Cat1 (distance-based)
12) Calculated using waste treatment statistics (sales value-based average)
13) Calculation using statistical data on energy consumption in domestically leased buildings (average-based, using statistical data)
14) Not Applicable
15) Calculation for affiliates, focusing on joint ventures and financial assets based on the business report (emissions-based)

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6.1.4 Energy Consumption [1) 2) 3)]

Classification	Unit	2021	2022	2023	2024
Fuel	TJ	113,039	110,226	113,673	112,933
Electricity		54,934	54,118	54,066	46,645
Steam		135	132	75	88
Total		168,099	164,466	167,803	159,662
Electricity consumption rate	%	33	33	32	29

1) Energy consumption is reported in accordance with the "Guidance for Reporting and Certifying Emissions from GHG Emissions Trading Scheme" and has completed the compliance assessment by the Ministry of Environment
2) The annual total energy consumption may differ from the sum of fuel, electricity and steam consumption. The total amount is calculated by aggregating rounded consumption figures at the business site level
3) Emissions related to the use of by-product gas were reclassified from "emissions from processes (steel production)" to "emissions from stationary combustion (gaseous fuel)" according to the "Guidelines for the GHG Emissions Monitoring Plan for the 3rd Planning Period (2021)"

6.1.5 GHG and Energy Intensity [1)]

Classification	Unit	2021	2022	2023	2024
GHG intensity	tCO_2e/t	1.36	1.44	1.43	1.45
Energy intensity	GJ/t	8.05	8.33	8.19	8.06

1) Intensity: GHG emissions and energy consumption per unit of production

Crude Steel and Product Volume

Production	Classification	Unit	2021	2022	2023	2024
Crude Steel production	Blast furnace/Converter	kt	11,905	11,828	12,396	12,449
	Electric arc furnace		7,386	6,699	6,556	5,645
	Total steel production		19,291	18,528	18,952	18,094
	Blast furnace/Converter ratio	%	62	64	65	69
	Electric arc furnace ratio		38	36	35	31
Production volume	Total production volume	kt	20,887	19,753	20,498	19,809

6.1.6 Water Withdrawal [1) 2)]

Classification		Unit	2021	2022	2023	2024
Industrial water withdrawal	Dangjin	1,000 m^3	43,191	42,794	44,822	42,601
	Incheon		2,765	2,739	2,793	2,365
	Pohang		1,940	1,851	1,801	1,609
	Suncheon		3,374	3,826	3,266	3,223
	Ulsan		172	160	95	n/a
	Subtotal		51,442	51,370	52,777	49,797
Municipal water withdrawal [3) 4)]	Dangjin		3,378	3,732	3,818	3,559
	Incheon		1,291	1,335	1,222	1,125
	Pohang		312	389	368	368
	Suncheon		0	0	0	0
	Ulsan		51	56	75	n/a
	Subtotal		5,032	5,512	5,483	5,052
Total			56,474	56,882	58,261	54,850

1) Based on government-issued water bills
2) Ulsan Works data is excluded from the 2024 data due to its spin-off into Hyundai Steel Pipe in October 2023.
3) Municipal water consumption equals the amount of Municipal water withdrawal
4) The Suncheon Works does not use any separate municipal water supply, as it utilizes water produced in its own treatment facility after raw water intake.

6.1 Environmental Performance

6.1.7 Water Consumption [1]

Classification		Unit	2021	2022	2023	2024
Industrial water Consumption [2]	Dangjin	1,000 m³	37,914	37,578	39,545	39,003
	Incheon		2,765	2,739	2,793	2,365
	Pohang		1,940	1,851	1,801	1,609
	Suncheon		3,050	3,522	3,216	3,259
	Ulsan		172	160	95	n/a
	Subtotal		45,841	45,850	47,450	46,235
Municipal water Consumption [3] [4]	Dangjin		3,378	3,732	3,818	3,559
	Incheon		1,291	1,335	1,222	1,125
	Pohang		312	389	368	368
	Suncheon		0	0	0	0
	Ulsan		51	56	75	n/a
	Subtotal		5,032	5,512	5,483	5,052
Total			50,873	51,362	52,933	51,288

1) Ulsan Works data is excluded from the 2024 data due to its spin-off into Hyundai Steel Pipe in October 2023.
2) The amount used after producing water suitable for use through pre-treatment following water intake (Pre-treatment: Dangjin, Suncheon)
3) Municipal water consumption equals the amount of Municipal water withdrawal
4) The Suncheon Works does not use any separate municipal water supply, as it utilizes water produced in its own treatment facility after raw water intake.

6.1.8 Wastewater Treatment [1] [2]

Classification		Unit	2021	2022	2023	2024
Water recycling volume [3]	Dangjin	1,000 m³	4,077	4,664	5,071	5,719
	Incheon		356	0	0	0
	Pohang		939	901	1,446	1,263
	Suncheon		0	0	0	0
	Ulsan		0	0	0	n/a
	Subtotal		5,372	5,565	6,517	6,982
Discharge volume [4]	Dangjin		15,314	17,282	17,060	15,086
	Incheon		606	92	65	11
	Pohang		63	50	47	35
	Suncheon		2,356	2,279	2,458	2,155
	Ulsan		84	71	13	n/a
	Subtotal		18,423	19,774	19,643	17,286
Total			23,795	25,339	26,160	24,269

1) Ulsan Works data is excluded from the 2024 data due to its spin-off into Hyundai Steel Pipe in October 2023.
2) Correction of figures : reflecting the omitted water recycling volume amount at Pohang Works in 2023
3) Water recycling volume: Amount of used water that is reused for other facilities or purposes (excluding simple cooling water circulation)
4) Discharge volume: Amount of wastewater discharged from the company via discharge outlets

Net water consumption [1]

Classification	Unit	2021	2022	2023	2024
Net water consumption	1,000 m³	38,051	37,108	38,618	37,564

1) Net water consumption: Amount of water consumption based on water withdrawal minus water discharge

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6.1.9 Water Consumption and Wastewater Intensity [1)]

Classification	Unit	2021	2022	2023	2024
Water consumption per production amount	m^3/t	2.44	2.60	2.58	2.59
Wastewater treatment per production amount		1.14	1.28	1.28	1.23

1) Intensity: Water consumption and wastewater treatment per unit of production

6.1.10 By-products Generation [1)]

Classification		Unit	2021	2022	2023	2024
Specific classification	Slag	kt	6,467	6,556	6,718	6,641
	Dust		502	495	489	485
	Refractory waste		137	138	131	133
	Sludge		617	643	628	611
	Others		2,127	2,120	2,195	2,056
	Total		9,850	9,952	10,162	9,926
Type	General waste	kt	9,722	9,828	10,029	9,820
	Hazardous waste		128	124	133	106
	Total		9,850	9,952	10,162	9,926

1) Based on Business Site Waste Generation and Treatment Report under the WASTES CONTROL ACT

6.1.11 Recycling [1)]

Classification	Unit	2021	2022	2023	2024
General waste recycled	kt	9,624	9,601	9,954	9,719
Hazardous waste recycled		124	120	125	100
Total waste recycled		9,748	9,721	10,079	9,819
Recycling rate	%	99.0	97.7	99.2	98.9

1) Based on Business Site Waste Generation and Treatment Report under the WASTES CONTROL ACT (including recycling amounts within the facility)

6.1.12 Waste Treatment [1)]

Classification		Unit	2021	2022	2023	2024
Landfill	General waste	kt	66	63	69	96
	Hazardous waste		0	0	3	0
Incineration	General waste		6	6	6	5
	Hazardous waste		4	4	5	6
Others	General waste		26	158	0	0
	Hazardous waste		0	0	0	0
Total			102	231	83	107

1) Based on Business Site Waste Generation and Treatment Report under the WASTES CONTROL ACT

6.1.13 Air Pollutant Emissions [1) 2)]

Classification	Unit	2021	2022	2023	2024
Dust	t	291	285	329	280
Nitrogen Oxides (NOx)		9,362	8,760	8,646	8,438
Sulfur Oxides (SOx)		3,739	5,507	5,877	5,465

1) Dust: Based on TMS (Tele Monitoring System)
2) NOx and SOx: Based on total amounts according to SPECIAL ACT ON THE IMPROVEMENT OF AIR QUALITY IN AIR CONTROL ZONES

6.1.14 Air Pollutants Intensity [1)]

Classification	Unit	2021	2022	2023	2024
Dust	kg/t	0.014	0.014	0.016	0.014
Nitrogen Oxides (NOx)		0.448	0.443	0.422	0.426
Sulfur Oxides (SOx)		0.179	0.279	0.287	0.276

1) Intensity: Air pollutant emissions per unit of production

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6.1.15 Water Pollutant Emissions [1) 2)]

Classification	Unit	2021	2022	2023	2024
Suspended Solids (SS)	kg	45,023	36,089	29,018	19,227
Chemical Oxygen Demand (COD)		245,163	n/a	n/a	n/a
Total Organic Carbon (TOC)		n/a	80,171	89,848	80,403
Biochemical Oxygen Demand (BOD)		70,295	116,736	118,125	35,618

1) Based on TMS (Tele Monitoring System) and proprietary measurement
2) According to WATER ENVIRONMENT CONSERVATION ACT, the indicator for organic substances in water pollutants was changed from COD to TOC (COD was used until 2021, and TOC has been used since 2022)

6.1.16 Water Pollutant Emissions Intensity [1)]

Classification	Unit	2021	2022	2023	2024
Suspended Solids (SS)	kg/t	0.002	0.002	0.001	0.001
Chemical Oxygen Demand (COD)		0.012	n/a	n/a	n/a
Total Organic Carbon (TOC)		n/a	0.004	0.004	0.004
Biochemical Oxygen Demand (BOD)		0.003	0.006	0.006	0.002

1) Intensity: Water pollutant emissions per unit of production

6.1.17 Chemical Substance Emissions [1)]

Classification	Unit	2021	2022	2023	2024
Chemical Substance Emissions	t	59.8	49.9	59.6	50.6

1) Based on survey of chemical substance emission under CHEMICAL SUBSTANCES CONTROL ACT

6.1.18 Hazardous Chemicals Usage [1)]

Classification	Unit	2021	2022	2023	2024
Hazardous Chemicals Usage	kt	25,591	25,006	25,914	26,271

1) Based on the performance report for hazardous chemicals under CHEMICAL SUBSTANCES CONTROL ACT (excluding sales)

6.1.19 Violations of Environmental Regulations [1) 2)]

Classification	Unit	2021	2022	2023	2024
No. of violations of environmental regulations	case	1	0	0	0
Fines	KRW 100 million	0.2	0	0	0
Environment-related liabilities		0	0	0	0

1) Only violations resulting in fines over KRW 10 million are included
2) The number of environmental regulation violations and penalty amounts are applied retroactively upon final confirmation of payment

6.1.20 Eco-friendly(Sustainable Products/Services) Purchasing [1)]

Classification	Unit	2021	2022	2023	2024
Purchasing contract for ecofriendly certified products	KRW million	2,499	3,177	3,877	2,758

1) Scope of eco-friendly(Sustainable Products/Services) products: GR (Good Recycled) certification, Environmental mark certification, and low-carbon products

6.1.21 Eco-friendly(Sustainable Products/Services) Sales [1)]

Classification	Unit	2021	2022	2023	2024
Sales of eco-friendly goods and services	KRW million	3,910,205	4,537,419	5,511,008	4,211,585

1) Scope of eco-friendly(Sustainable Products/Services) products: GR (Good Recycled) certification, Environmental mark certification, and low-carbon products

6.1.22 Use of Recycled Materials [1)]

Classification	Unit	2021	2022	2023	2024
Use of key raw materials [2)]	kt	36,205	34,706	35,615	36,288
Use of recycled materials [3)]		9,117	8,330	7,514	8,491

1) Correction of figures: use of recycled material (steel scrap) for 2022 and 2023
2) Key raw materials: iron ore, coal, steel scrap
3) Recycled materials: steel scrap

6.1.23 Environmental Investment [1)]

Classification	Unit	2021	2022	2023	2024
Environmental operation costs [2)]	KRW 100 million	3,133	3,752	4,198	4,349
Environmental investment costs		458	937	1,261	903
Environmental benefits [3)]		2,164	2,463	2,211	2,362

1) Correction of figures: partial revision of previous year's data for environmental operation costs, investment costs, and benefits
2) Environmental operation costs: Costs associated with operating facilities that prevent environmental pollution (e.g., electricity, labor, maintenance)
3) Environmental benefits: Includes cost savings, revenue from the sale of by-products, and tax incentives

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6.2.1 Employee Demographics

Classification		Unit	2021	2022	2023	2024
All employees[1]	Total	persons	11,499	11,623	11,835	11,806
Gender	Male		11,103	11,185	11,358	11,303
	Female		396	438	477	503
Job Group[2]	General·Research		3,454	3,535	3,724	3,707
	Technical		7,852	7,892	7,929	7,912
	Others		193	196	186	187
Employment type[3]	Executives		68	66	69	59
	Male		68	66	69	59
	Female		0	0	0	0
	Permanent		11,054	11,172	11,375	11,305
	Male		10,799	10,866	11,025	10,926
	Female		255	306	350	379
	Contract		377	385	391	442
	Male		236	253	264	318
	Female		141	132	127	124
	Irregular workers		0	0	0	0
	Male		0	0	0	0
	Female		0	0	0	0
Age[4]	Under 30 years old		1,156	1,520	1,918	2,095
	30 to under 50 years old		7,611	7,592	7,604	7,607
	50 years old and above		2,732	2,511	2,313	2,104

Classification		Unit	2021	2022	2023	2024
Diversity	Empolyee with disabilities[5][6]	persons	228	214	207	206
	Ratio of employees with disabilities	%	2.0	1.8	1.7	1.7
	Foreigner[7]	persons	6	8	8	6
	Empolyee with national merits		393	383	376	368
Newly hired employees	Total[8]		611	754	731	616
Gender	Male		529	640	606	510
	Female		82	114	125	106
Age[9]	Under 30 years old		472	563	540	352
	30 to under 50 years old		98	132	127	136
	50 years old and above		41	59	64	128
Percentage of open positions filled by internal candidates[10]		%	67.1	58.5	57.4	67.5
Workers who are not Employees	Total	persons	10,019	10,098	9,408	8,305
	Male		9,856	8,949	8,321	7,340
	Female		163	1,149	1,087	965
Turnover rate[11]		%	5.6	5.5	5.0	4.8
Voluntary turnover rate[12]			3.7	3.5	3.9	3.5

1) Based on the 2024 business report. Excludes local hires by region (Asia: 408 persons, America: 289 persons, Europe: 238 persons)
2), 3), 11), 12) Change in calculation criteria (figures differ from the previous year's report)
4), 9) Change in age group intervals (figures differ from the previous year's report)
5) Individuals with disabilities defined in the ACT ON WELFARE OF PERSONS WITH DISABILITIES and ACT ON THE HONORABLE TREATMENT AND SUPPORT OF PERSONS OF DISTINGUISHED SERVICES TO THE STATE
6) Changed to the Korea Employment Agency for the Disabled registration criteria (figures differ from previous year's report)
7) Newly hired foreign employees by year:
2021: USA (male, 1), China (female, 1)
2022: Japan (female, 1 / male, 1), Kenya (female, 1)
2023: Côte d'Ivoire (female, 1)
2024: Not applicable
8), 10) Correction of figures: revision of 2022-2023 data due to data entry errors

6.2 Social Performance

Female Executives by Job Level

Classification	Unit	Executive[1]	Junior Executive[2]	Top Executive[3]	Sales Department[4]	STEM Department[5]
2024	%	7.2	17.3	25.0	15.5	13.8
2025 target		7.4	17.8	25.0	16.0	14.2

1) Permanent general/research employees
2) Permanent general/research employees below the job grade of G2/R2
3) Registered executives as per the 2024 business report
4) General/research employees in the Business Division Sales Department
5) Science, Technology, Engineering, Mathematics Research employees

Non-Korean Employees by Nationality(Domestic Operations)

Classification	Unit	China	Japan	Kenya	Côted'Ivoire
2024	persons	3	1	1	1

6.2.2 Talent Development

Classification			Unit	2021	2022	2023	2024
Total training hours[1][2]			hours	379,510	512,988	530,431	446,890
Average training hours per employee			hours	33	44	45	38
Total training investment			KRW million	5,158	5,939	6,496	6,337
Gender	Male	Total training hours	hours	365,697	486,731	498,900	417,914
		No. of employees	persons	11,103	11,185	11,358	11,303
		Average training hours	hours	33	44	44	37
	Female	Total training hours	hours	13,814	26,257	31,531	28,976
		No. of employees	persons	396	438	477	503
		Average training hours	hours	35	60	66	58
Age[3]	Under 30 years old	Total training hours	hours	30,739	63,611	74,205	63,123
		No. of employees	persons	1,156	1,520	1,918	2,095
		Average training hours	hours	27	42	39	30
	30 to under 50 years old	Total training hours	hours	287,760	360,489	355,397	299,562
		No. of employees	persons	7,611	7,592	7,604	7,607
		Average training hours	hours	38	47	47	39
	50 years old and above	Total training hours	hours	61,012	88,888	100,829	84,206
		No. of employees	persons	2,732	2,511	2,313	2,104
		Average training hours	hours	22	35	44	40
Job level	Senior manager	Total training hours	hours	5,656	7,262	5,288	4,602
		No. of employees	persons	109	113	112	108
		Average training hours	hours	52	64	47	43
	Middle manager	Total training hours	hours	9,726	30,051	20,951	16,006
		No. of employees	persons	332	343	357	350
		Average training hours	hours	29	88	59	46
	Non-manager	Total training hours	hours	364,129	475,675	504,192	426,282
		No. of employees	persons	11,058	11,167	11,366	11,348
		Average training hours	hours	33	43	44	38

1) Includes all training such as job and industry training, mandatory legal training (sexual harassment prevention, anti-discrimination, safety, security), etc.
2) Recalculated to reflect previously unreported training results (figures differ from previous year's report)
3) Change in age group intervals (figures differ from the previous year's report)

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6.2.3 Social Contribution Performance

Classification	Unit	2021	2022	2023	2024
Social contribution investment[1) 2)]	KRW million	11,696	14,065	15,157	16,698
Volunteering input cost[3)]		61	179	274	310
Employee participation fund[4)]		338	317	292	269
Volunteer participation rate[5)]	%	43	47	40	40
Volunteer participation hours[6)]	hours	2,317	6,701	9,732	9,992

1) Includes company-wide donations and budget for public interest activities
2) Recalculation of donations and public interest budget for 2021-2023 (figures differ from previous year's report)
3) Calculated as Volunteering hours X Average hourly wage of employees (excluding weekend input costs)
4) Ulsan Works amount is excluded from the 2024 amount due to its spin-off into Hyundai Steel Pipe in October 2023.
5) Percentage of employees participating in volunteering and fundraising activities relative to the total workforce
6) Excludes volunteering hours on weekends

6.2.4 Employee Engagement

Classification	Unit	2021	2022	2023	2024
Engagement[1)]	points	60.8	64.8	65.4	69.4
Survey participation rate[2)]	%	100	100	100	100

1) Engagement: Scores related to engagement (purpose, organizational structure, policies, job experiences, company satisfaction) from the annual Hyundai Motor Group organizational culture assessment
2) Based on General and Research Positions (including Executives)

6.2.5 Retirement Pension (DB, DEFINED BENEFIT PLAN)

Classification	Unit	2021	2022	2023	2024
Pension fund	KRW million	758,535	845,860	956,112	1,005,383
Pension holders	persons	11,085	10,549	11,846	11,610

6.2.6 Parental Leave

Classification		Unit	2021	2022	2023	2024
Employees on parental leave	Total[1)]	Persons	176	222	204	235
	Male		138	187	175	209
	Female		38	35	29	26
Employees who return from parental leave	Total[2)]		145	178	161	193
	Male		120	157	135	174
	Female		25	21	26	19
Employees working 12 months after returning	Total[3)]		79	64	101	99
	Male		62	53	92	80
	Female		17	11	9	19
Employees working shortened hours			10	11	10	12

1) Recalculated including family-related leave (figures differ from previous year's report)
2), 3) Change in calculation criteria (figures differ from previous year's report)

6.2.7 Collective Bargaining Agreement[1)]

Classification	Unit	2021	2022	2023	2024
Number of employees covered by collective bargaining agreement	Persons	11,407	11,511	11,725	11,701
Coverage rate of collective bargaining agreement	%	99.2	99.0	99.1	99.1

1) As of the end of the reporting period

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6.2.8 Violations of Company Rules and Disciplinary Actions[1)]

Classification		Unit	2021	2022	2023	2024
Anti-corruption/Bribery	Minor disciplinary actions	persons	2	1	0	0
	Major disciplinary actions[2)]		4	2	3	4
Discrimination/ Harassment	Minor disciplinary actions		6	0	4	4
	Major disciplinary actions		7	5	7	9
Customer Privacy Data	Minor disciplinary actions		0	0	0	0
	Major disciplinary actions		0	0	0	0
Conflicts of interest	Minor disciplinary actions		0	0	0	0
	Major disciplinary actions		0	0	0	0
Money laundering/ Insider trading	Minor disciplinary actions		0	0	0	0
	Major disciplinary actions		0	0	0	0
Information security	Minor disciplinary actions		5	0	6	1
	Major disciplinary actions[3)]		5	2	0	0
Code of conduct	Minor disciplinary actions		40	31	32	35
	Major disciplinary actions[4)]		19	25	30	26

1) Correction of figures: revision of some data for 2022-2023 due to data entry errors
2) Includes 5 dismissals (2 in 2021, 1 in 2022, 2 in 2023)
3) Includes 3 dismissals (3 in 2021)
4) Includes 8 dismissals (5 in 2022, 3 in 2023)

6.2.9 Occupational Injury Rate

Classification		Unit	2021	2022	2023	2024
No. of fatalities	Employees	persons	1	1	0	1
	Contractors		0	1	1	1
	Total		1	2	1	2
Lost-Time Injury Frequency Rate (LTIFR)[1)]	Employees	cases/ million hours worked	3.80	3.78	3.08	2.82
	Contractors		2.36	3.80	3.00	1.87
	Total		2.98	3.79	3.04	2.39

1) Lost-Time Injury Frequency Rate (LTIFR): the number of lost-time injuries per million hours worked, representing the frequency of industrial accidents

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6.3 Economic Performance

6.3.1 Board of Directors

Classification	Unit	2021	2022	2023	2024
No. of regular board meetings	cases	4	4	4	4
No. of special board meetings		5	2	6	4
Total No. Of board meetings		9	6	10	8
No. of agenda items discussed		30	23	28	28

6.3.2 Board of Directors Remuneration [1)]

Classification		Unit	2021	2022	2023	2024
Executive director	No. of directors	persons	4	4	5	4
	Male		4	4	5	4
	Female		0	0	0	0
	Total amount paid [2)]	KRW million	3,188	3,701	3,302	2,335
Independent director	No. of directors	persons	5	5	5	5
	Male		4	4	4	3
	Female		1	1	1	2
	Total amount paid	KRW million	421	403	437	436
Employee remuneration	Median	KRW million	93	107	89	92
	Average		95	107	90	93
CEO	Remuneration		1,159	1,647	1,510	1,055
Highest remuneration [3)]	Remuneration received		1,159	1,647	1,510	1,055

1) As of the end of the reporting period (including retired Executive Directors). In 2023, there were 5 members due to a change in CEO
2) Applied criteria excluding retirement pay for 2022 and 2023 (figures differ from previous year's report)
3) Retirement income excluded

6.3.3 Financial Performance

Classification	Unit	2021	2022	2023	2024
Sales	KRW million	22,849,921	27,340,601	25,914,760	23,226,141
Total Assets		37,042,299	36,800,956	35,218,842	34,743,788

6.3.4 Economic Performance Distribution

Classification	Unit	2021	2022	2023	2024
Distributed amount	KRW 100 million	214,871	265,286	257,582	235,269

6.3.5 Key Economic Performance Distribution

Classification	Unit	2021	2022	2023	2024
Employee wages and welfare expenses [1)]	KRW 100 million	14,136	18,180	20,363	21,044
Enterprise operating expenses [2)]		189,888	239,061	230,801	209,623
Shareholders/investors dividends		1,315	1,315	1,315	987
Shareholders/investors interest expenses		3,040	3,564	4,139	4,207
Government corporate tax [3)]		6,440	3,104	891	(683)
Community donations		51	61	72	91

1) Change in calculation criteria (figures differ from previous year's report)
2) Enterprise operating expenses: Total operating expenses excluding employee wages and welfare expenses.
3) Amounts shown in parentheses represent corporate tax income in accounting

6.3.6 Total Association Membership Fees

Classification	Unit	2021	2022	2023	2024
Korea Iron & Steel Association	KRW 100 million	12	11	12	13
World Steel Association		5	5	5	5
Korea Enterprises Federation		2	2	2	2
Dangjin Chamber of Commerce and Industry		2	2	2	2
Suncheon Chamber of Commerce and Industry		1	1	1	1
Others		12	21	18	17
Total payment		34	42	40	40

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6.3.7 Donation/Contribution Expenses [1)]

Classification	Unit	2021	2022	2023	2024
Associations and tax-exempt organizations	KRW 100 million	34	42	40	40
Lobbying and interest groups		0	0	0	0
Political donations, campaigns		0	0	0	0
Others		0	0	0	0
Total donations/contribution cost		34	42	40	40

1) Donation/contribution expenses: In accordance with the POLITICAL FUNDS ACT of Korea and the Ethical Management Principles of Hyundai Steel, donation or support for political purposes using company assets or budget is strictly prohibited

6.3.8 R&D Investment

Classification	Unit	2021	2022	2023	2024
Investment cost	KRW million	200,542	245,572	253,966	261,306
Ratio of R&D budget to revenue	%	1	1	1	1

6.3.9 Supplier

Classification	Unit	2021	2022	2023	2024
Total number of Tier 1 suppliers [1)]	No. of companies	844	715	539	597
Purchase amount from Tier 1 suppliers	KRW 100 million	162,753	172,866	141,239	132,300
Share of purchases from Tier 1 suppliers	%	100	100	100	100
Total number of significant Tier 1 suppliers [2)]	No. of companies	165	177	155	191
Purchase amount from significant Tier 1 suppliers	KRW 100 million	86,987	112,058	95,772	95,774
Share of purchases from significant Tier 1 suppliers	%	53.4	64.8	67.8	72.4

1) Refers to all suppliers managed within the supply chain (excluding those below a certain size and one-time transaction vendors)
2) Criteria for classifying significant suppliers (core supply chain)
- Consider factors such as the size of the transaction, the significance of the items involved, and the replaceability of the suppliers
- Include major raw material suppliers such as iron ore and steel scrap, as well as equipment/logistics companies and suppliers of ancillary materials

6.3.10 Support for Win-Win growth

Classification		Unit	2021	2022	2023	2024
Direct support	Management funding	KRW 100 million	276	254	218	255
Indirect support	Network loans		91	66	55	57
Mixed support	Win-Win Growth Fund & Steel ESG Win-Win Fund		600	600	600	603
Special support	Contribution of investment resources		3	14	12	9
Total			971	934	885	924

6.3.11 Procurement from Suppliers

Classification		Unit	2021	2022	2023	2024
Key raw materials [1)]	Amount	KRW 100 million	119,934	138,373	106,772	103,585
	Ratio	%	74	80	76	78
Others	Amount	KRW 100 million	43,359	34,493	34,467	28,716
	Ratio	%	27	20	24	22
Total	Amount	KRW 100 million	163,293	172,866	141,239	132,300
	Ratio	%	100	100	100	100

1) Including iron ore, coal, steel scrap, and auxiliary materials such as ferroalloys

6.3.12 Customer Satisfaction [1) 2)]

Classification	Unit	2021	2022	2023	2024
Customer satisfaction score	points	73.5	70.3	n/a	75.9

1) Change of indicator from satisfaction response rate to overall score (figures differ from previous year's report)
2) Customer satisfaction survey not conducted in 2023 due to change in survey timing

6.3.13 Anti-Corruption & Fair Competition Violations [1)]

Classification	Unit	2021	2022	2023	2024	2024
Anti-competition fines	KRW 100 million	0	0	0	2	0
Anti-corruption and bribery cases	case	0	0	0	0	0

1) Fines were retrospectively reflected in the data based on payment dates, following final decisions

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ESG Policy
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7.1 ESG Policy

POLICIES LINK



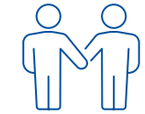
Environment Management Policy



Biodiversity Policy



Deforestation Prevention Policy



Human Rights Policy



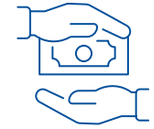
Diversity and Inclusion Policy



Anti-Discrimination and Harassment Policy



Health and Safety Policy



Anti-Corruption & Bribery Policy



Community Engagement Policy



Ethics Charter & Code of Conduct



Supply Chain ESG management policy



Conflict Minerals (Responsible Minerals) Policy



Supplier Code of Conduct



Guideline upon Independence and Diversity of Independent Directors



Tax Policy

All sustainable management policies will be disclosed after approval by the C-level executives (business unit heads) in each policy area and reporting to the board (Transparent Management Committee).

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7.2 International Standards and Initiative

7.2.1 GRI CONTENT INDEX

Statemtent of use	Hyundai Steel reports its sustainability-related information for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards 2021 reporting principles.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	There are no applicable GRI Sector Standards for Hyundai Steel's reporting structure, including its GICS and industry classification.

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General Disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	p.7-8 / Business Report p.3		
	2-2 Entities included in the organization's sustainability reporting	p.7 / Business Report p.10-11		
	2-3 Reporting period, frequency and contact point	p.4		
	2-4 Restatements of information	p.4		
	2-5 External assurance	p.138-140		
	2-6 Activities, value chain, and other business relationships	p.8		
	2-7 Employees	p.118		
	2-8 Workers who are not employees	p.118		
	2-9 Governance structure and composition	p.90		
	2-10 Nomination and selection of the highest governance body	p.91-93		
	2-11 Chair of the highest governance body	p.91-93		
	2-12 Role of the hghest governance body in overseeing the management of impacts	p.10		
	2-13 Delegation of responsibility for managing impacts	p.10, 90		
	2-14 Role of the highest governance body in sustainability reporting	p.10, 12, 90 / Business Report p.286-289		
	2-15 Conflicts of interest	p.93		
	2-16 Communication on critical concerns	p.10, 90 / Business Report p.286-289		
	2-17 Collective knowledge of the highest governance body	p.92		
	2-18 Evaluation of the performance of the highest governance body	p.95		
	2-19 Remuneration policies	p.95 / Business Report p.205-309		
	2-20 Process to determine remuneration	p.95 / Business Report p.205-309		
	2-21 Annual total compensation ratio	p.122		
	2-22 Statement on sustainable development strategy	p.6		
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GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	p.16, 26, 32, 40, 47, 54, 58, 60, 67, 71, 81, 86, 100, 107, 108		
	2-25 Process to remediate negative impacts	p.68, 88, 100-103		
	2-26 Mechanisms for seeking advice and raising concerns	p.68, 88		
	2-27 Compliance with laws and regulations	p.117, 123		
	2-28 Membership associations	p.122		
	2-29 Approach to stakeholder engagement	p.15		
	2-30 Collective bargaining agreements	p.120		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p.12		
	3-2 List of material topics	p.13-14		
Material Topic 1	Climate change response			
GRI 3: Material Topics 2021	3-3 Management of material topics	p.13-14		
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	p.113		
	305-2 Energy indirect (Scope 2) GHG emissions	p.113		
	305-3 Other indirect (Scope 3) GHG emissions	p.113		
	305-4 GHG emissions intensity	p.114		
Material Topic 2	Pollutants management			
GRI 3: Material Topics 2021	3-3 Management of material topics	p.13-14		
GRI 303: Water	303-2 Management of water discharge-related impacts	p.28, 31		
GRI 305: Emissions	305-7 Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and other significant air emissions	p.31, 116		

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Topic	Index	Report Page	Cause of Omission	Additional Information
Material Topic 3	Resource Circularity			
GRI 3: Material Topics 2021	3-3 Management of material topics	p.13-14		
GRI 301: Materials	301-2 Recycled input materials used	p.117		
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	p.26-27, 32, 35-37		
	306-2 Management of significant waste-related impacts	p.26-27, 32, 35-37		
	306-3 Waste generated	p.116		
	306-4 Waste diverted from disposal	p.116		
	306-5 Waste directed to disposal	p.116		
Material Topic 4	Occupational safety and health			
GRI 3: Material Topics 2021	3-3 Management of material topics	p.13-14		
GRI 403: Occupational Health	403-1 Occupational health and safety management system	p.40-41		
	403-2 Hazard identification, risk assessment, and incident investigation	p.42-43, 45-46		
	403-3 Occupational health services	p.42-43, 46		
	403-4 Worker participation, consultation, and communication on occupational health and safety	p.42-43		
	403-5 Worker training on occupational health and safety	p.42		
	403-6 Promotion of worker health	p.44		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.42-43, 46		
	403-8 Workers covered by an occupational health and safety management system	p.40-41, 44		
	403-9 Work-related injuries	p.121		
Material Topic 5	Supply chain management			
GRI 3: Material Topics 2021	3-3 Management of material topics	p.13-14		
GRI 308: Supplier Environmental Assessment	308-2 Negative environmental impacts in the supply chain and actions taken	p.48		
GRI 414: Supplier Social Assessment	414-2 Negative social impacts in the supply chain and actions taken	p.48		

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Topic	Index	Report Page	Cause of Omission	Additional Information
Topic of Interest 1	Employee social dialogue and collective bargaining rights			
GRI 402: Labor/Management Relations	402-1 Minimum notice periods regardingoperational changes	p.77		
Topic of Interest 2	Ethical and Compliance Management			
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	p.89		
	205-2 Communication and training about anti-corruption policies and procedures	p.86, 88		
	205-3 Confirmed incidents of corruption and actions taken	p.121, 123		
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly	p.123		
Topic of Interest 3	Supply Chain Health and Safety			
GRI 403: Occupational Health and Safety	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.42-43, 46		
	403-8 Workers covered by an occupational health and safety management system	p.40, 44		
	403-9 Work-related injuries	p.121		
Topic of Interest 4	Employee working environment			
GRI 401: Employment	401-1 New employee hires and employee turnover	p.118		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 78		
	401-3 Parental leave	p.120		
Topic of Interest 5	Biodiversity and ecosystem protection			
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p.60-61		
	304-2 Significant impacts of activities, products and services on biodiversity	p.61		
Topic of Interest 6	Water resources			
GRI 303: Water	303-1 Interactions with water as a shared resource	p.21-22		
	303-2 Management of water discharge-related impacts	p.28, 31		
	303-3 Water withdrawal	p.114		
	303-4 Water discharge	p.115		
	303-5 Water consumption	p.115		

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Topic	Index	Report Page	Cause of Omission	Additional Information
Topic of Interest 7	Employee Diversity and inclusion			
GRI 404: Training and Education	404-1 Average hours of training per year per employee	p.119		
	404-2 Programs for upgrading employee skills and transition assistance programs	p.72-74		
	404-3 Percentage of employees receiving regular performance and career development reviews	p.75		
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	p.118		
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	p.121		
Other GRI Index				
GRI 201: Economic performance	201-1 Direct economic value generated and distributed	p.122		
	201-3 Defined benefit plan obligations and other retirement plans	p.120		
GRI 203 : Indirect Economic Impacts	203-1 Infrastructure investments andservices supported	p.120		
GRI 207 : Tax	207-1 Approach to tax	p.107		
GRI 302: Energy	302-1 Energy consumption within the organization	p.114		
	302-3 Energy intensity	p.114		
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	p. 84		

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7.2.2 ESRS

Hyundai Steel is actively responding to the European Sustainability Reporting Standards (ESRS), a framework designed to implement the Corporate Sustainability Reporting Directive (CSRD) mandated by the EU since March 2023. The ESRS specifies the scope and criteria for sustainability-related information that companies are required to disclose. The final version released by the European Financial Reporting Advisory Group (EFRAG) in November 2022 comprises two general standards and eleven topic standards, along with 84 disclosure requirements and 1,144 quantitative and qualitative data points. We are working to familiarize itself with the requirements of CSRD and ESRS and is making efforts to establish a systematic information management system to prepare in advance.

ESRS 2. General Disclosures

Topic	Title	Report Page
ESRS 2 BP-1	General basis for preparation of the sustainability statements	p.4
ESRS 2 BP-2	Disclosures in relation to specific circumstances	p.4
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	p.10
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	p.12
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	p.10
ESRS 2 GOV-4	Statement on sustainability due diligence	p.100-103
ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting	p.14
ESRS 2 SBM-1	strategy, business model and value chain	p.8
ESRS 2 SBM-2	Interests and views of stakeholders	p.15
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	p.13
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	p.12
ESRS 2 IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	p.131-133

ESRS E1. Climate Change

Topic	Title	Report Page
ESRS E1-1	Transition plan for climate change mitigation	p.17-24
ESRS E1-2	Policies related to climate change mitigation and adaptation	p.16
ESRS E1-3	Actions and resources in relation to climate change policies	p.17-24
ESRS E1-4	Targets related to climate change mitigation and adaptation	p.25
ESRS E1-5	Energy consumption and mix	p.114
ESRS E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	p.113-114
ESRS E1-7	GHG removals and GHG mitigation projects financed through carbon credits	None
	Avoided emissions of products and services	p.38
ESRS E1-8	Internal carbon pricing	p.20
ESRS E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	p.17

ESRS E2. Pollution

Topic	Title	Report Page
ESRS E2-1	Policies related to pollution	p.26
ESRS E2-2	Actions and resources related to pollution	p.26-30
ESRS E2-3	Targets related to pollution	p.31
ESRS E2-4	Pollution of air, water and soil	p.116-117
ESRS E2-5	Substances of concern and substances of very high concern	p.117
ESRS E2-6	Potential financial effects from pollution-related impacts, risks and opportunities	p.27

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ESRS E3. Water and Marine Resources

Topic	Title	Report Page
ESRS E3-1	Policies implemented to manage water and marine	p.60
ESRS E3-2	Actions and resources related to water and marine	p.62-64
ESRS E3-3	Targets related to water and marine resources	None
ESRS E3-4	Water consumption	p.114-116
ESRS E3-5	Potential financial effects from water and marine resources-related impacts, risks and opportunities	p.21-23, 62

ESRS E4. Biodiversity and Ecosystems

Topic	Title	Report Page
ESRS E4-1	Transition plan on biodiversity and ecosystems[3]	None
ESRS E4-2	Policies related to biodiversity and ecosystems	p.60
ESRS E4-3	Actions and resources related to biodiversity and ecosystems	p.62-64
ESRS E4-4	Targets related to biodiversity and ecosystems	None
ESRS E4-5	Impact metrics related to biodiversity and ecosystems change	p.63-64
ESRS E4-6	Potential financial effects from biodiversity and ecosystem-related risks and opportunities	p.62

ESRS E5. Resource Use and Circular Economy

Topic	Title	Report Page
ESRS E5-1	Policies related to resource use and circular economy	p.32
ESRS E5-2	Actions and resources related to resource use and circular	p.34-37
ESRS E5-3	Targets related to resource use and circular economy	p.39
ESRS E5-4	Resource outflows	p.117
ESRS E5-5	Resource outflows	p.116
ESRS E5-6	Potential financial effects from resource use and circular economy-related impacts, risks and opportunities	p.34

ESRS S1. Own Workforce

Topic	Title	Report Page
ESRS S1-1	Policies related to own workforce	p.40, 67
ESRS S1-2	Processes for engaging with own workers and workers' representatives about impacts	p.68
ESRS S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	p.43, 68
ESRS S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	p.69
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts	p.45-46
	Targets related to managing material risks and opportunities	p.45-46
ESRS S1-6	Characteristics of the undertaking's employees	p.118
ESRS S1-7	Characteristics of non-employee workers in the undertaking's own workforce	p.118
ESRS S1-8	Percentage of total employees covered by collective bargaining agreements. For employees not covered by collective bargaining agreements, a description of reasons and countermeasures	p.120
	No. of strikes, no. of work loss days due to strikes, measures and discussions to resolve strikes, etc.	
ESRS S1-9	Average hourly wage difference between genders, ratio of women's hourly wage against men's hourly wage	p.75
	Persons subject to family care leave (maternity leave, parental leave, etc.), no. of persons who went on a leave, retention rate after returning to work after leave	p.120
ESRS S1-10	Adequate wages	p.75
ESRS S1-11	Social protection	p.75
ESRS S1-12	Persons with disabilities	p.118
ESRS S1-13	Percentage of employees that participated in regular performance and career development reviews	p.75
	Average number of training hours and expenses per person	p.119
ESRS S1-14	Percentage of own workers who are covered by the undertaking's health and safety management system based on legal requirements and/or recognized standards or guidelines	p.41
	Number and rate of work-related injuries and ill health, the number of days lost to work-related injuries, accidents, and ill health	p.121
ESRS S1-15	Work-life balance indicators	p.78
ESRS S1-16	Ratio of the annual total compensation ratio of the highest paid individual to the median annual total compensation for all employees	None
ESRS S1-17	Number of work-related incidents and severe human rights impacts and incidents within its own workforce and any related material fines or sanctions for the reporting period	p.70
	Number of complaints and severe human rights impacts and incidents within its own workforce and any related countermeasures and plans to prevent reoccurrence	p.70

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ESRS S2. Workers in the Value Chain

Topic	Title	Report Page
ESRS S2-1	Policies related to value chain workers	p.47, 67
ESRS S2-2	Processes for engaging with value chain workers about impacts	p.51
ESRS S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	p.51
ESRS S2-4	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	p.52
ESRS S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	p.52

ESRS S3. Affected Communities

Topic	Title	Report Page
ESRS S3-1	Policies related to affected communities	p.81
ESRS S3-2	Processes for engaging with affected communities about impact	p.84
ESRS S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	p.84
ESRS S3-4	Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	None
ESRS S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	None

ESRS S4. Consumers and End Users

Topic	Title	Report Page
ESRS S4-1	Policies related to consumers and end-users	p.104
ESRS S4-2	Processes for engaging with consumers and end-users about impacts	p.104
ESRS S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	p.104-105
ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	p.106
ESRS S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	p.106

ESRS G1. Business Conduct

Topic	Title	Report Page
ESRS G1-1	Top decision-making body's declaration of ethical management and roles and responsibilities in relation to management and supervision	p.86
	Requirements in the Ethics Charter and Code of Conduct	p.86
ESRS G1-2	Operating the compliance program, conducting activities to make payment improvements, such as the win-win payment system	p.87
	Diagnosing and conducting a due diligence on supplier ESG risks, reflecting diagnosis and due diligence results in supplier selection criteria[7]	p.48
ESRS G1-3	Activities to prevent corruption or bribery, and a system to investigate and report outcomes to the administrative, management and supervisory bodies	p.86
	to prevent unfair trading, and a system to investigate and report outcomes to the administrative, management and supervisory bodies	p.86
ESRS G1-4	Number of confirmed incidents of corruption or bribery, details of public legal cases,	p.121, 123
	Number of confirmed incidents in which own workers were dismissed or disciplined	p.121, 123
	Number of confirmed incidents of unfair trading, details of public legal cases,	p.121, 123
ESRS G1-5	Political influence and lobbying activities	p.123
ESRS G1-6	Payment practices	p.49

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7.2.3 SASB

To communicate the financial impact of sustainable management to investors and customers, Hyundai Steel discloses key ESG information based on the Sustainability Accounting Standards Board (SASB) standards for the steel industry. This year, we are reporting on some metrics according to SASB standards, and we plan to gradually expand the scope of disclosure in line with SASB standards in the future.

Sustainability Disclosure Topics & Accounting Metrics

Classification	Code	Indicator	Unit	Hyundai Steel's Current Status
Greenhouse Gas Emissions	EM-IS- 110a.1	Total Scope 1 emissions	$ktCO_2e$	26,580
		Percentage of Scope 1 emissions subject to emission restriction regulations (e.g., K-ETS)	%	100
	EM-IS- 110a.2	Short- and long-term strategies and plans for managing Scope 1 emissions, emissions reduction targets, and performance	-	Refer to p.16-25
Air Pollutant Emissions	EM-IS-120a.1	NOx Emissions	tonnes	8,438
		SOx Emissions	tonnes	5,465
		TSP Emissions	tonnes	280
Energy Management	EM-IS-130a.1	Total energy consumed	TJ	159,662
		Electricity	TJ	46,645
		Steam	TJ	88
	EM-IS- 130a.2	Total fuel consumed	TJ	112,933
Water Management	EM-IS- 140a.1	Total amount of water withdrawal	1,000 m^3	54,850
		Total amount of water consumed	1,000 m^3	51,288
Waste Management	EM-IS- 150a.1	Total amount of waste generated	kt	9,926
		Percentage of waste reused, recycled, and reprocessed	%	98.9

Activity Metrics

Code	Indicator	Unit	Hyundai Steel's Current Status
EM-IS-000.B	Total iron ore production	tonnes	None
EM-IS-000.C	Total coking coal production	tonnes	None

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7.2.4 WEF

Stakeholder Capitalism Metrics

Principle of Governance (6 Indicators)

Theme	Metrics	Page	Note
Governing purpose	Setting purpose	p.6, 8	
Quality of governing body	Governance body composition	p.90	
Stakeholder engagement	Material issues impacting stakeholders	p.13-15	
Ethical behavior	Anti-Corruption	p.86-89	
	Reporting mechanisms	p.86	
Risk and opportunity oversight	Integrating risk and opportunity into business process	p.100-101	

Planet (4 Indicators)

Theme	Metrics	Page	Note
Climate change	Greenhouse Gas (GHG) emissions	p.113	
	TCFD implementation	p.136	
Nature loss	Land use and ecological sensitivity	p.60-61	
Freshwater availability	Water consumption and withdrawal in waterstressed areas	p.22	

People (6 Indicators)

Theme	Metrics	Page	Note
Dignity and equality	Diversity and inclusion	p.77-78	
	Pay equality	p.75	
	Wage level	p.75	
Health and wellbeing	Risk for incidents of child, forced or compulsory labor	p.67, 69	
	Health and safety	p.40-46	
Skills for the future	Training provided	p.119	

Prosperity (5 Indicators)

Theme	Metrics	Page	Note
Employment and wealth generation	Absolute number and rate of employment	p.118	
	Economic contribution	p.122	
	Financial investment contribution	p.122	
Innovation of better products and services	Total R&D expenses	p.123	
Community and social vitality	Total tax paid	p.122	

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7.2.5 TCFD

Hyundai Steel supports the TCFD and proactively implements the following actions in response to climate change, aligning with the TCFD recommendations. These actions encompass governance, strategy, risk management, metrics and targets.

Classification	Item	Details
Governance	Role of the Board	• The Board plays an oversight role in addressing climate change, reviewing and guiding strategies and risk management policies, monitoring progress on targets and performance, and making ESG-related decisions through the establishment of the Transparent Management Committee.
	Role and responsibility of executive board	• The Strategy Planning Division operates the Carbon Neutrality Promotion Office, which establishes and implements carbon neutrality strategies. The R&D Division runs the Low Carbon Technology Development Office, dedicated to developing carbon neutrality-related technologies.
	Status of dedicated team operations	• The Carbon Neutrality Execution Group serves as a control tower, comprehensively addressing GHG reduction with the participation of major operating departments, R&D departments, and strategic departments. • The ESG Administrative Council sets and promotes annual goals and manages external ESG assessments, while the ESG Directors' Council reviews these goals and their performance.
Strategy	Roadmap for 2030 Reduction Targets	• Develop and implement investment plans for GHG reduction and environmental improvement from a mid- to long-term perspective, in alignment with the government's GHG reduction roadmap by 2030. This includes a KRW 1.1 trillion investment in CDQ facilities and coke desulfurization and denitrification facilities from 2024 to 2033.
	Production, R&D, and strategic tasks	• Production department: Low-carbon raw material supply and production process improvement for carbon neutrality R&D department: Assessment and implementation of emission reduction technology • Strategy department: Establishment of reduction goals reflecting internal and external impacts, policy response for price risk mitigation of emission rights, emission rights transactions.
	Analysis of risks and opportunities	• The Strategy departments establish an integrated strategy based on global and domestic trends. The operation departments at each business site set and implement reduction targets by considering the cost of reduction and financial risk, assessed based on the average price of carbon credits. The R&D departments create a mid- to long-term technology development roadmap to address risks and opportunities associated with climate change, monitor performance, and provide reports to the CEO through a quarterly TF.
Risk management	Investment and expenses	• Invest KRW 1.1 trillion over 10 years (2024-2033) to establish advanced environmental systems and facilities, including CDQ (Coke Dry Quenching) facilities, coke desulfurization, and denitrification facilities, to improve the environment and reduce greenhouse gas emissions
		• Operation of CFP analysis system using LCA and obtaining EPD certification
	Specific activities	• Develop and implement tasks for GHG reduction: Advancement of the Hy-Cube for low emission product production, development of low emission product technologies, and establishment of a plan to transition to a net-zero production system • Secure overseas carbon credits: participate in GHG reduction projects outside of Korea (cooking stoves, etc.) to secure carbon credits • Participate in "Keep 30", a Korean energy efficiency innovation partnership to establish energy management system and conduct innovation activities (2023~2027)
Metrics and reduction targets	Participation in global initiatives	• Hyundai Steel participates in the annual CDP to disclose climate change related items • Achieving net-zero carbon emissions by 2050 through decarbonization of products and carbon reduction in processes
	2030 target	• Plan to reduce carbon emissions at all sites by 12% compared to 2018 levels by 2030 through the implementation of the "electric arc furnace-blast furnace combined process" and other carbon reduction activities within the production process.

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7.2.6 UNGC INDEX

Since joining the UN Global Compact in 2008, Hyundai Steel has integrated the 10 Principles in the four areas of human rights, labor, environment, and anti-corruption into our business activities. Furthermore, we have incorporated the “Universal Declaration of Human Rights” and the “UN Guiding Principles on Business and Human Rights (Ruggie Framework)” of the UN Commission on Human Rights. Through these commitments, we strive to respect the human rights of both our external stakeholders as well as all our employees.

Area	Principle	Page
Human rights	1. Businesses should support and respect the protection of internationally proclaimed human rights	p.67-70
	2. Businesses should make sure that they are not complicit in human rights abuses.	p.67-70
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	p.77
	4. Businesses should uphold the elimination of all forms of forced and compulsory labor	p.67-70
	5. Businesses should uphold the effective abolition of child labor	p.67-70
	6. Businesses should uphold the elimination of discrimination in respect of employment and occupation	p.67-70
Environment	7. Businesses should support a precautionary approach to environmental challenges	p.54-57
	8. Businesses should undertake initiatives to promote greater environmental responsibility	p.54-57
	9. Businesses should encourage the development and diffusion of environmentally friendly technologies	p.15-26
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery	p.86-89

7.2.7 UN SDGS INDEX

Hyundai Steel conducts the following activities in order to achieve the UN SDGs (Sustainable Development Goals). Moving forward, we aim to enhance the efficiency of such activities by establishing tasks and action plans for each goal.

Area	SDGs indicator	Page
Goal 1	Ending poverty in all its forms everywhere	p.81-84
Goal 3	Ensuring healthy lives and promoting well-being for all at all ages	p.81-84
Goal 4	Ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all	p.71-74
Goal 5	Achieving gender equality and empowering all women and girls	p.67-70
Goal 6	Ensuring availability and sustainable management of water and sanitation for all	p.21-24
Goal 7	Ensuring access to affordable, reliable, sustainable and modern energy for all	p.58-59
Goal 11	Making cities and human settlements inclusive, safe, resilient, and sustainable	p.81-84
Goal 12	Ensuring sustainable consumption and production patterns	p.26-39
Goal 13	Taking urgent action to combat climate change and its impacts	p.15-26
Goal 17	Strengthening the means of implementation and revitalizing the global partnership for sustainable development	p.4

7.2.8 EU TAXONOMY

Hyundai Steel is revewing related regulations and detailed disclosure standards for the EU Taxonomy. While confirming the legal scope of the taxonomy, Hyunda Steel will proactively identify sales, capital expenditures, operating expenses related to eligible/suitable business activities in advance. If necessary, we intend to disclose this information in our Integrated Report. In addition, Hyundai Steel’s steel manufacturing business is classified under the EU Taxonomy as “Manufatcturing of iron and steel”. The relevant NACE code is recognized as follows.

24.10 - Manufacture of basic iron and steel and of ferro-alloys
24.20 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel
24.33 - Cold forming or folding
28.15 - Manufacture of bearings, gears, gearing and driving elements

Therefore, we initially analyzed Hyundai Steel’s eligible sales for as follows.

Percentage of Eligible Business Activities as of 2024[1)]

Classification	Total Value	Eligible	%	Not Eligible	%
Sales	KRW 23,226,141 million	KRW 23,226,141 million	100	-	-

1) based on Bloomberg Terminal data

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7.3 Third Party Assurance Statement

7.3.1 Third Party Assurance Statement

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the “Assurer”) was requested to verify the HYUNDAI STEEL COMPANY 2024 Sustainability Reporting (hereinafter referred to as the “Report”). The Assurer is independent of the HYUNDAI STEEL COMPANY and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the HYUNDAI STEEL COMPANY report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the HYUNDAI STEEL COMPANY and the assurance was carried out under the assumption that presented the information and data were complete and accurate. HYUNDAI STEEL COMPANY is 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 HYUNDAI STEEL COMPANY only. The Assurer is responsible for providing HYUNDAI STEEL COMPANY management 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 HYUNDAI STEEL COMPANY. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than HYUNDAI STEEL COMPANY in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with HYUNDAI STEEL COMPANY includes the following:

- Reporting contents during the period from January 1st to December 31st 2024 included in the report, some data included the half of 2025.
- 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.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the report.

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 levels and types 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 HYUNDAI STEEL COMPANY.

[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, 201-3, 203-1, 205-1~3, 206-1, 207-1, 301-2, 302-1, 302-3, 303-1~5, 304-1~2, 305-1~4, 305-7, 306-1~5, 308-2, 401-1~3, 402-1, 403-1~9, 404-1~3, 405-1, 406-1, 407-1, 413-1, 414-2

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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;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization's approach to 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 materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the HYUNDAI STEEL COMPANY Pangyo Office 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 the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

BSI (British Standards Institution) 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 almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with HYUNDAI STEEL COMPANY. 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.

Opinion Statement

The assurer was carried out by a team of sustainability report assurors in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that HYUNDAI STEEL COMPANY's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated. 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 environment 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). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

Inclusivity

HYUNDAI STEEL COMPANY defined customers, employees, suppliers, shareholders/investors, local communities and NGOs/government/media as a Key Stakeholder Groups. In order to collect opinions by each stakeholder groups in the context of sustainability, operated the stakeholder engagement process. HYUNDAI STEEL COMPANY conducted a review of the stakeholder engagement process at the governance level in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. HYUNDAI STEEL COMPANY disclosed the results related to the process in the Report.

Materiality

HYUNDAI S TEEL C OMPANY implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. HYUNDAI STEEL COMPANY conducted benchmarking, media analysis and global sustainability reporting standards/frameworks analysis. HYUNDAI STEEL COMPANY derived 5 material topics through the relevant process, and disclosed GRI topic standards disclosures related to material topics in the Report.

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Responsiveness

HYUNDAI STEEL COMPANY operated a m anagement process for material topics in the context of sustainability derived from the materiality assessment. HYUNDAI STEEL COMPANY established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. HYUNDAI STEEL COMPANY disclosed material topics achievements such as related performances and improvement measures in the Report.

Impact

HYUNDAI STEEL COMPANY identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material topics reported. HYUNDAI STEEL COMPANY identified material topics by reflecting the impact of the overall stakeholders. HYUNDAI STEEL COMPANY established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material topics, disclosed mid- to long-term plans and strategic system in the Report.

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

Among the GRI Topic Standards, the following disclourse were carried out in a assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, 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 reporting organization 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 during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.

- GRI Topic Standards: 205-1~3, 206-1, 301-2, 302-1, 302-3, 303-1~5, 305-1~4, 305-7, 306-1~5, 308-2, 401-1~3, 403-1~9, 404-1~3, 405-1, 406-1, 414-2

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- It may be helpful to advance the sustainability management system by upgrading carbon reduction methodology and management system by year under its carbon neutrality strategy and disclosing related methodologies and achievements transparently.
- It may be helpful to advance the sustainability management system by quantifying the indirect financial value of the impact on the value chain, such as production and sales volume of low-carbon steel products.
- To establish a consolidated disclosure system, It may be helpful to advance the sustainability management system by upgrading the sustainability performance indicator management system and strengthening the completeness of the relevant performance indicators through internal control procedures.

GRI-reporting

HYUNDAI STEEL COMPANY provided us with their self declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by HYUNDAI STEEL COMPANY. The sector standard was not applied.

Issue Date: 23/06/2025 For and on behalf of BSI (British Standards Institution): BSI representative

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 749085

AA1000
Licensed Report
000-4/V3-R68B9



Jungwoo Lee,
Lead Assurer/ACSAP



Seonghwan Lim,
Managing Director
of BSI Korear

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7.3.2 Direct & Indirect GHG emissions (Scope 1 & 2)

This Assurance Statement has been prepared for Hyundai Steel.

Terms of Engagement

LRQA was commissioned by Hyundai Steel to provide independent assurance on its Greenhouse Gas (GHG) Inventory Report for the calendar year 2024 (the report) against "the guidelines on emission reporting and certification under the GHG emissions trading system" and the monitoring plan for the calendar year 2024 using "the verification guidelines for GHG emissions trading system".

The report relates to direct GHG emissions and energy indirect GHG emissions.

Management Responsibility

LRQA's responsibility is only to Hyundai Steel. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The management of Hyundai Steel. is responsible for preparing the report and for maintaining effective internal controls over all the data and information within the report. Ultimately, the report has been approved by, and remains the responsibility of Hyundai Steel.

LRQA's Approach

LRQA's assurance engagement has been carried out in accordance with our verification procedure using "the verification guidelines for GHG emissions trading system" to reasonable level of assurance.

The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Visiting sites and auditing management system to control the data and records regarding GHG emissions and energy uses
- Interviewing the relevant persons responsible for managing and maintaining data and associated records
- Reviewing the historical data and information back to source for the calendar year 2024.

Level of Assurance & Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a reasonable level of assurance, and at the materiality of the professional judgement of the verifier and at the materiality level of 2%.

LRQA's Opinion

Based on LRQA's approach, we believe that the report is prepared in accordance with "the guidelines on emission reporting and certification under the GHG emissions trading system" and the monitoring plan for the calendar year 2024 using "the verification guidelines for GHG emissions trading system" and the GHG emissions data in the Table 1 is materially correct.

June 26, 2025

Il-Hyoung LeeLRQA
2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu, Seoul, 04637, Korea

LRQA Contract Number: SEO6046432

Table 1. Summary of GHG emissions

(Unit: tCO_2eq)

Scope of GHG emissions	2024
Direct GHG Emissions	26,580,183
Energy Indirect GHG Emissions	2,237,704
Total GHG Emissions	28,817,883

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7.3.3 Subsidiaries Direct & Indirect GHG emissions (Scope 1 & 2)

Relating to HYUNDAI STEEL COMPANY's Greenhouse Gas (GHG) Emissions Inventory for the calendar years 2019, 2023 and 2024

This Assurance Statement has been prepared for HYUNDAI STEEL COMPANY in accordance with our contract.

Terms of engagement

LRQA was commissioned by HYUNDAI STEEL COMPANY to provide independent assurance on its GHG emissions inventory for the calendar years 2019, 2023 and 2024 (hereafter referred to as "the report") against the assurance criteria below to a reasonable level of assurance and materiality of 5% using ISO 14064–3:2019, "Specification with guidance for validation and verification of greenhouse gas assertions".

Our assurance engagement covered the operations and activities of HYUNDAI STEEL COMPANY's domestic and overseas subsidiaries[1], and specifically the following requirements:

- Evaluating conformance with World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, revised edition[2]
- Evaluating the accuracy and reliability of data and information for direct GHG emissions (Scope 1) and energy indirect GHG emissions (Scope 2).

The main activities of HYUNDAI STEEL COMPANY include manufacturing of iron and steel products and the GHG emissions have been consolidated using operational control approach.

LRQA's responsibility is only to HYUNDAI STEEL COMPANY. LRQA disclaims any liability or responsibility to others as explained in the end footnote. HYUNDAI STEEL COMPANY's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of HYUNDAI STEEL COMPANY.

LRQA's Opinion

Based on LRQA's approach, we believe that HYUNDAI STEEL COMPANY, in all material respects:

- Met the requirements above; and
- Disclosed accurate and reliable data and information as summarized in Table 1 ~ Table 3 below.

The opinion expressed is formed on the basis of a reasonable level of assurance and at the materiality of 5%.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Interviewing key people of the organization responsible for managing GHG emissions data and records;
- Reviewing processes related to the control of GHG emissions data and records;
- Reviewing whether GHG emissions have been calculated with parameters from recognized sources;
- Visiting HSSK, HSCZ, HSTR and HSTJ, and reviewing additional evidence made available by HYUNDAI STEEL COMPANY; and
- Verifying historical GHG emissions data and records back to source for the calendar years 2019, 2023 and 2024.

LRQA's standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 General principles and requirements for bodies validating and verifying environmental information and ISO/IEC 17021 Conformity assessment

– Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is HYUNDAI STEEL COMPANY's certification body for ISO 50001, and its verification body for its GHG emissions. We also provide HYUNDAI STEEL COMPANY with a range of training services related to management systems. The verification and certification assessments, together with the training, are the only work undertaken by LRQA for HYUNDAI STEEL COMPANY and as such does not compromise our independence or impartiality.

Dated: 23 April 2025
Byung-Gil Lim
LRQA Lead Verifier
On behalf of LRQA
2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu,
Seoul, Republic of Korea

LRQA reference: SEO00001774

1) The subsidiaries subject to the Emissions Trading Scheme (K-ETS) or the Target Management System (TMS) in Korea, as well as their respective subsidiaries, were excluded from our verification scope
2) https://www.ghgprotocol.org

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Table 1. Summary of HYUNDAI STEEL COMPANY, GHG Emissions Inventory 2019

Corporate entity	Scope of GHG emissions (tCO_2e)		
	Direct GHG emissions (Scope 1)	Energy indirect GHG emissions (Scope 2, location-based)	total
HSAL Hyundai Steel America, Inc.	328	2,173	2,501
HSGA Hyundai Steel Georgia, Inc.		Not established	
HSMX Hyundai Steel Mexico S de R.L. de C.V	40	854	894
HSBR Hyundai Steel Industry and Trade Brazil LLC	0	52	52
HSCZ Hyundai Steel Czech s.r.o.	87	920	1,007
HSSK Hyundai Steel Slovakia s.r.o.	132	297	429
HSTR Hyundai Steel TR Automotive Steel Parts Co., Ltd.	127	538	665
HSCH Hyundai Steel India Private, Ltd.	141	923	1,064
HSAN Hyundai Steel Anantapur Private, Ltd.	11	711	722
HSTJ Hyundai Steel Tianjin Co., Ltd.	2,768	11,209	13,977
HSJS Hyundai Steel Jiangsu Process Co., Ltd.	57	1,625	1,682
HSSZ Hyundai Steel Suzhou Process Co., Ltd.	36	402	438
HSMC Qingdao Hyundai Machinery Co., Ltd.	1,483	7,171	8,654
HSCN Hyundai Steel Investment (China) Co., Ltd.	42	13	55
Hyundai ITC Co., Ltd.		Not established	
Hyundai ISC Co., Ltd.		Not established	
Hyundai IMC Co., Ltd.		Not established	
Hyundai IEC Co., Ltd.		Not established	
Total	5,252	26,888	32,140

Note 1: Scope 2, Location-based is defined in the GHG Protocol Scope 2 Guidance, 2015

Table 2. Summary of HYUNDAI STEEL COMPANY, GHG Emissions Inventory 2023

Corporate entity	Scope of GHG emissions (tCO_2e)		
	Direct GHG emissions v(Scope 1)	Energy indirect GHG emissions (Scope 2, location-based)	total
HSAL Hyundai Steel America, Inc.	261	1,955	2,216
HSGA Hyundai Steel Georgia, Inc.		Not established	
HSMX Hyundai Steel Mexico S de R.L. de C.V	54	689	743
HSBR Hyundai Steel Industry and Trade Brazil LLC	24	26	50
HSCZ Hyundai Steel Czech s.r.o.	76	584	660
HSSK Hyundai Steel Slovakia s.r.o.	149	137	286
HSTR Hyundai Steel TR Automotive Steel Parts Co., Ltd.	200	540	740
HSCH Hyundai Steel India Private, Ltd.	142	1,416	1,558
HSAN Hyundai Steel Anantapur Private, Ltd.	39	980	1,019
HSTJ Hyundai Steel Tianjin Co., Ltd.	1,463	6,381	7,844
HSJS Hyundai Steel Jiangsu Process Co., Ltd.	32	751	783
HSSZ Hyundai Steel Suzhou Process Co., Ltd.	20	120	140
HSMC Qingdao Hyundai Machinery Co., Ltd.	444	2,728	3,172
HSCN Hyundai Steel Investment (China) Co., Ltd.	26	17	43
Hyundai ITC Co., Ltd.	449	94	543
Hyundai ISC Co., Ltd.	20	19	39
Hyundai IMC Co., Ltd.	26	10	36
Hyundai IEC Co., Ltd.		Not established	
Total	3,425	16,447	19,872

Note 1: Scope 2, Location-based is defined in the GHG Protocol Scope 2 Guidance, 2015

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Table 3. Summary of HYUNDAI STEEL COMPANY, GHG Emissions Inventory 2024

Corporate entity	Scope of GHG emissions (tCO_2e)		
	Direct GHG emissions (Scope 1)	Energy indirect GHG emissions (Scope 2, location-based)	total
HSAL Hyundai Steel America, Inc.	329	1,717	2,046
HSGA Hyundai Steel Georgia, Inc.	3	452	455
HSMX Hyundai Steel Mexico S de R.L. de C.V	52	728	780
HSBR Hyundai Steel Industry and Trade Brazil LLC	21	38	59
HSCZ Hyundai Steel Czech s.r.o.	63	601	664
HSSK Hyundai Steel Slovakia s.r.o.	108	113	221
HSTR Hyundai Steel TR Automotive Steel Parts Co., Ltd.	155	627	782
HSCH Hyundai Steel India Private, Ltd.	175	1,522	1,697
HSAN Hyundai Steel Anantapur Private, Ltd.	50	1,237	1,287
HSTJ Hyundai Steel Tianjin Co., Ltd.	774	4,544	5,318
HSJS Hyundai Steel Jiangsu Process Co., Ltd.	30	1,020	1,050
HSSZ Hyundai Steel Suzhou Process Co., Ltd.	10	133	143
HSMC Qingdao Hyundai Machinery Co., Ltd.	369	2,609	2,978
HSCN Hyundai Steel Investment (China) Co., Ltd.	14	9	23
Hyundai ITC Co., Ltd.	465	106	571
Hyundai ISC Co., Ltd.	23	19	42
Hyundai IMC Co., Ltd.	26	10	36
Hyundai IEC Co., Ltd.	7	21	28
Total	2,674	15,506	18,180

Note 1: Scope 2, Location-based is defined in the GHG Protocol Scope 2 Guidance, 2015

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7.3.4 Other indirect GHG emissions (Scope 3)

Relating to HYUNDAI STEEL COMPANY's Greenhouse Gas (GHG) Emissions Inventory for the calendar year 2024
This Assurance Statement has been prepared for HYUNDAI STEEL COMPANY in accordance with our contract.

Terms of engagement

LRQA was commissioned by HYUNDAI STEEL COMPANY to provide independent assurance on its GHG emissions inventory for the calendar year 2024 (here after referred to as "the report") against the assurance criteria below to a limited level of assurance and materiality of professional judgement using LRQA's verification procedure, which is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered HYUNDAI STEEL COMPANY's domestic operations and activities, and specifically the following requirements:
- Evaluating conformance with Corporate Value Chain (Scope 3) Accounting and Reporting Standard [1)]
- Evaluating the accuracy and reliability of data and information for other indirect GHG emissions (Scope 3).

The main activities of HYUNDAI STEEL COMPANY include manufacturing of iron and steel products, and the GHG emissions have been consolidated using operational control approach.

LRQA's responsibility is only to HYUNDAI STEEL COMPANY. LRQA disclaims any liability or responsibility to others as explained in the end footnote. HYUNDAI STEEL COMPANY's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of HYUNDAI STEEL COMPANY.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that HYUNDAI STEEL COMPANY has not, in all material respects:
- Met the requirements above; and
- Disclosed accurate and reliable data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

1) https://www.ghgprotocol.org

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:
- 온Interviewing key people of the organization responsible for managing GHG emissions data and records;
- Reviewing processes related to the control of GHG emissions data and records;
- Reviewing whether GHG emissions have been calculated with parameters from recognized sources;
- Visiting HYUNDAI STEEL COMPANY's Pangyo office and reviewing additional evidence made available by HYUNDAI STEEL COMPANY; and
- Verifying historical GHG emissions data and records at an aggregated level for the calendar year 2024.

LRQA's standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 General principles and requirements for bodies validating and verifying environmental information and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is HYUNDAI STEEL COMPANY's certification body for ISO 50001, and verification body for its GHG emissions. We also provide HYUNDAI STEEL COMPANY with a range of training services related to management systems. The verification and certification assessments, together with the training, are the only work undertaken by LRQA for HYUNDAI STEEL COMPANY and as such does not compromise our independence or impartiality.

Dated: 23 May 2025
Byung-Gil Lim
LRQA Lead Verifier
On behalf of LRQA Limited
2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu,
Seoul, Republic of Korea

LRQA reference: SEO00001050

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Table 1. Summary of HYUNDAI STEEL COMPANY, GHG Emissions Inventory 2024

Scope of GHG emissions	Tonnes CO_2e
Other Indirect GHG emissions (Scope 3)	
purchased goods & services – production of iron ore, iron ore pellets, bituminous coal, anthracite, steel scrap, limestone, dolomite, calcined dolomite, quicklime, ferroalloys (Fe-Cr, Fe-Mn, Fe-Si, Si-Mn) and non-ferrous metals (aluminum, zinc)	3,310,104
capital goods - facilities and buildings acquired in 2024	3,607
fuel and energy related activities – upstream emissions of natural gas and electricity purchased	444,525
upstream transportation and distribution – transportation of iron ore, iron ore pellets, bituminous coal, PCI coal, anthracite, steel scrap, limestone, dolomite, calcined dolomite, quicklime, ferroalloys and non-ferrous metals, and logistics services purchased by HYUNDAI STEEL COMPANY for the transportation of sold products	1,321,862
waste generated in operations – disposal and treatment of waste generated during operations	90,747
business travel – personal cars, buses, trains, domestic and international flights	5,035
employee commuting – commuting by personal cars, subways and buses	8,393
upstream leased assets – operation of a buildings leased by HYUNDAI STEEL COMPANY	842
downstream transportation and distribution – transportation of sold products excluding logistics services purchased by HYUNDAI STEEL COMPANY	10,267
end-of-life treatment of sold products – end-of-life treatment of sold products	241,103
downstream leased assets – operation of a building leased by HYUNDAI STEEL COMPANY	238
investments – Scope 1 and Scope 2 emissions of three companies in which HYUNDAI STEEL holds equity shares and which are subject to the Emissions Trading System in Korea	472,934
Total	5,909,657

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