SUSTAINABLE H-WAYS

Hyundai Steel Sustainability Report 2026

TOWARD THE FUTURE

HYUNDAI STEEL

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Interactive PDF User Guide

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UNDERSTANDING THE FOUNDATION

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 2026 Sustainability Report is structured into the following categories: Overview, 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, 2025. For timeliness, some activities and performances include information from the first half of 2026. 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 "6.3.1 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 (WSA), 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.

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 Company
Issue Date	June 2026
Planning/Design	Hyundai Steel Sustainability Management Team, KPMG Samjong Accounting Corp., R&I
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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.

Dear Hyundai Steel Stakeholders,

The year 2025 was marked by unprecedented challenges across the global steel industry. Uncertainty in the business environment continued to intensify amid a complex mix of risks, including slowing demand, the expansion of protectionist trade policies, high exchange rate volatility, and fluctuations in raw material prices.



Despite these challenging conditions, Hyundai Steel continued to make strategic investments to secure future competitiveness and strengthen the foundation for sustainable growth. During the year, we achieved meaningful progress in enhancing our global competitiveness and accelerating the transition to a low-carbon steel production system. Key milestones included advancing the US Electric Arc Furnace Steel Mill Project, Hyundai Steel's first overseas integrated production base, commencing commercial production at the Pune SSC in India, mass-producing third-generation steel sheets, and establishing the electric arc furnace–blast furnace combined process. We have also further strengthened the expertise and independence of our board of directors by appointing an ESG expert as an independent director. At the same time, we are accelerating our efforts to achieve sustainable growth and enhance shareholder value through more advanced ESG risk management and the development of future growth drivers.
Rather than resting on the achievements of the past year, Hyundai Steel has established and is advancing its Vision 2032 strategic objectives "Automotive Steel Sheet Global Top-tier," "Low-Emission Product First Mover," "Super Gap Leader in Construction Steel," and "Hyundai Steel One Safety" under the slogan "Strength for MOVE."

Strengthening Automotive Steel Sheet Sales

First, we will pursue differentiated product competitiveness, localization of production bases, and reinforcement of our sales infrastructure with the goal of becoming an "Automotive Steel Sheet Global Top-tier" by 2032. By securing world-class ultra-high-strength steel products, we will proactively address growing customer needs for enhanced crash performance and vehicle lightweighting. As part of our automotive steel sheet growth strategy, we will advance the US EAF Steel Mill Project and expand our network across key regions to strengthen services for global customers. Through these efforts, we aim to increase automotive steel sheet sales to 7.7 million tonnes and expand sales to global automakers to 2.5 million tonnes by 2032, firmly establishing Hyundai Steel as a true global top-tier automotive steel sheet producer.

Expanding Low-Emission Product Sales

The year 2026 marks a significant milestone for Hyundai Steel as the electric arc furnace–blast furnace combined process, built upon 70 years of electric arc furnace expertise and steelworks operating experience, enters full-scale operation. It also represents a pivotal moment in our transition toward a low-emission steel production system. This year, we will expand certification of our low-emission products and apply them to both domestic and global vehicle models, thereby strengthening both product reliability and production competitiveness. By 2032, we aim to increase low-emission product sales to 6 million tonnes and establish ourselves as a "Low-Emission Product First Mover", meeting the growing demand from global customers for supply-chain carbon reduction.

Enhancing Competitiveness and Market Leadership in Long Products

The domestic construction steel market is facing the dual challenges of structural demand stagnation and oversupply. To strengthen both price and product competitiveness, we are establishing an optimized production system while transitioning to high-efficiency production facilities and adopting automation and unmanned technologies. In addition, we will develop products that respond to evolving premium market demands, build a portfolio of products for high-performance, high-functionality, and emerging demand markets, and further enhance customer-tailored solutions.

Sustainable growth begins with safety and ethical management. We are advancing our company-wide safety management system and strengthening on-site execution capabilities to foster a "One Safety" culture across Hyundai Steel. At the same time, we will further reinforce trust with our stakeholders by promoting a culture of ethics, compliance and establishing a transparent management system through strengthened training and self-assessment programs.
Going forward, all employees of Hyundai Steel will remain firmly committed to the fundamental principles of sustainability and create social value through responsible management. Together with our customers, shareholders, employees, and local communities, we will continue to realize a sustainable future.
We sincerely appreciate your continued interest and support.

Thank you.

2026
Hyundai Steel CEO and President Boryong Lee

Boryong Lee

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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-gu, Incheon. Globally, we operate 20 subsidiaries and 9 offices across 14 key countries, including the United States, China, and India. These overseas entities serve as strategic foothold that support our global business expansion.

Overseas Network

(Based on 2025 Annual Report)

Overseas Subsidiaries Overseas Offices

Overseas Business Sites[1]

14 countries | 20 subsidiaries | 9 offices

Revenue (Consolidated)

KRW 22,733.2 billion

Operating Profit (Consolidated)

KRW 219.2 billion



Overseas Subsidiaries[1]

Area		Name	Key Business	Headcount[2]
China	Tianjin	HSCN, Hyundai Steel Investment(China) Co., Ltd.	Steel Material Purchasing and Sales	1/5(5/0)
	Tianjin	HSTJ, Hyundai Steel Tianjin Co., Ltd.	Overseas Steel Service Center	5/74(39/35)
	Suzhou	HSSZ, Hyundai Steel Suzhou Process Co., Ltd.	Overseas Steel Service Center	5/29(23/6)
	Jiangsu	HSJS, Hyundai Steel Jiangsu Process Co., Ltd.	Overseas Steel Service Center	4/70(32/38)
	Qingdao	HSMC, Qingdao Hyundai Machinery Co., Ltd.	Excavator (continuous track) Manufacturing and Sales	3/13(7/6)
India	Chennai	HSCH, Hyundai Steel India Private, Ltd.	Overseas Steel Service Center	8/75(59/16)
	Anantapur	HSAN, Hyundai Steel Anantapur Private, Ltd.	Overseas Steel Service Center	4/59(39/20)
Europe	Czech	HSCZ, Hyundai Steel Czech s.r.o	Overseas Steel Service Center	5/67(30/37)
	Slovakia	HSSK, Hyundai Steel Slovakia s.r.	Overseas Steel Service Center	3/63(29/34)
	Russia	HSRU, Hyundai Steel Rus LLC	Overseas Steel Service Center	2/24(12/12)
	Turkey	HSTR, Hyundai Steel TR Automotive Steel Parts Co.,Ltd.	Overseas Steel Service Center	4/78(28/50)
USA	Alabama	HSAL, Hyundai Steel America, Inc.	Overseas Steel Service Center	5/97(29/68)
	Georgia	HSGA, Hyundai Steel Georgia, Inc.	Overseas Steel Service Center	5/38(18/20)
	Louisiana	HPLS, HYUNDAI-POSCO Louisiana Steel LLC	Automotive Steel Sheet, General Hot rolled/Cold Rolled Sheets/Coils Manufacturing and Sales	4/0(0/0)
South America	Mexico	HSMX, Hyundai Steel Mexico S de R. L. de C. V	Overseas Steel Service Center	4/97(35/62)
	Brazil	HSBR, Hyundai Steel Industry and Trade Brazil LLC	Overseas Steel Service Center	3/47(20/27)

1) Applies only to 16 overseas subsidiaries led by company-appointed representatives. Information on consolidated subsidiaries is provided in the Annual Report
2)Headcount: Expatriate/Local employees(Management positions/Technical positions)

Overseas Offices

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

Area		Name
Europe	Germany	Hyundai Steel Frankfurt Office
America	USA	Hyundai Steel L.A. Office
	USA	Hyundai Steel Company Washington DC LLC Office
	Mexico	Hyundai Steel Mexico City Office

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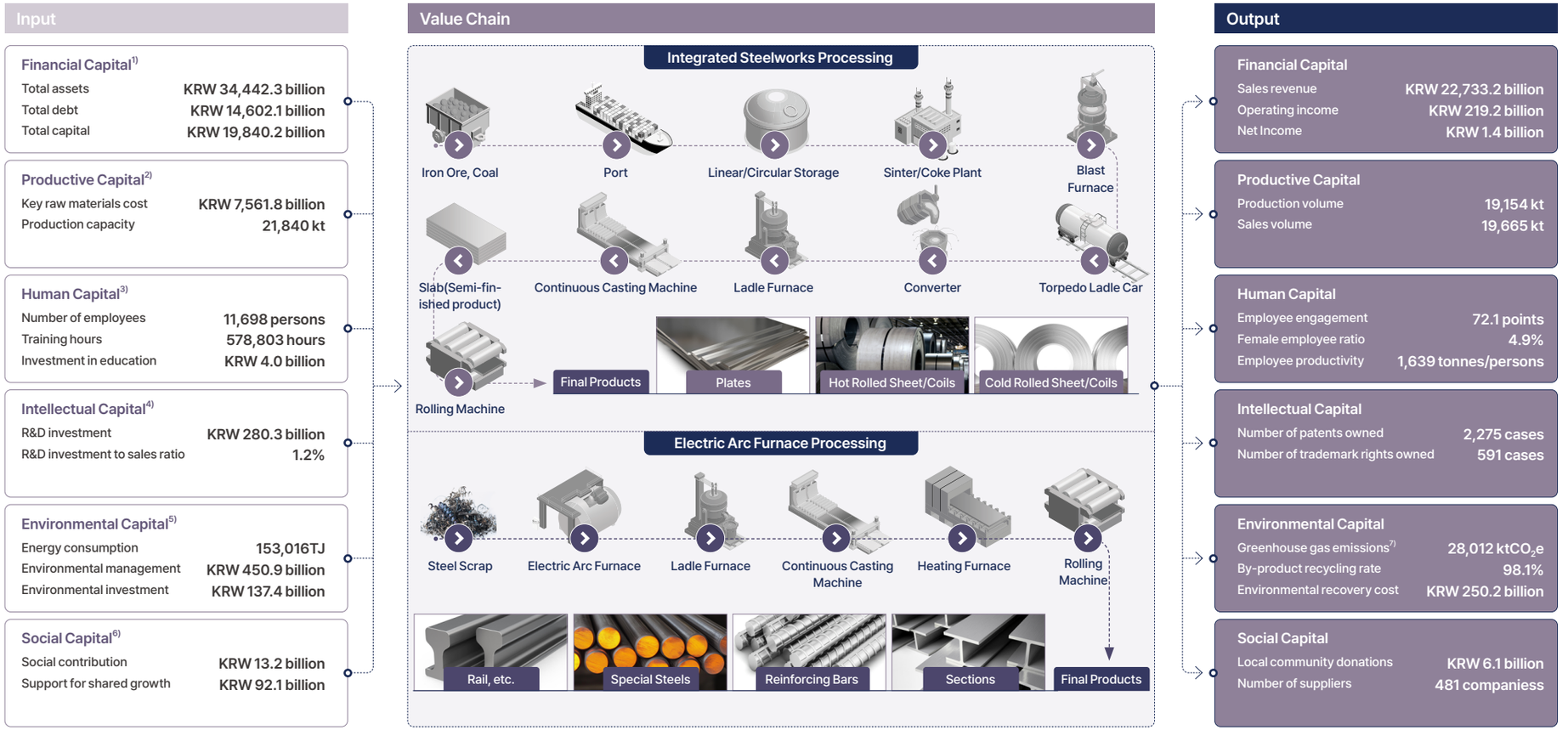
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1.4 Business Model

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, suppliers, and local communities.



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
6) 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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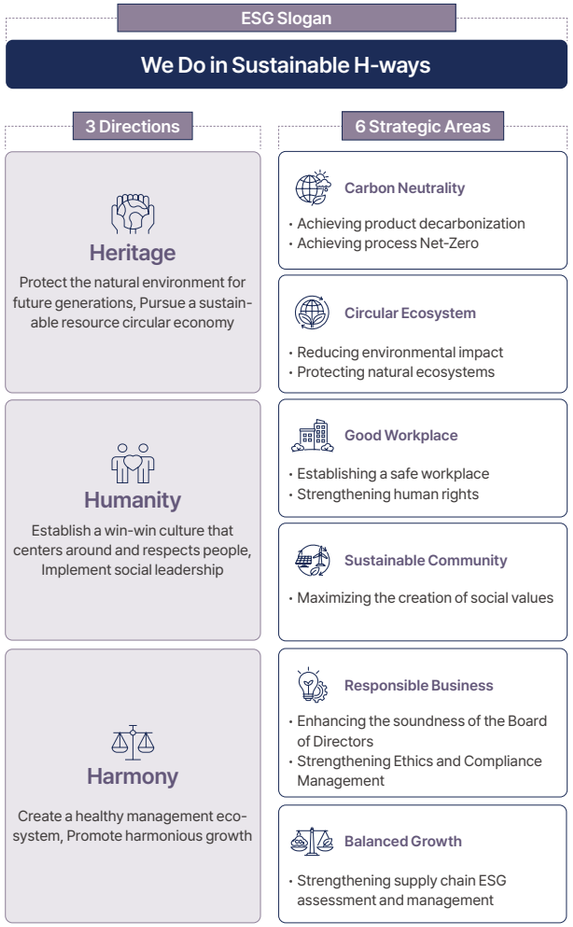
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1.5 ESG Strategy Framework

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. Since 2023, Hyundai Steel has identified and executed strategic ESG initiatives each year. By 2025, a total of 29 initiatives had been completed, and 14 initiatives are underway in 2026.



Strategic Areas	Mid-to Long-Term Targets	Key Performance
Achieving product decarbonization	Timely supply low-emission products to support customers' Net-Zero goals (by 2050)	• Electric Arc Furnace-Blast Furnace Combined Process product certification: 5 products in 2024 and 20 products in 2025 (25 products in total)
Achieving process Net-Zero	Promote company-wide carbon emission reduction in line with the Korean NDC targets (Net-Zero in 2050)	• Started mass production through the Electric Arc Furnace-Blast Furnace Combined Process (February 2026) • Expanded renewable energy procurement: Execution of a Virtual Power Purchase Agreement (VPPA) for Hyundai Steel Georgia, Inc. (2024), construction of a solar self-generation facility at Dangjin (operation scheduled for Q4 2026), and the promotion of a solar PPA at Suncheon (Q4 2026)
Reducing environmental impact	Maintain NOx emissions below 50% of the 2020 total emission allowances	• Maintained NOx emissions at approximately 40% or less of the 2020 total emission allowances of 19,998 tonnes (based on 2025 NOx emissions of 7,732 tonnes at the Dangjin Integrated Steelworks)
Protecting natural ecosystems	Establish and implement plans to promote and preserve biodiversity and forest (by 2030)	• Conducted marine cleanup activities (four times annually) and planted halophytes to support restoration of the Dangjin tidal flats • Continuously managed and monitored surrounding ecosystems through environmental impact assessments and other monitoring activities
Establishing a safe workplace	Achieve a 5% year-on-year reduction in LTIFR (Lost Time Injury Frequency Rate) and establish a preventive safety culture (by 2026)	• 2025 LTIFR 2.41 ※ 2025 target achievement highlights: Advanced safety culture maturity (reached Level 3), implementation of the Smart Safety Leading Plant (No.2 Cold Rolling Plant), and maintenance of 100% certification of the safety and health management system across domestic sites
Strengthening human rights	Address human rights vulnerable areas and continue to operate mid- to long-term human rights improvement programs	• Enhanced human rights due diligence: 100% desk assessments conducted across domestic and overseas business sites, and 100% on-site assessments completed for sites where risks were identified • Established and operated the Diversity Council
Maximizing the creation of social values	Advance strategy-based social contribution (by 2028)	• [Safety] H-Shaped Shining Road: 104 locations installed cumulatively (~2025) • [Protection] Bench for Everyone: 59 locations installed cumulatively (~2025) • [Next Generation] Elementary School Archery Program: cumulative participation of 8,049 elementary school students and 30 professional instructors (~2025)
Enhancing the soundness of the Board of Directors	Expand the representation of industry experts and gender diversity (30% or more, by 2027)	• Enhanced Board diversity: Two female independent directors and two industry experts on the Board of Directors (as of March 2026) • Implemented the Lead Independent Director system (October 2025)
Strengthening Ethics and Compliance Management	Obtain a compliance management system (ISO 37301) certification (by 2027)	• Strengthened the Ethics and Compliance Management system: Establishment of the Anti-Corruption & Bribery Policy (June 2025), Fair Trade Compliance Program Regulation revision (2025), and aiming for ISO 37301 certification achievement (~2027)
Strengthening supply chain ESG assessment and management	Ensure 100% management of risks identified in high-risk suppliers and integrate related requirements into the Procurement Management Policy	• Conducted on-site due diligence for high-risk suppliers and implemented identified improvement tasks (50 suppliers in 2025) • Established and revised the Procurement Management Policy and related codes: Supply Chain ESG Management Policy, Conflict Minerals (Responsible Minerals) Policy, Anti-Corruption & Bribery Policy etc.

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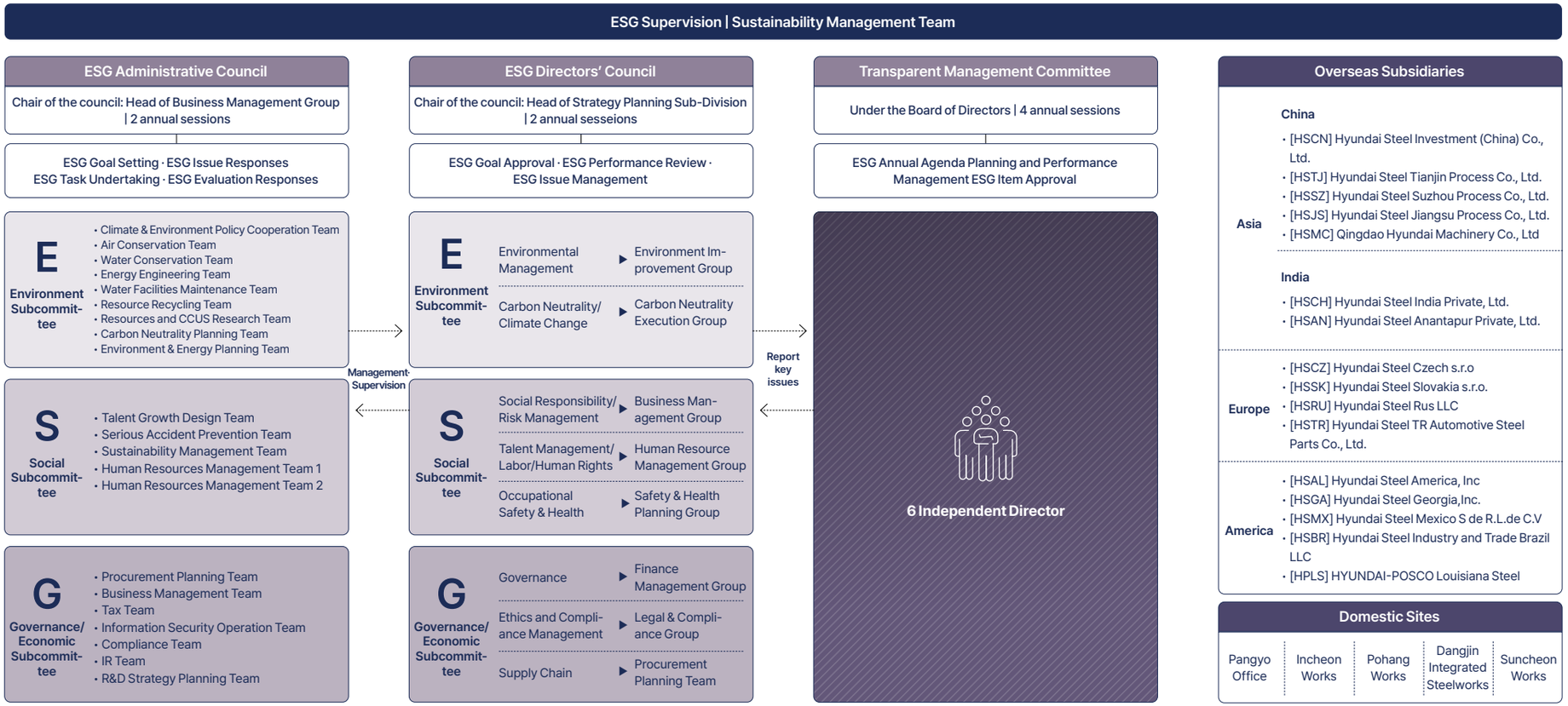
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1.5 ESG Strategy Framework

1.5.2 ESG Governance System

Hyundai Steel annually conducts a double materiality assessment to identify significant sustainability topics 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 topic management practices. The assessment follows the implementation guidance of the European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG). After reflecting input from both internal and external stakeholders, 5 material topics were ultimately selected. The credibility of process and results of the double materiality assessment disclosed in this Sustainability Report are ensured through an independent third-party assurance.

(As of March 2026)



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1.6 Double Materiality Assessment

Hyundai Steel annually conducts a double materiality assessment to identify significant sustainability topics 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 topic management practices. The assessment follows the implementation guidance of the European Sustainability Reporting Standards (ESRS), developed by the European Financial Reporting Advisory Group(EFRAG). After reflecting input from both internal and external stakeholders, 5 material topics were ultimately selected. The credibility of process and results of the double materiality assessment disclosed in this Sustainability Report are ensured through an independent third-party assurance.

1.6.1 Double Materiality Assessment Process

STEP 1. TOPIC POOL SELECTION

Analyzed Hyundai Steel's management strategy, ESG disclosure and assessment standards, material issues within the steel industry, media analysis, and stakeholder expectations

Company relevant key topics

37 ESRS sub-topics + 8 steel industry specific topics

Long list: 16 company specific topics

Short list: Identified 9 key topics for assessment
- Climate Change Response
- Pollutant Management
- Resource Circularity and Waste
- Occupational Safety & Health
- Working Conditions of Own Workforce
- Labor Relations of Own Workforce
- Working Conditions of Workers in the Value Chain
- Local Community
- Ethics and Compliance Management

STEP 2. IRO IDENTIFICATION

Identified impact pathways through which the Company's activities affect the environment and society, as well as financial risk and opportunity pathways arising from external factors, for each of the nine key topics identified in the short-list

Pathway analysis

Environmental/Social Impact

Positive/Negative	Actual/Potential
Short/Mid/Long	Positive/Negative

Financial Risk & Opportunity

Risk/Opportunity	Short/Mid/Long

Business and external environment analysis

Drivers and Responses	Value Chain
Stakeholder Impact	Resource Dependency

STEP 3. MATERIALITY ASSESSMENT

Assessed the materiality of each identified impact through quantitative evaluations involving internal and external stakeholders, including employees, suppliers, customers, local communities, shareholders, investors, and independent directors, as well as qualitative assessments involving relevant departments and external experts

Survey evaluation

Environmental/Social Impact

Scale	Scope
Irremediability	Likelihood

Financial Risk & Opportunity

Magnitude (Qualitative/Quantitative)	Likelihood

Roundtable discussion

Sustainability Management Team + Relevant Departments + External Experts

STEP 4. MATERIALITY TOPIC DETERMINATION

Selected the final list of material topics based on the results of survey evaluations and roundtable discussions and received approval from the Board of Directors (Transparent Management Committee)

Materiality topic selection[1)]

Threshold: ●●

Classification	2026 Material Topic	Materiality	
		Impact	Financial
Environment	Climate Change Response	●●●	●●●
Environment	Resource Circularity and Waste	●●●	●○○
Social	Occupational Safety & Health	●●●	●●●
Social	Working Conditions of Own Workforce*	●●○	●●○
Governance	Ethics and Compliance Management*	●●○	●●●

1) Changes: Of the 2025 material topics—Climate Change Response, Circular Economy, Pollution Management, Occupational Health and Safety, and Supply Chain Management—"Working Conditions of Employees" and "Ethics and Compliance Management" were newly included, replacing "Pollution Management" and "Supply Chain Management."

* Newly identified material topics for 2026

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1.6 Double Materiality Assessment

1.6.2 Double Materiality Assessment results

Hyundai Steel developed a topic pool (Long-list) of 16 topics by incorporating 37 ESRS sub-topics and 8 industry-specific topics reflecting the characteristics of the steel industry. From this pool, the Company identified 9 key topics (Short-list) with high relevance to its business and conducted impact and financial materiality assessments.

- Identified key topics (Short-list) from the topic pool (Long-list) through 4 internal and external analyses, including ESG disclosure and assessment standards analysis, peer benchmarking, media analysis, and strategy and business model analysis
- Conducted impact materiality assessments through stakeholder surveys involving 6 stakeholder groups[1], collecting a total of 106 responses
- Conducted financial materiality assessments through roundtable discussions involving external experts and team leaders (or deputy managers) from 7 relevant departments
- Selected material sustainability topics if they met or exceeded the threshold in either impact materiality or financial materiality

1) Customers, employees, shareholders and investors, local communities, suppliers, and others



Classification	Material Topics (Short-list)	Description	Pages	Selected Material Topic
Environmental	Climate Change Response	• Climate change mitigation and adaptation through greenhouse gas reduction and energy management	p.18, Environmental Management p.24, Climate Change Response p.34, Energy Management	✓
	Pollutant Management	• Management and reduction of air, water, and soil pollutants, including substances of concern and high-concern substances	p.18, Environmental Management p.36, Pollutant Management	
	Resource Circularity & Waste	• Resource circularity and waste management throughout product manufacturing and service delivery processes	p.47, Resource Circularity	✓
Social	Working Conditions of Own Workforce[1]	• Adequate wages, work-life balance, working hours, secure employment, social protection, and fundamental human rights (including child labor/forced labor)	p.57, Human Rights Management p.63, Talent Management	✓
	Labor Relations of Own Workforce	• Social dialogue, freedom of association, works councils, participation rights of workers, collective bargaining	p.63, Talent Management	
	Occupational Safety & Health	• Occupational safety and health of own workforce and workers in the value chain	p.73, Occupational Safety & Health	✓
	Working Conditions of Workers in the Value Chain[2]	• Adequate wages, work-life balance, working hours, secure employment, social protection, and fundamental human rights (including child labor/forced labor)	p.102, Supply Chain Management	
	Local Community	• Economic, social and cultural, civil and political rights of local communities, rights of indigenous peoples	p.81, Local Community Engagement	
Governance	Ethics and Compliance Management	• Corporate culture (including anti-corruption and anti-bribery, whistleblower protection, and animal welfare), political engagement and lobbying activities, and supplier relationship management (including late payment practices affecting Small-Medium Enterprises (SMEs))	p.87, Ethics and Compliance Management p.102, Supply Chain Management	✓

1) Own Workforce: Employees and all other workers, including subcontractors and contractors, working at the Company's own operations
2) Workers in the Value Chain: Employees of suppliers working outside the Company's own operations

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1.6.3 Identification of Environmental·Social Impacts of Material Topics

Hyundai Steel identifies and manages the positive and negative impacts of its material topics, as well as the affected stakeholders, value chains, and resource dependencies.

Material Topic	Identification				Business and External Environment Analysis		
	Type	Key Details	Estimated Timeframe of Impact		Affected Value Chain	Affected Stakeholder	Resource Dependency
Climate Change Response	Positive	• Continued efforts to improve energy efficiency and advance the low-carbon transition in response to climate change may enhance resource-use efficiency, generating positive impacts across local communities and the environment	Potential	Short/Mid/Long	Own Operation, Upstream	Environment, Local Community, Customer, Investor, Employee	Energy Resources, Operational Capabilities, Emission Management Capabilities
	Negative	• Greenhouse gas emissions occurring across all stages of the value chain, including raw material extraction, transportation, steel product manufacturing, and product use, have a negative impact on climate change	Actual	Short/Mid/Long	Own Operation, Upstream, Downstream	Environment, Local Community	Energy Resources, Operational Capabilities, Emission Management Capabilities
Resource Circularity & Waste	Positive	• By-product recycling, including the operation of in-house facilities that directly convert by-products generated during the production process into resources, reduces waste generation • Recycling steel scrap improves resource efficiency and product sustainability, helping reduce environmental impact	Actual	Short/Mid/Long	Own Operation	Environment, Local Community	Resource Recovery and Recycling Facilities, Environmental Management Capabilities
	Negative	• Inadequate recycling and management of by-products and waste generated during the production process may cause soil and water pollution during landfill and incineration, generating negative impacts on local communities and the environment	Potential	Mid/Long	Own Operation, Upstream	Environment, Local Community	Waste Treatment and Management Systems, Environmental Management Capabilities
Occupational Safety & Health	Positive	• Establishing a self-regulatory prevention system through voluntary worker participation and proactively managing potential workplace hazards may enhance workers' physical and mental well-being	Actual	Short/Mid/Long	Own Operation, Upstream	Employee, Workers in the Value Chain	Human Capital, Safety & Health Management System, Organizational Culture
	Negative	• Workplace accidents, including worker injuries and illnesses, generate negative impacts on workers' physical and mental health and quality of life	Actual	Short	Own Operation, Upstream	Employee, Workers in the Value Chain	Human Capital, Safety & Health Management System
Working Conditions of Own Workforce	Positive	• Implementing the Human Rights Policy and providing human rights training across all business sites enhance the protection of workers' rights and reduce the risk of discrimination and grievances • Improving working conditions may strengthen work-life balance and alleviate job-related stress	Potential	Short	Own Operation	Employee	Organizational Culture, Human Capital
	Negative	• Unresolved human rights risks, including discrimination and harassment, as well as organizational culture that hinders work-life balance and flexibility, reduce employee satisfaction and quality of working life	Potential	Short	Own Operation	Employee	Organizational Culture, Human Capital
Ethics and Compliance Management	Positive	• Promoting a fair trade culture enhances the business stability of small and medium-sized suppliers, contributing to the improvement of ESG capabilities across the steel industry ecosystem and the creation of social value	Actual	Short/Mid/Long	Own Operation, Upstream	Suppliers, Local Community	Financial Resources, Supply Chain Management Capabilities, Collaborative Partnership Capital
	Negative	• Unethical business practices infringe upon the economic and social interests of stakeholders associated with products and services, resulting in social disruption and conflicts	Actual	Short/Mid/Long	Own Operation, Upstream, Downstream	Local Community	Legal Compliance Capabilities

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1.6.4 Identification of Financial Risks and Opportunities of Material Topics

Hyundai Steel identifies and manages the financial risks and opportunities associated with its material topics, as well as the affected stakeholders, value chains, and resource dependencies.

Material Topic	Identification				Business and External Environment Analysis		
	Type	Key Details	Estimated Timeframe of Impact		Affected Value Chain	Affected Stakeholder	Resource Dependency
Climate Change Response	Financial Opportunity	• Revenue: Strengthened market competitiveness and revenue growth through the timely production of low-emission products, including HyECOsteel	Potential	Short/Mid/Long	Own Operation	Relevant Subsidiaries, Customers, Investors	Energy Management Capabilities, Technological Capital (Low-Carbon Processes and Product Technologies), Financial Resources
	Financial Risk	• Cost: Incurred production disruptions and recovery costs resulting from facility inundation, equipment damage, and raw material supply interruptions caused by extreme weather events	Potential	Short/Mid/Long	Own Operation	Relevant Subsidiaries, Customers	Financial Resources, Business Continuity Management Capabilities
	Financial Risk	• Cost: Increased manufacturing costs resulting from higher excess emissions due to increased greenhouse gas emissions or reduced free emission allowances, as well as fluctuations in carbon prices	Potential	Short/Mid/Long	Own Operation, Upstream, Downstream	Relevant Subsidiaries, Customers, Investors	Financial Resources, Emission Management Capabilities
Resource Circularity & Waste	Financial Opportunity	• Revenue: Increased revenue driven by sales of products utilizing recycled by-products and growing demand for circular economy products made from recycled steel scrap	Actual	Short/Mid/Long	Own Operation	Relevant Subsidiaries, Shareholders, Investors	Financial Resources, Resource Recovery and Recycling Facilities, Waste Treatment Systems, Resource Management Capabilities
	Financial Risk	• Cost: Increased compliance and operating costs resulting from stricter environmental regulations related to resource circularity and waste management • Revenue: Increased raw material costs resulting from steel scrap supply-demand imbalances	Potential	Short/Mid/Long	Own Operation, Upstream, Downstream	Relevant Subsidiaries, Shareholders, Investors	Financial Resources, Resource Recovery and Recycling Facilities, Waste Treatment Systems, Resource Management Capabilities
Occupational Safety & Health	Financial Opportunity	• Revenue: Improved operational efficiency and long-term productivity through the minimization of accident-related operational disruptions and recovery costs, and the maintenance of a stable production environment	Potential	Short/Mid/Long	Own Operation	Relevant Subsidiaries, Shareholders, Investors	Financial Resources, Safety & Health Management System
	Financial Risk	• Cost: Incurred compliance costs associated with the OCCUPATIONAL SAFETY AND HEALTH ACT, SERIOUS ACCIDENTS PUNISHMENT ACT, and other applicable regulations, as well as fines and penalties for regulatory violations • Revenue: Reduced productivity resulting from operational disruptions caused by workplace accidents	Potential	Short	Own Operation	Relevant Subsidiaries, Shareholders, Investors	Legal Compliance Capabilities, Financial Resources, Safety & Health Management System
Working Conditions of Own Workforce	Financial Opportunity	• Revenue: Improved profitability through enhanced workforce management efficiency	Potential	Mid/Long	Own Operation	Relevant Subsidiaries, Employees	Human Capital, Organizational Culture, Financial Resources
	Financial Risk	• Cost: Incurred fines and penalties resulting from violations of labor-related laws and regulations, including the LABOR STANDARDS ACT, international labor standards and employment legislation • Revenue: Reduced labor cost efficiency resulting from declining organizational productivity	Potential	Short	Own Operation	Relevant Subsidiaries, Employees, Shareholders, Investors	Human Capital, Organizational Culture, Legal Compliance Capabilities, Financial Resources
Ethics and Compliance Management	Financial Opportunity	• Cost: Prevented fines, penalties, and litigation costs by reducing the likelihood of regulatory violations through systematic ethics and compliance risk management • Revenue: Protected financial performance and corporate value by reducing reputational risks driven through certification of the Compliance Management System (ISO 37301)	Potential	Mid/Long	Own Operation	Relevant Subsidiaries, Employees, Shareholders, Investors	Organizational Culture, Human Capital, Financial Resources
	Financial Opportunity	• Cost: Reduced production disruptions and cost volatility through systematic supply chain ESG risk management, including strengthened supply chain ESG Management Policy implementation and supplier due diligence, ensuring a stable sourcing environment	Potential	Mid/Long	Own Operation, Upstream	Relevant Subsidiaries, Suppliers, Shareholders	Supply Chain Management Capabilities, Financial Resources
	Financial Risk	• Cost: Incurred fines and penalties resulting from violations of laws and regulations, including collusion, unfair support practices, and unfair trade practices • Revenue: Reduced revenue resulting from reputational damage caused by employee corruption and misconduct incidents, including embezzlement	Potential	Short/Mid/Long	Own Operation, Upstream, Downstream	Relevant Subsidiaries, Shareholders, Investors	Brand Equities, Financial Resources

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1.6.5 Responses and Strategies by Material Topics

Hyundai Steel recognizes the importance of its material topics and systematically manages response strategies, targets, and performance related to identified impacts. We also disclose the status of KPI (Key Performance Indicator) management, which is linked to executive compensation.

Material Topic	Response Strategy	Target	Indicators	Performance	KPI (Linked to Executive Performance Compensation)[3]
Climate Change Response	• Operation of Electric Arc Furnace-Blast Furnace Combined Process • Gradual expansion of renewable energy use • Compliance with the Emissions Trading Scheme (ETS) • Compliance with international standards (including Scope 3 disclosure)	• 12% reduction in greenhouse gas emissions by 2030 (compared to 2018 levels) • Achievement of net zero by 2050	• Low-emission product certification and sales • Renewable energy consumption • Greenhouse gas emissions (Scope 1 and 2) • Downstream emissions reduction by customers through low-emission products (Scope 3)	• Mass production of low-emission steel sheets through the Electric Arc Furnace-Blast Furnace Combined Process (February 2026) • Customer approval of 25 grades of low-emission steel sheets produced through the Combined Process (as of 2025) • Expansion of renewable energy procurement through a 14 GWh/year VPPA for for Hyundai Steel Georgia, Inc (2024), the construction of a solar self-generation facility at Dangjin (operation scheduled for Q4 2026), and the promotion of a solar PPA at Suncheon (Q4 2026)	• Establishment of a net-zero implementation framework • Achievement of emissions reduction targets
Resource Circularity and Waste	• Strengthening steel scrap procurement competitiveness • By-product resource recovery through slag utilization • Operation of in-house by-products resource recovery facilities • Hazardous waste management	• Enhancement of steel scrap quality and expansion of scrap procurement and utilization • Strengthening integrated management of by-product resource recovery	• Use of recycled raw materials (steel scrap) • Waste recycling volume and recycling rate • Aggregate and cement raw material substitution through by-product resource recovery, and environmental cost savings	• Investment in facilities for securing high-quality steel scrap: Investment in steel scrap processing facilities in southern Gyeonggi Province (scheduled for operation in 2028), operation of pilot facilities at Pohang Works, and research on sorting technologies to secure high-quality steel scrap • Support for steel scrap suppliers: Support for suppliers' investment in refining facilities (approximately KRW 20 billion) and waste treatment generated from steel scrap refining (127 suppliers, approximately KRW 7 billion) • Implementation of integrated by-product resource recovery projects: Completion of 7 projects, including the development of slag-based cement substitutes and expanded use in asphalt concrete (2025) • Resource circulation rate[1] of 96.7% (exceeding the target of 96.1%; based on Dangjin Integrated Steelworks in 2025)	• Procurement of new low-carbon iron sources (IBO) • Production volume of sorted shredded steel scrap • By-product resource recovery: Slag inventory levels and development of by-product resource recovery products
Occupational Safety & Health	• Strengthening on-site safety execution capabilities • Establishment of a risk-assessment-centered preventative safety system • Enhancement of health and safety capabilities • Establishment of health-friendly operation	• 5% reduction in LTIFR[2] compared to the previous year • Zero serious injuries and fatalities	• LTIFR[2] • Number of serious accidents	• LTIFR: 3.04 (2023), 2.39 (2024), 2.41 (2025) • Daily on-site safety inspections and meetings led by management (48 sessions) and implementation of the Autonomous Improvement Care Program • Introduction of a mobile QR code-based risk assessment system and implementation of a smart safety factory at the No. 2 cold rolling plant • Company-wide safety mindset enhancement training (114 sessions and 3,361 employees in 2025) and employee health promotion programs • Maintenance of 100% ISO 45001 certification coverage in Korea and promotion of integrated certification (2026)	• Reduction of safety incidents: Number of serious accidents and occupational safety and health activity evaluation
Working Conditions of Own Workforce	• Enhancement of human rights management system • Actively promoting prevention of discrimination and harassment in the work place • Improvement of organizational culture	• 100% implementation of human rights impact assessment (2026) • Improvement of the grievance handling system and establishment of a wage monitoring framework (2026)	• Human rights impact assessment implementation rate • Number of violations related to Anti-Discrimination and Harassment Policy • Organizational culture diagnosis score	• Enhancement of human rights due diligence: 100% completion of document assessments across domestic/overseas business sites and 100% on-site inspections of sites with identified risks (3 domestic sites, 2 overseas subsidiaries) • Initiation of a grievance handling management system to strengthen company-wide grievance handling performance monitoring and aggregation	• Organizational culture improvement management: organizational culture assessment results
Ethics and Compliance Management	• Establishment of ethical management system • Promotion of ethical management culture	• Achievement of ISO 37301 certification (2027) • Maintenance of 100% participation in the Ethics and Compliance Management Pledge (2026) • 100% participation in ethics and compliance training (2026)	• ISO 37301 certification status • Participation rate in the Ethics and Compliance Management Pledge • Participation rate of target employees in ethics and compliance training	• Establishment and enhancement of Ethics and Compliance Management principles: Enactment of the Anti-Corruption & Bribery Policy (June 2025), revision of the Fair Trade Compliance Program Regulations (2025) for ultimately reaching ISO 37301 certification (until 2027) • Maintenance of 100% participation in the Ethics and Compliance Management Pledge (general and research employees) and implementation of awareness-raising activities, including compliance news and fair trade text message services • Quarterly effectiveness evaluations of the compliance control system (4 times per year)	• Comprehensive evaluation of compliance activities: Compliance awareness, internal control system, CP rating, and legal violation sanctions • Fair trade evaluation: Shared growth index and agreement

1) Resource circulation 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
2) Lost Time Injury Frequency Rate (LTIFR): the number of lost time injuries per one million hours worked
3) ESG-related indicators accounting for at least 5% of executive performance evaluations were mandatorily included to strengthen sustainability management capabilities and foster accountability for ESG management.

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1.6.6 Collecting Opinions from Stakeholders

Hyundai Steel is committed to proactively identifying and managing material topics 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 Issue	Communication Frequency
Customers	Source of economic and corporate values	• Sales Division	• Meetings • Technical Seminar • Customer Satisfaction Survey	• Customer Portal Site • Website • 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 shared growth based on trust	• Procurement Division • Major business sites(domestic, overseas)	• Shared Growth Agreement • Meetings • Purchasing System	• Technology Exchange Session • Website • Newsletter	• Operate supply chain management process • Supply chain ESG assessment and management • Advance shared growth support activities	Quarterly, Frequently
Shareholders and investors	Individuals and entities who provide the source of our business management through financial capital	• Planning & 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 • Planning & Financial Management Division • Major business sites(domestic, overseas)	• Social Contribution Council for the Local Communities • Feedback Discussion on CSR Activities	• Website • 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 • Planning & Financial Management Division • Major business sites(domestic, overseas)	• Website • 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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TRANSFORMING ENERGY & RESOURCES

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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2.1 Environmental Management

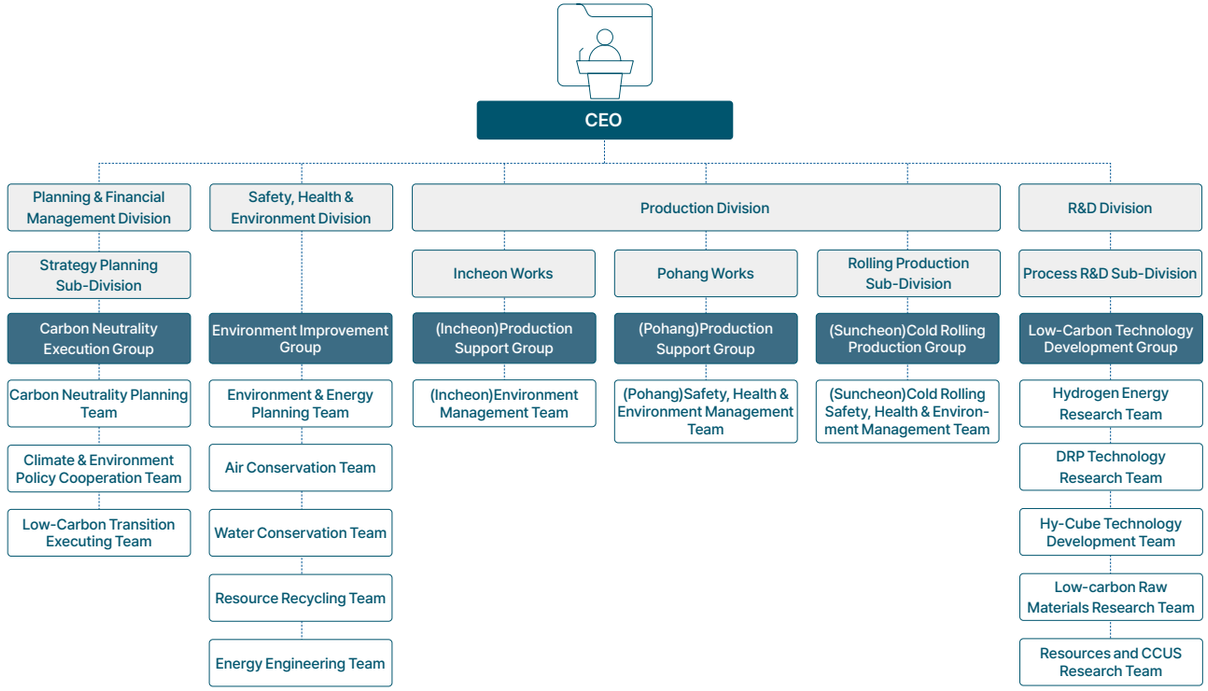
Hyundai Steel implements environmental management under its Integrated Environmental Management Policy. All business divisions systematically manage environmental impacts and respond to environmental regulations to minimize environmental risks. We conduct regular environmental meetings to discuss key issues and improvement measures and operate an Environmental Improvement Council to enhance stakeholder communication.

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2.1.1 Environmental Management System

Hyundai Steel implemented environmental management through an ISO 14001-based environmental management system while complying with domestic and international environmental laws and regulations and promoting the sustainable use of resources and energy, pollutant reduction, environmental risk identification and improvement, and the receipt and handling of environmental grievances throughout the entire product production process.

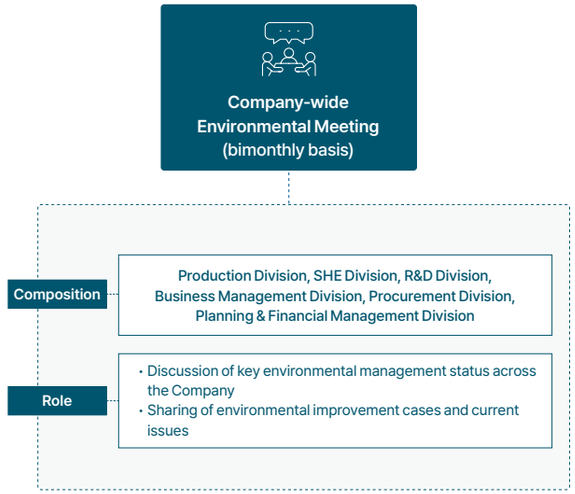
- Established the SHE (Safety, Health & Environment) Division at the end of 2024 to oversee safety, health, and environmental operations, and reorganized the steelworks environmental and energy-related organization previously under the Flat Products Business Division into the Environment Improvement Group under the SHE Division to strengthen integrated environmental management functions and activities
- Conducted environmental management activities and training linked to ISO 14001 across various areas, including air and water pollutant management, waste reduction and recycling, chemical substance management, and environmental accident prevention and response, through environmental teams at all business sites
- Established annual KPIs (Key Performance Indicators) for environmental management activities, including compliance with pollutant emission standards, facility investments, carbon emission reduction, and the execution of mid- to long-term strategic initiatives for carbon neutrality, for the CEO, business division heads, and team leaders and members of environmental departments, with the results reflected in personnel evaluations, compensation including incentives, and promotion assessments



Company-wide Environmental Meeting

Hyundai Steel reviews the status of company-wide environmental management implementation and manages related risks through the company-wide environmental meeting led by management team.

- Conducted reviews of key environmental issues, improvement measures, and implementation plans through company-wide environmental meetings attended by business division heads, plant managers, heads of relevant organizational centers, general managers, team leaders, and operational staff, including management teams such as the Head of the Production Division and the Head of the SHE Division (CSO, Chief Safety Officer)
- Held a total of 6 environmental meetings in 2025 (3 steelworks environmental meetings, 3 company-wide environmental meetings) and integrated them into company-wide environmental meetings from the second half of 2025, which have since been conducted on a bimonthly basis



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2.1.2 Integrated Environmental Management Policy and Environmental Management Strategy

Hyundai Steel has established an environmental management process to systematically manage company-wide environmental issues, including climate and environmental response, energy management, pollutant management, and by-product resource recovery, and proactively address environmental risks.

- Established ISO 14001-based Environmental Management Systems (EMS) across all domestic business sites and obtained third-party certification to enhance reliability and credibility
- Established and implemented the Environmental Management Policy to minimize negative environmental impacts across business activities and the value chain, and recommended compliance to all stakeholders, including suppliers

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

- Climate Change Response
- Energy Management
- Pollutant Management
- By-product Resource Recovery

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 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
- By-product Resource Recovery and Value-added Utilization

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 Mangement Policy ›

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2.1.3 Environmental Risk Analysis

Hyundai Steel identifies and responds to key environmental risks across three dimensions: business operations, business-related regulations, and community impacts.

Classification		Risk	Countermeasures	Detailed Reference
Business Operations	Water Resources	Water supply shortages due to climate change	Diversification of water withdrawal sources and advancement of watersaving measures	p.22-23
	Waste	Increase in waste treatment costs due to reduced waste disposal service providers	Diversification and advancement of waste to resource recovery methods	p.48-52
Business-related Regulations	Pollutants (Air/Water)	Regulation of regional total emission allowances	Implementation of best available control technology and enhanced internal emission standards	p.37-38
	Chemicals	Increase in environmental liability insurance premiums due to heightened use of hazardous chemical substances	Substitution and reduction of hazardous chemical substances	p.39-40
	Others	Obligations for improvement and remediation due to noise and soil regulation violations	Periodic monitoring	p.36, 43, 46
Local Community Impacts	Environmental Accidents	Chemical leakage accidents	Subscription to environmental liability insurance and installation of retaining walls to prevent spread	p.39-40
	Complaints	Local community complaints regarding noise, fugitive dust, odors (weakening management foundation)	Operation of councils and review of investment in response facilities	p.20, 36-38

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2.1.4 Environmental Improvement Activity

2.1.4.1 Environmental Improvement Council

Hyundai Steel operates the Environmental Improvement Council, composed of 17 members representing Dangjin City, the Dangjin City Council, Chungcheongnam-do Province, civic groups, and local residents, to transparently share local environmental issues and steelworks environmental improvement initiatives with stakeholders and discuss solutions.

- Operating quarterly under the supervision of Dangjin City to ensure transparency
- Sharing steelworks environmental improvement performance, including pollutant concentrations and air pollutant emissions, and discussing solutions for regional development through regular meetings with the local community

Year	Activity
2019	• Held the 1st Environmental Improvement Council meeting and established its operating regulations
2020	• Discussed measures to disclose environmental information at Dangjin Integrated Steelworks • Disclosed real-time air pollutant emission concentrations on the Dangjin City website • Operated one dedicated water-spray vehicle and one road sweeper to reduce fugitive dust impacts in areas surrounding Dangjin Integrated Steelworks
2021	• Disclosed odor monitoring data from Dangjin Integrated Steelworks on the Dangjin City website • Agreed to conduct a fugitive dust assessment around Dangjin Integrated Steelworks jointly with Dangjin City and the Private Environmental Monitoring Center • Entered into a voluntary air pollutant reduction agreement with Dangjin City
2022	• Shared the status of new TMS (Tele Monitoring System) installations at Dangjin Integrated Steelworks and air pollutant reduction plans • Installed an environmental information display board near Dangjin Integrated Steelworks for real-time disclosure of environmental information, including air quality data
2023	• Changed the Council operation frequency (bimonthly to quarterly) • Shared the implementation status of environmental improvement and greenhouse gas reduction agreements • Shared the 2050 carbon neutrality strategy (production system transition)
2024	• Shared 2024 environmental improvement investments and mid- to long-term major improvement investment plans • Reported on the status of steelworks environmental management - Installation of the No. 3 coke desulfurization/denitrification facility and progress on the construction of No. 2 Landfill at the steelworks
2025	• Shared 2025 environmental improvement investments and mid- to long-term major improvement investment plans • Reported on the status of steelworks environmental management - Improvement measures for steelworks slag storage yards and plans for solar power facility installation
2026	• Reported on the status of steelworks environmental management • Shared the results of agreement implementation with Dangjin City, including environmental improvement and greenhouse gas reduction agreements • Shared the application status of the steelmaking slopping automatic control system • Shared the status of steelworks fine dust management

2.1.4.2 Environmental Improvement and Greenhouse Gas Reduction Investments

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.

- Completed investments in the No. 3 coke desulfurization and denitrification facility and COG (Coke Oven Gas) quality improvement projects for Coke Plants No. 1 and 2 in 2024
- Completed investments in 2 Coke Dry Quenching (CDQ)[1] units (CDQ No. 2 and No. 3) in 2025 and continued investment in CDQ No. 1, with annual greenhouse gas reductions of more than approximately 500,000 tCO_2e expected through steam and power generation based on waste heat recovery during the coke cooling process
- Invested in heat exchanger efficiency improvements and waste heat recovery for energy-saving and greenhouse gas reduction efforts at steelworks
- Invested in improvements to aging air emission facilities, installation of best available control technologies for pollution prevention, and fugitive dust suppression facilities
- Planned to continue environmental impact reduction activities, including expanded slag aggregate recycling, enhanced waste resource recovery and in-house treatment, and investments to improve wastewater discharge quality

1) Facility that recovers sensible heat generated during the dry cooling of high-temperature coke produced in coke ovens to generate steam, which is then used to produce electricity

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2.1.5 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	• Strict compliance with site permit conditions to minimize environmental risks, along with continuous improvement, investment in new installations, and operation of pollution prevention facilities to reduce pollutant emissions • Phased installation and operation of Coke Dry Quenching (CDQ) systems to reduce pollutant emissions and recover energy
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	• Recognition of by-products as recyclable resources rather than waste, management of by-product generation intensity, research on new technologies, expansion of applications, and collaboration with other industries to promote resource circularity
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	• Mandatory enrollment in environmental liability insurance across all business sites since 2016 to ensure fair compensation and relief in the event of environmental accidents
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	• Designation of all business sites under the Regional Air Pollutant Total Emission Management System and compliance with air pollutant emission allowances through enhanced efficiency of abatement facilities at major emission sources and increased investment in new pollution control 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	• Registration of 40 chemical substances with the Ministry of Climate, Energy and Environment • Monitoring of chemical substance manufacturing and import status through the chemical substance management system and immediate response to substances requiring registration or notification
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	• Thorough management of hazardous chemical substances handling facilities through continuous self-inspections, consultations with specialized organizations, and periodic inspections and safety diagnoses • Annual implementation reviews of the Chemical Accident Prevention and Management Plan, following its approval in 2021, with results reported to the National Institute of Chemical Safety (NICS) • Proactive compliance with the CHEMICAL SUBSTANCES CONTROL ACT through regular internal monitoring in response to the expanded designation of hazardous chemical substance by the Ministry of Climate, Energy and Environment
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	• Implementation of greenhouse gas reduction activities to ensure compliance as an entity subject to the emission trading scheme designated by the Ministry of Climate, Energy and Environment • Annual calculation of greenhouse gas emissions and transparent disclosure of externally verified data
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 greenhouse gas reduction targets for 2030. It also lays the groundwork for engaging in international greenhouse gas 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	• Establishment and implementation of a mid- to long-term carbon neutrality strategy and roadmap aligned with the Nationally Determined Contribution (NDC), including phased emissions reduction targets to achieve net zero by 2050 • Phased implementation of production system improvements, expansion of low-emission product supply, and transition to renewable energy to achieve net zero by 2050

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2.1.6 Water Risk Management

Hyundai Steel analyzes water risks at domestic sites responsible for 100% of its crude steel production and the surrounding areas and establishes and implements plant-specific response measures to mitigate these risks. It prevents production disruptions that may arise from water supply issues by securing stable water supply through monitoring water shortages at water sources and managing water withdrawals, optimizing water quality management by process, and recycling water within processes.

2.1.6.1 Water Sources and Water Usage Status

Site	Water Source Status			Water Source Utilization Status[1]	
	Category	Name of Water Source	Supply capacity	Annual raw water withdrawal as of 2025	Withdrawal-to-Water Source Capacity Ratio
Incheon Works	Industrial Water	Gajwa Sewage Treatment Plant	350 thousand m³/Day	2,766 thousand m³/Year	2.2%
	Municipal Water	Paldang Lake (Regional Water Supply System)	1,256 thousand m³/Day	1,158 thousand m³/Year	0.3%
Pohang Works	Industrial Water	Yeongcheon Dam	294 thousand m³/Day	1,127 thousand m³/Year	1.1%
	Municipal Water	Angye Dam/Hyeongsan River (Yugang Water Purification Plant)	50 thousand m³/Day	261 thousand m³/Year	1.4%
		Angye Dam (Industrial Complex Water Purification Plant)	55 thousand m³/Day	71 thousand m³/Year	0.4%
Dangjin Integrated Steelworks	Industrial Water	Asan Lake (Primary Water Source, Approximatetly 70%)	350 thousand m³/Day	43,673 thousand m³/Year	17.2%
		Daecheong Lake (Supplementary Water Source, Approximatetly 30%)	346 thousand m³/Day		
	Municipal Water	Daecheong Lake (Regional Water Supply System)	634 thousand m³/Day	3,690 thousand m³/Year	1.6%
Suncheon Works	Industrial Water	Juam Dam	540 thousand m³/Day	3,093 thousand m³/Year	0.8%
		Sueo Dam	550 thousand m³/Day		
	Municipal Water	Produced internally	-	-	-

1) Industrial water is primarily used for product pretreatment, product and equipment cooling, steam generation, water spraying vehicles, and firefighting purposes, while municipal water is used as living water

2.1.6.2 Water Risk Analysis by Area

Hyundai Steel annually analyzes whether its domestic sites are located in areas of water stress and water scarcity[1] using the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI).

- Identifying Incheon Works, Pohang Works, and Dangjin Integrated Steelworks as being in areas with medium-high water stress (20–40%), and Suncheon Works as being in an area with high water stress (40–80%)
- Responding to local water scarcity issues at Suncheon Works through consultations with the Korea Water Resources Corporation on dry-season water withdrawal restrictions and adjustments to plant operating rates, while establishing and implementing measures to minimize site-level water risks, including optimization of water-use facilities and improvements to supply pipelines

Site	Water Stress Level	2025 Water Usage[2]
Incheon Works, Pohang Works, Dangjin Integrated Steelworks	Medium-HIgh (20–40%)	46,996 thousand m³
Suncheon Works	High (40–80%)	670 thousand m³

1) Water scarcity risk analysis includes both anthropogenic and natural factors, such as the availability of water resources (water use and storage), the frequency of droughts, and related changes
2) Based on actual water consumption, or water withdrawals less the volume of water discharged

2.1.6.3 Water Resource Risk Response Strategy by Business Site

All business sites	• Monitoring of water stress and water scarcity at water sources • Restriction of direct surface water and groundwater withdrawals to minimize impacts on the local ecosystem, including biodiversity and climate
Incheon Works	• Use of reclaimed wastewater from public sewage treatment plants for 100% of industrial water and minimization of freshwater withdrawals
Pohang Works	• Utilization of the Hyeongsan River Bujo intake station operated by the Korea Water Resources Corporation as an alternative water source in the event of water shortages at Yeongcheon Dam
Dangjin Integrated Steelworks	• Flexible adjustment of raw water mixing ratios according to raw water storage levels during the dry season through diversification of water sources (maintaining raw water storage levels and improving water quality issues during dry-season water supply)
Suncheon Works	• Consultation and implementation to maintain water withdrawals from the Seomjin River below the permitted flow threshold during the dry season

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2.1.6 Water Risk Management

2.1.6.4 Water Risk Response Strategy

Water is an essential resource for steel production, and Hyundai Steel strives to mitigate local water scarcity risks by reducing water consumption through improvements to water-use facilities at its business sites and by reducing new water withdrawals through expanded water recycling and reuse. In addition, the Company seeks to minimize environmental impacts on local watersheds by operating wastewater and effluent quality monitoring systems and maintaining stringent discharge management standards.
Dangjin Integrated Steelworks expects industrial water consumption to increase by approximately 10% by 2028 as part of its transition to a low-carbon production system. To prepare for potential water shortages, the site is expanding the capacity of its water supply and distribution facilities while making efforts to minimize increases in water withdrawals through equipment efficiency improvements and reviews of expanded process water reuse.

Response Measures

Classification	Activity
Water Usage Reduction	• Investment in improvements to water-use facilities and optimization of operations • Replacement of aging water pipelines and inspection and maintenance of cooling water system leaks • Establishment of water reduction targets for Incheon Works and Suncheon Works, where water consumption has recently increased - Targeting a 5% reduction in water withdrawals by 2028 compared to 2023 levels ※ 2028 Water Use Reduction Targets for Incheon and Suncheon Works (Unit: thousand m³/Year) 
Water Recycling and Reuse	• Reuse of wastewater from individual plants and treated water from on-site wastewater treatment facilities • Identification of new opportunities for wastewater reuse ※ Water Usage Status of Domestic Sites (Incheon, Pohang, Dangjin, Suncheon, 2025) New Water Withdrawals: 55,839 thousand m³ Reused Water: 10,294 thousand m³
Reuse of reclaimed wastewater from public sewage treatment plants	• Reuse of treated wastewater from external public sewage treatment plants as industrial water (Incheon Works)
Employee training	• Implementation of the "Understanding Water" training program for new employees to enhance awareness and understanding of water resources (January 2025)

Water Risk Reponse in Business Sites

Classi-fication	Risk	Response	Site	Response Activity and Performance
Water Usage	Increased water consumption resulting from facility expansion	Capacity Increase	Dangjin	• Expansion of water supply and distribution facilities to stabilize water supply (12 thousand m³/day, investment from 2024 to 2026)
	Insufficient water supply due to regional water supply imbalances and declining water storage levels at water sources	Water Usage Reduction	All Business Sites	• Regular inspection and maintenance of leaks in water pipelines, cooling water lines, and other facilities • Identification of opportunities to reduce water consumption
			Dangjin	• Replacement of mixed water/reused water pipelines at No. 1 hot rolling plant • Replacement of wastewater pipelines for low-carbon steelmaking • Reinforcement of leaking discharge pipelines for rolling process water at No. 1 hot rolling plant
			Suncheon	• Replacement of aging water intake pipelines (△30 thousand m³/year, since 2022) • Investment in replacing ion-exchange resin in pure water production facilities (△7 thousand m³/year, since 2022) • Minimization of cooling water blowdown (△7 thousand m³/year)
		Water Reuse	Pohang	• 100% reuse of wastewater from No. 1 plant after treatment through on-site wastewater treatment facilities
			Dangjin	• Identification of wastewater reuse opportunities to reduce water withdrawals - Reuse of wastewater from No. 2 Hot Rolling Plant as make-up water for the RH facility at No. 1 Steelmaking Plant (△370 thousand m³/year, since 2024) - Reuse of plate mill wastewater as make-up water for No. 2 Steelmaking Plant (△540 thousand m³/year, since 2021)
Water Quality	Deterioration of incoming raw water quality due to declining water storage levels at water sources	Water Quality Management	All Business Sites	• Monitoring of incoming water quality through water quality analysis using measuring instruments • Operation of raw water treatment facilities (Pohang, Dangjin)
			Pohang	• Water quality testing of living water and drinking water, and disinfection of living water tanks
			Dangjin	• Maintenance of raw water quality through flexible adjustment of the blending ratio of two water sources

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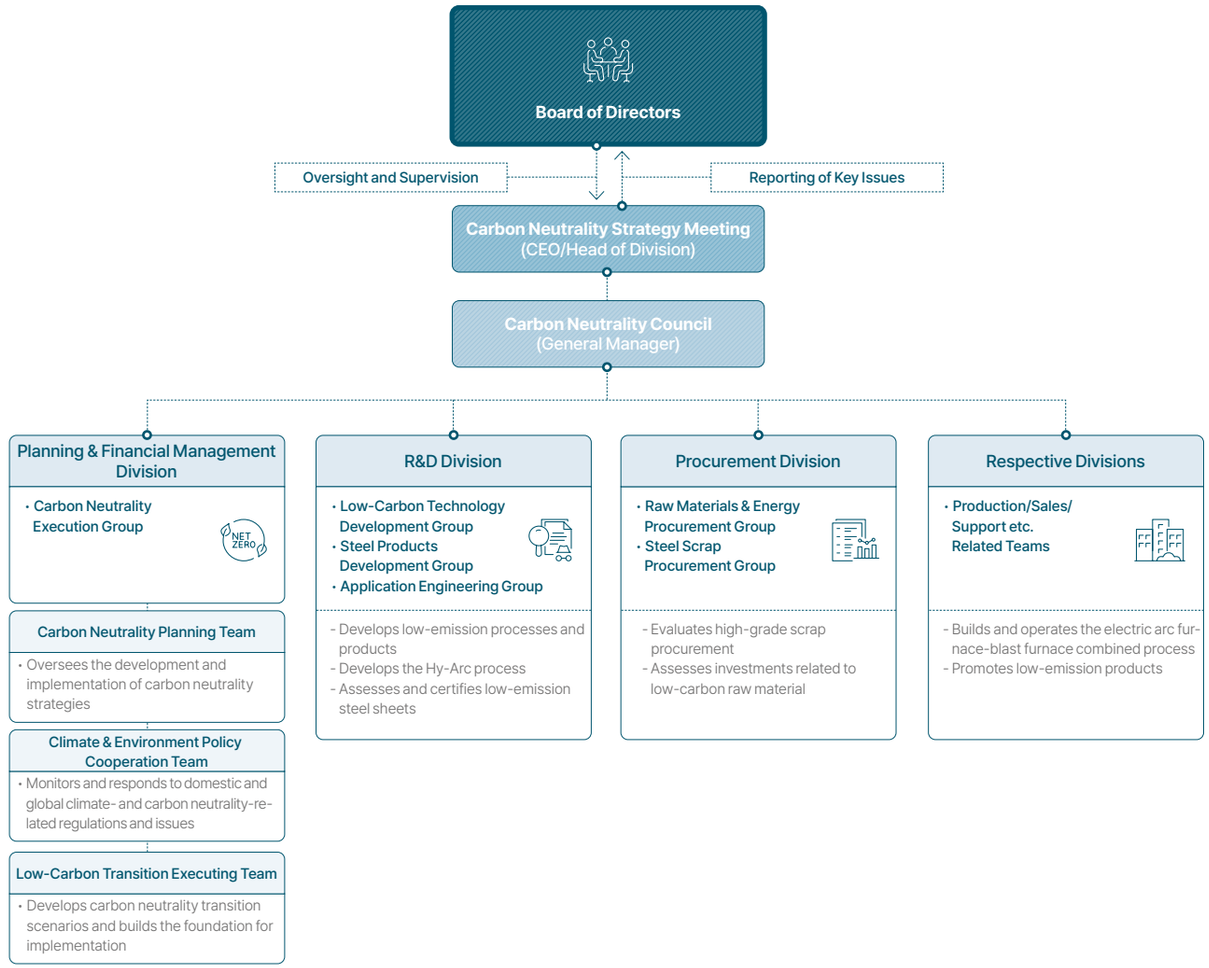
Hyundai Steel has established a 2050 carbon neutrality roadmap aligned with climate action and NDC goals. Leveraging our blast furnace and electric arc furnace technologies, we aim to reduce carbon emissions by 12% by 2030 compared to 2018 levels through the "Electric Arc Furnace–Blast Furnace Combined Process" and are pursuing a transition to hydrogen-based steel production in the long term. Climate-related strategies and decisions are made through the CEO-chaired Carbon Neutrality Strategy Meeting and the Board of Directors.

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2.2.1 Climate Change Management System

In response to growing domestic and global demands for decarbonization and the Korean government's 2030 Nationally Determined Contribution (NDC) target, Hyundai Steel has established and operates a climate change governance framework that spans from the dedicated Carbon Neutrality Execution Group to management and the Board of Directors. The CEO and relevant executives and managers set annual Key Performance Indicators (KPIs) related to carbon neutrality, including carbon emissions reduction and the execution of mid- to long-term strategic initiatives. Performance against these KPIs is reflected in personnel evaluations, incentive compensation, and promotion assessments.

- Board of Directors: Oversees and supervises carbon neutrality strategies and key climate-related matters
  - Annual review of the status of carbon neutrality strategy implementation
- Carbon Neutrality Strategy Meeting (CEO-led Council of Division Heads): Reviews carbon neutrality strategy and implementation performance, including related investment progress and emissions reduction outcomes, and makes decisions on key agenda items (quarterly)
- Carbon Neutrality Council (General Managers): Shares progress on carbon neutrality initiatives, including emissions reduction performance and future plans, and discusses cross-functional collaboration needs (bimonthly)
- Carbon Neutrality Execution Group (Dedicated Organization): Develops and executes carbon neutrality implementation plans
- Carbon Neutrality Issue Meetings: Convenes on an ad hoc basis with general managers, team leaders, and working-level staff from relevant departments to coordinate and resolve carbon neutrality-related issues



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2.2.1 Climate Change Management System

2.2.1.1 Participating in Climate Change Response External Activities

Hyundai Steel supports the Paris Agreement and Korea's national commitment to achieving carbon neutrality by 2050 and advances its climate action strategy in accordance with its Carbon Neutrality Roadmap. In line with its principles on climate-related association activities, the Company also supports public policies that promote carbon neutrality and contribute to the implementation of the Paris Agreement, while participating in related external cooperation and engagement activities.

Public Policy Engagement Governance

Hyundai Steel actively participates in various public-private consultative bodies to engage and collaborate with government authorities on climate-related issues. Through these engagements, the Company contributes to the development of climate policies by providing recommendations to enhance the Emissions Trading Scheme (ETS) and supporting policy initiatives that promote carbon neutrality.

Classification	Details
Korea Business Council for Sustainable Development (KBCSD)	• CEO Policy Meeting with Cabinet-Level Officials (Annually) • Policy Consultative Meetings with Vice Ministers (As Needed) and Operating Committee Meetings with Director General-Level Officials (As Needed) • Contributing to policy improvements by communicating industry perspectives to government authorities on environmental regulations (greenhouse gas emissions, chemicals, air quality, water quality, soil, and waste management) and other topics, including biodiversity and green market development
Korea Chamber of Commerce and Industry (KCCI) Climate, Energy, and Environment Policy Council	• Consultative body jointly organized by the Ministry of Climate, Energy and Environment and the Korea Chamber of Commerce and Industry (KCCI) (Twice a year) • Contributing to policy improvements by communicating industry perspectives to government authorities on climate, energy and environmental issues
Korea Emissions Market Association (KEMA)	• Policy Dialogue Meetings with the Ministry of Climate, Energy and Environment (As Needed) • Facilitating dialogue between the Ministry and emissions trading market participants, providing recommendations to improve the Emissions Trading Scheme (ETS), and monitoring global ETS developments

Participation in Domestic and Global Initiatives

Hyundai Steel supports major sustainability-related initiatives and industry associations that promote carbon neutrality, including the United Nations Global Compact (UNGC), the Korea Iron & Steel Association (KOSA), and the World Steel Association (WSA). The Company actively participates in their key programs and activities on a regular basis.

Classification	Details
Participation in the "Korean Zero-Emission Vehicle[1] (K-EV100)" Public-Private Partnership Campaign led by the Ministry of Climate, Energy and Environment	• Phased implementation of a plan to achieve a 100% transition of company-owned and leased vehicles to zero-emission vehicles by 2030 (since 2021)
Participation in the "Pilot Diagnostic Project on Physical Climate Risk Assessment by the Industrial Climate Change Adaptation Consultative Body" jointly led by the Ministry of Climate, Energy and Environment and the Korea Environment Institute (KEI)	• Conducted a physical climate risk assessment for Hyundai Steel's Dangjin Integrated Steelworks (2025) • Identified physical climate risks and analyzed mid- to long-term impacts of extreme heat, rising temperatures, and other climate-related factors based on climate change scenarios (SSP1, 2, and 5)
Participation in World Steel Association (WSA) Working Group Activities	• LCA[2] Expert Group: Shared updates on standards, methodologies, and initiative trends related to life cycle assessment (LCA) in the steel industry • Chain of Custody (CoC) Expert Group: Developed guidelines for the recognition and utilization of greenhouse gas emissions reductions • Published the first guideline in November 2024 and the second guideline in February 2026 • Co-product Working Group: Discussed methodologies for allocating environmental impacts associated with co-products • Steel Standards Principles (SSP): Standardized methodologies for calculating greenhouse gas emissions from steel products • Climate Action Data Collection Program (CAP): - A voluntary CO_2 emissions data reporting program for the steel sector operated by the World Steel Association since 2008 Steel Company · Submission of emissions data at the site or company level WSA · Development of comparable emissions intensity metrics through data verification and consolidation

1) Vehicles that meet the emissions standards prescribed by the Ministry of Climate, Energy and Environment which includes battery electric vehicles (BEVs) and hydrogen fuel cell electric vehicles (FCEVs) (hybrid vehicles are excluded)
2) LCA, Life Cycle Assessment

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2.2.2 Climate Change Risk and Opportunity Analysis

2.2.2.1 Material Climate Risks and Opportunities

Hyundai Steel systematically assesses the impacts of climate change across its business model and value chain by applying the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Transition risks (policy and legal, technology, market, and reputational risks), physical risks (acute and chronic risks), and opportunities (resource efficiency, energy sources, products and services, markets, and resilience) were identified. Through internal expert interviews, roundtable discussions, and surveys, information on the likelihood and potential financial impacts of identified risks and opportunities was collected and comprehensively evaluated to determine priorities.

Classification		Climate Risk/Opportunity	Estimated Financial Impact Pathway	Value Chain	Short-term (1y <)	Mid-term (1~5y)	Long-term (5y >)	Response Strategy	Reference Page
Physi-cal Risk	Acute	Inundation(Heavy Rain/Flood)	・Reduced carrying value of property, plant and equipment and inventories due to inundation damage	Own Operation		●	●	・Enhancing disaster response management to strengthen emergency preparedness for climate-related disasters ・Strengthening Inundation damage prevention facilities at key sites and establishing a storm and flood response system at the Dangjin Integrated Steelworks ・Minimizing physical property damage and establishing measures to address environmental impacts on surrounding communities through enrollment in comprehensive property insurance and environmental liability insurance	p.27-28, 32
			・Reduced revenue and earnings due to operational disruptions (shutdowns and delivery delays)	Own Operation, Downstream		●	●		
			・Increased operating costs for inundation response and recovery	Own Operation, Downstream	●	●	●		
			・Increased capital investment for inundation preparedness	Own Operation	●	●	●		
Transi-tional Risk	Policy and Legal	Tightening of international carbon-related trade regulations	・Increased export costs associated with EU CBAM (Carbon Border Adjustment Mechanism) certificate purchases and embedded emissions calculation and verification	Downstream	●	●	●	・Enhancing market competitiveness through embedded emissions quantification and low emission product development	p.27, 29-32, 53
	Policy and Legal	Tightening of Korea's Emissions Trading Scheme (K-ETS) regulations	・Increased emissions reduction burden due to tighter K-ETS reduction requirements and expanded benchmark-based allocation	Own Operation	●	●	●	・Managing cost risks associated with the Emissions Trading Scheme through internal reductions based on the carbon neutrality transition plan and mid- to long-term emissions allowance portfolio management	p.27, 31-32
	Technological	Increased investment burden for carbon reduction facilities	・Increased financial burden from large-scale CAPEX investments in electric arc furnace and Hydrogen-based DRI facilities	Own Operation	●	●	●	・Establishing business plans and evaluating the feasibility of new facility investments by considering greenhouse gas emissions, emissions costs, and demand for low-emission products	p.15, 27, 29-31
	Technological	Increased electricity demand driven by the low-carbon transition	・Increased electricity costs due to large-scale power consumption required for electric arc furnace and hydrogen-based DRI operations	Own Operation		●	●	・Implementing energy conservation, energy efficiency improvement, and mid- to long-term energy strategic investments based on the energy efficiency management system	p.27, 29-31, 34-35
	Market	Supply-demand imbalance in raw materials for low-emission processes	・Reduced production volume and revenue due to disruptions in steel scrap procurement caused by tighter export restrictions in key sourcing countries	Upstream		●	●	・Operating support programs for steel scrap suppliers to diversify supply sources and identify new supply chains ・Strengthening investment in facilities (shredders and sorting lines) and R&D to secure high-quality steel scrap	p.15, 21, 27, 29-32, 49, 105
			・Increased raw material purchase prices and raw material costs due to steel scrap shortages and rising premiums for high-quality raw materials	Upstream		●	●		
Oppor-tunity	Product/ Service	Enhanced competitiveness of low-emission products	・Enhanced market competitiveness and increased revenue through timely production of low-emission products (HyECOsteel)	Own Operation, Downstream		●	●	・Enhancing low-emission product development and market competitiveness through the introduction of the electric arc furnace-blast furnace combined process (mid-term) and the hydrogen-based DRI Hy-Arc process (long-term) ・Strengthening competitiveness through the continuous expansion of certified products, including domestic low-carbon product certification and International EPD	p.9, 15, 21, 29-30, 32-33, 49, 53-54, 105
			・Increased revenue through strengthened disclosure of product carbon footprint information and expanded certified products (Environmental Product Declarations (EPDs), low-carbon product certifications)	Own Operation, Downstream		●	●		
	Resource Efficiency	Emissions reduction through decarbonization technologies	・Reduced CO_2 emissions and emissions costs through the adoption of carbon reduction technologies	Own Operation		●	●	・Reducing GHG emissions at business sites through process decarbonization initiatives, including the establishment of the electric arc furnace-blast furnace combined process	p.29-31, 33

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2.2.2 Climate Change Risk and Opportunity Analysis

2.2.2.2 Climate Scenario and Financial Impact Anaysis

Scenario Analysis

Hyundai Steel conducted scenario analysis by selecting scenarios appropriate for the characteristics of physical and transition risks, with the aim of assessing climate-related risks and opportunities that may affect its business.

Classi-fication	Scenario	Description	Source	Period	Scope
Physical Risk	SSP1-2.6 (1.8°C)	Low-emissions scenario in which fossil fuel use is minimized through the advancement of renewable energy technologies, and environmentally sustainable economic growth is achieved (radiative forcing of approximately +2.6 W/m² and a global average temperature increase limited to within 2°C by 2100).	IPCC	~2050	5 Domestic Sites (Pangyo, Incheon, Pohang, Dangjin, and Suncheon)
	SSP2-4.5 (2.7°C)	Intermediate pathway scenario in which climate change mitigation and socioeconomic development continue at a moderate level (radiative forcing of approximately +4.5 W/m² and a global average temperature increase of around 3°C by 2100).			
	SSP5-8.5 (4.4°C)	High-emissions scenario in which greenhouse gas emissions continue to rise due to fossil fuel-intensive industrial development and uncontrolled urban expansion (radiative forcing of approximately +8.5 W/m² and a global average temperature increase exceeding 4°C by 2100).			
Transi-tion Risk	NZE (Net Zero Emissions)	Most ambitious energy transition scenario, assuming that all available measures are deployed to achieve net-zero emissions in the global energy sector by 2050, including the rapid expansion of renewable energy, phase-out of fossil fuels, and improvements in energy efficiency (net-zero pathway)	IEA World Energy Outlook	~2050	All Business Operations
	STEPS (Stated Policies Scenario)	Baseline scenario assuming changes in the energy system without additional policy intervention, reflecting not only policies already in force but also those that have been officially announced or are expected to be introduced (stated policy trajectory)			
	CPS (Current Policies Scenario)	Most conservative scenario, reflecting only policies already implemented or formally established through laws and regulations, while excluding policies that have only been proposed in official directions or remain at the draft stage. Under this scenario, energy demand continues to increase, and greenhouse gas emissions reductions remain limited (current policy pathway).			

Physical Risk Scenario Analysis Results by Domestic Sites

Hyundai Steel used the climate modeling tool Jupiter Intelligence to calculate the Annual Average Damage (AAD) for four disaster types, including inundation, typhoons, heatwaves, and wildfires, across five domestic sites under different climate scenarios. AAD is a metric that quantifies the level of physical exposure to a given risk factor and may not be directly proportional to the magnitude of financial impacts. Hyundai Steel uses this metric as baseline data for identifying and assessing physical risks.[1)]

- Identified relatively high heatwave exposure across all five domestic sites, although actual impacts may vary depending on site-specific operating conditions and response systems
- Estimated a relatively higher inundation loss rate (approximately 1.5%) for Pohang Works compared with other sites based on flood damage rate analysis at a maximum 90-meter grid-cell resolution, reflecting previous experience with Typhoon Hinnamnor
- Identified inundation risk as a factor requiring continuous monitoring and strengthened response systems in consideration of its potential impact on business continuity, including damage to property, plant and equipment and operational disruptions

※ For Hyundai Steel's response to physical risks, please refer to 2.2.5 Physical Risk Response Strategy.

Classification		Inundation			Wildfire			Heatwave			Typhoon		
		SSP1-2.6 (1.8°C)	SSP2-4.5 (2.7°C)	SSP5-8.5 (4.4°C)	SSP1-2.6 (1.8°C)	SSP2-4.5 (2.7°C)	SSP5-8.5 (4.4°C)	SSP1-2.6 (1.8°C)	SSP2-4.5 (2.7°C)	SSP5-8.5 (4.4°C)	SSP1-2.6 (1.8°C)	SSP2-4.5 (2.7°C)	SSP5-8.5 (4.4°C)
Pangyo Office	2030												
	2040												
	2050												
Incheon Works	2030												
	2040												
	2050												
Pohang Works	2030												
	2040												
	2050												
Dangjin Integrated Steel-works	2030												
	2040												
	2050												
Suncheon Works	2030												
	2040												
	2050												

1) Persented results are estimates based on scenario assumptions and may differ from actual losses depending on climate conditions and changes in the business environment

Low 0% 10% High

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2.2.2.2 Climate Scenario and Financial Impact Anaysis

Financial Impacts of Material Physical Climate Risk

○ Analysis Overview

Category Acute

Risk Inundation (Heavy Rain/Flood)

Inundation (Heavy Rain/Flood) is an acute physical risk that may cause flooding and damage to business sites and surrounding infrastructure as a result of extreme precipitation events, such as torrential rainfall and typhoons. As the intensity and frequency of precipitation events are being observed and projected to increase due to climate change, Hyundai Steel identified inundation as a material physical risk and conducted a scenario-based quantitative analysis.

Analysis Scope

- Conducted scenario and financial impact analyses across 5 domestic sites (Pangyo, Incheon, Pohang, Dangjin, and Suncheon)
- Applied a time horizon framework consisting of short-term (2025–2026), mid-term (2027–2031), and long-term (2032–2050) periods

Analysis Tool and Scenario

- Utilized the Jupiter Intelligence Climate Score Global model
- Applied 3 SSP scenarios based on the IPCC 6th Assessment Report: SSP1-2.6 (1.8°C), SSP2-4.5 (2.7°C), and SSP5-8.5 (4.4°C)

○ Results

Financial Impact Analysis Results

- Identified no significant financial impacts from inundation (heavy rain/flood) in 2025; however, scenario-based analysis projected annual average financial impacts of approximately KRW 31–37.5 billion in the short-term (2025–2026)[1)]
  - Reflecting potential financial impacts, including damage to property, plant and equipment, revenue losses, and increased insurance premiums resulting from inundation (heavy rain/flood), based on IPCC SSP scenarios as well as key assumptions regarding internal operations, business plans, and industry and market conditions
  - Recognized that the analysis results are based on future projections and that outlooks may vary over the mid-to long-term depending on changes in key assumptions and internal and external business conditions
- Projected intensifying financial impacts associated with Inundation, highlighting the need for proactive long-term response measures

Response Measures and Strategies

- Establishing and implementing activities to strengthen Inundation risk management capabilities based on the results of the financial impact analysis
- Enhancement of Disaster Response Management: Strengthening disaster response systems and emergency response manuals to enhance preparedness for climate-related disasters
- Strengthening Inundation Prevention Facilities: Reinforcing Inundation damage prevention facilities at key sites and establishing storm and flood response systems
- Mitigation of Financial Burdens through Insurance: Minimizing physical property damage and addressing environmental impacts through comprehensive property insurance and environmental liability insurance coverage

Average Annual Financial Impacts by Analysis Period[1)]

Classification	Short-term (2025~2026)	Mid-term (2027~2031)	Long-term (2032~2050)
Estimated Financial Impacts	Below KRW 40 billion	KRW 40~80 billion	Above KRW 80 billion

1) Persented results are estimates based on scenario assumptions and may differ from actual losses depending on climate conditions and changes in the business environment

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2.2.3 Transition Risks Response Strategy

Hyundai Steel is pursuing a "2050 Mid- to Long-Term Carbon Neutrality Roadmap" aligned with the Korean government's Nationally Determined Contribution (NDC), which was established under the Paris Agreement's goal of limiting the increase in global average temperature to 1.5°C above pre-industrial levels. The roadmap was developed by comprehensively reflecting the views of various stakeholders, including the government's carbon neutrality policies, investors' expectations for climate risk management and transition finance, customers' demand for low-carbon steel products, and supply chain decarbonization requirements. In addition, Hyundai Steel is promoting facility investments and production process transformation while taking into account domestic and international climate and trade regulations, including the EU Carbon Border Adjustment Mechanism (CBAM), as well as business risks.

2.2.3.1 2050 Carbon Neutrality Roadmap

Hyundai Steel is pursuing production system innovation to decarbonize products and reduce carbon emissions across its production processes, while gradually transitioning to renewable energy, with the goal of achieving carbon neutrality (Net-Zero) by 2050. By gradually transforming its existing blast furnace-centered production system into the Electric Arc Furnace-Blast Furnace Combined Process and Hydrogen-based DRI, Hyundai Steel plans to achieve structural reductions in Scope 1 and Scope 2 emissions while continuing to engage in collaboration throughout its supply chain to reduce Scope 3 emissions.

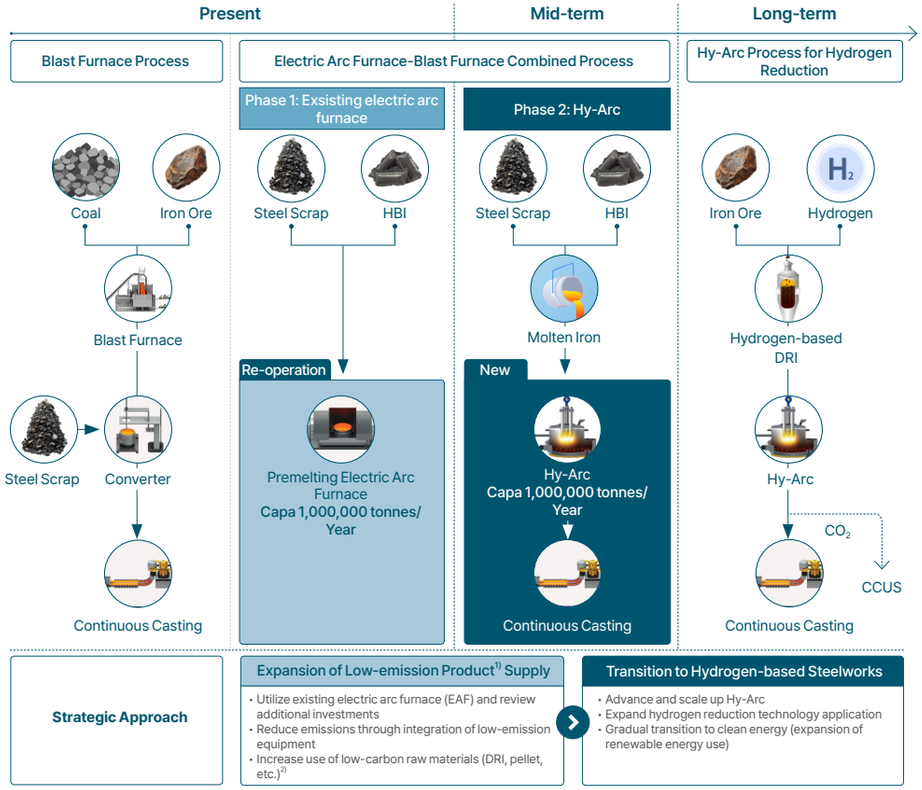
Product Decarbonization and Process Carbon Neutrality

- Reducing carbon emissions across all business sites by 12% by 2030 compared to 2018 levels through process decarbonization initiatives, including the establishment of the Electric Arc Furnace-Blast Furnace Combined Process
- Preparing for system transformation through the advancement of Hy-Cube[1], Hyundai Steel's low-emission product production system based on proprietary technologies, including the scale-up of Hy-Arc and expanded application of Hydrogen-based DRI technology
- Achieving carbon neutrality with net-zero emissions by 2050 through the absorption and offset of unavoidable residual emissions using emissions trading, Carbon Capture Utilization & Storage (CCUS) technologies, Blue Carbon[2], and forest creation initiatives

Renewable Energy Transition

- Expanding the renewable energy transition through the phased development of domestic and overseas solar power generation facilities and the execution of PPAs
  - (Domestic) Constructing a 3.2 MW parking lot solar self-generation facility at Dangjin Integrated Steelworks, with operation scheduled for Q4 2026
  - (Domestic) Pursuing an 11.6 MW solar Power Purchase Agreement (PPA) for Suncheon Works, targeted for Q4 2026
  - (Overseas) Executing a 14 GWh Virtual Power Purchase Agreement (VPPA) for HSGA (Hyundai Steel Georgia, Inc.) in April 2024 to achieve RE100 at North American operations, and planning to extend the program to HSAL (Hyundai Steel America, Inc.)
  - (Overseas) Completing the first-phase solar panel installation at HSCH (Hyundai Steel India Private Ltd.) in 2025, generating approximately 590,000 kWh annually (approx. 25% of total electricity consumption), and planning an additional 240,000 kWh of annual capacity in 2026 to increase renewable energy procurement to approximately 37% of total electricity consumption

1) Hy-Cube: Hyundai Steel's proprietary low-emission product production system based on its unique technologies
2) Blue Carbon: Carbon absorbed and stored in coastal and marine ecosystems



Strategic Approach	Expansion of Low-emission Product[1] Supply	Transition to Hydrogen-based Steelworks
	• Utilize existing electric arc furnace (EAF) and review additional investments • Reduce emissions through integration of low-emission equipment • Increase use of low-carbon raw materials (DRI, pellet, etc.)[2]	• Advance and scale up Hy-Arc • Expand hydrogen reduction technology application • Gradual transition to clean energy (expansion of renewable energy use)

Invstment Cost	Approx. KRW 150 billion	Under review	Under review
CO_2 Emissions per Tonnes of Product (based on cold rolled CFP)	(Compared to conventional blast furnace steel)		
	Approx. 20% reduction[3]	Approx. 40% reduction	Approx. 90% reduction
Capacity	4,000,000 tonnes/year (1 million tonnes of electric arc furnace, 3 million tonnes of blast furnace)	1,000,000 tonnes/year	

1) Low-emission product: Products with a Carbon Footprint of Product (CFP) approximately 20~40% lower than that of Hyundai Steel's conventional blast furnace steel
2) Low-carbon raw material: Raw materials that can reduce carbon emissions during production compared to conventional blast furnace raw materials (sinter), including direct reduced iron, pellets, and scrap
3) These values are design estimates calculated in accordance with internal standards based on ISO 14044, the international Life Cycle Assessment (LCA) standard, and may differ from actual values depending on operating conditions.

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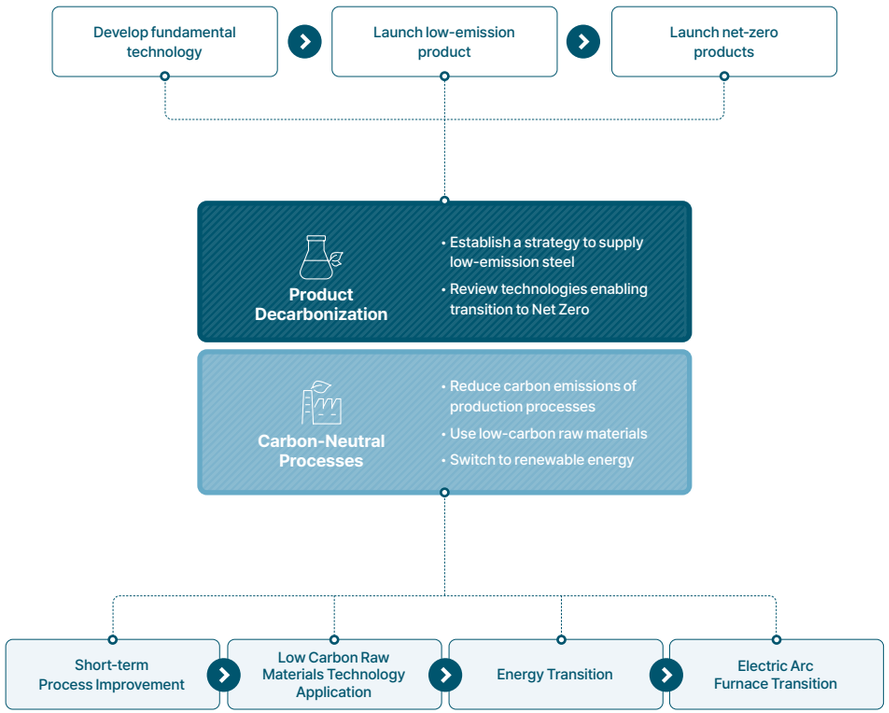
Strategy

2.2.3 Transition Risks Response Strategy

2.2.3.2 Strategic Direction for Net Zero

Hyundai Steel has established a two-route strategy to achieve carbon neutrality.

- Route 1 Product Decarbonization: Developing and commercializing low-emission and carbon-neutral products, contributing to the achievement of carbon neutrality by customers and industries
- Route 2 Process Carbon Neutrality: Reducing carbon emissions from production processes and transitioning to the Hy-Arc process for hydrogen reduction, supporting the achievement of carbon neutrality by 2050



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

The Electric Arc Furnace–Blast Furnace Combined Process will enable Hyundai Steel to produce high-grade, low-emission products while maintaining quality comparable to conventional blast furnace products.

Electric Arc Furnace-Blast Furnace Combined Process Operation

- Advancing Phase 1 operations (blending steel scrap from the electric arc furnace with blast furnace molten iron in the converter)
  - Conducting pre-validation of process stability and quality competitiveness for the Electric Arc Furnace-Blast Furnace Combined Process at Dangjin Integrated Steelworks since April 2023, including low-emission product productivity testing using the existing electric arc furnace
- Commencing mass production of low-emission products with approximately 20% lower carbon emissions than Hyundai Steel's conventional blast furnace products in February 2026
- Planning to establish a production system for products with reduced carbon emissions compared to conventional blast furnace steel through future investment in the Phase 2 Hy-Arc facility

Low-Emission Product Test and Technology Development

- Establishing a systematic mass-production foundation for the Electric Arc Furnace-Blast Furnace Combined Process through low-emission product quality testing and customer component testing since 2024
- Ongoing expanding low-emission product testing to shorten technology development and operational stabilization periods and enhance quality reliability

2024
- Completion of testing for 5 low-emission products produced using the existing electric arc furnace

2025
- Pilot production of low-emission products launched in January using the existing electric arc furnace
- Approval of 20 low-emission products completed during the year, bringing the total number of certified products to 25 and exceeding the annual target of 15 tested products

2026
- Additional certification of 28 low-emission products planned, with the certification portfolio targeted to expand to a total of 53 products
- Plans to apply Hyundai Steel's low-emission products to selected vehicle models produced in domestic and overseas markets through OEMs

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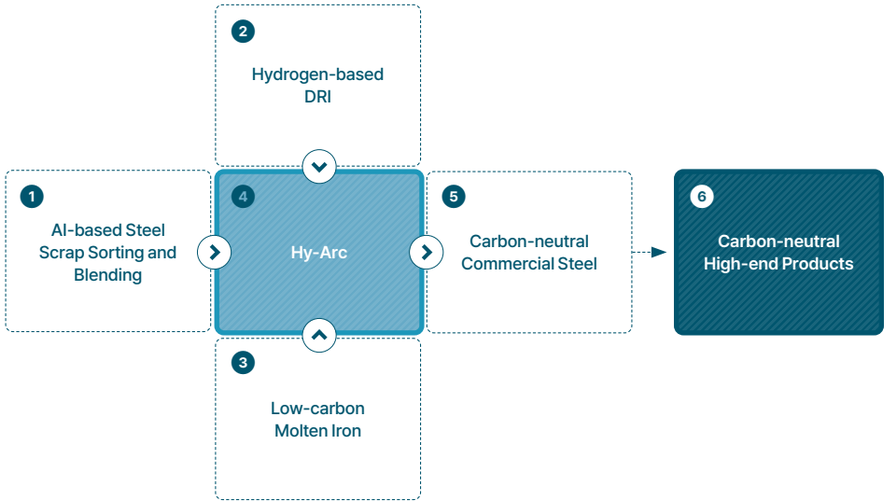
Strategy

2.2.3 Transition Risks Response Strategy

2.2.3.4 Long-term Plan: Hy-Arc Process for Hydrogen Reduction

Hyundai Steel is advancing Hy-Cube, its proprietary carbon neutrality production system, as part of its transition toward hydrogen-based steel production.

- Hy-Cube: Representing an integrated production system that goes beyond reducing carbon emissions at individual processes to encompass the entire value chain
  - Producing high-quality low-emission products through Hy-Arc, which combines the functions of a blast furnace and an electric arc furnace, enabling the production of steel grades that are difficult to manufacture using a conventional electric arc furnace
  - Enabling scrap melting and impurity removal through Hy-Arc, providing greater flexibility in terms of raw materials, production processes, and products



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 Management

Hyundai Steel complies with the ACT ON THE ALLOCATION AND TRADING OF GREENHOUSE-GAS EMISSION PERMITS as an entity subject to greenhouse gas emissions allowance allocation. In line with the government's "2030 National GHG Reduction Roadmap" and its own carbon neutrality roadmap, Hyundai Steel plans to continue pursuing internal greenhouse gas emissions reductions, identifying domestic and international greenhouse gas reduction projects, and implementing energy-saving initiatives.

Disclosure of Climate Change Response

- Publishing an annual sustainability report in accordance with internationally recognized reporting frameworks and standards, including the GRI Standards, SASB, WEF, and TCFD[1], to disclose climate change response strategies, initiatives, and performance to investors and stakeholders
  - Enhancing transparency through the disclosure and external assurance of Scope 3 greenhouse gas emissions since 2023
  - Disclosing climate change governance, strategy, risk management, targets, and metrics in alignment with the TCFD recommendations
- Particpating in the Carbon Disclosure Project (CDP)[2] and receiving a Leadership A- rating in 2025 in recognition of its climate change management framework and implementation performance

○ 2025 CDP Ratings and Awards

Classification		Details
Rating	2025 CDP Climate Change "Leadership A-"	• Upgraded from "Management B" in 2024 to "Leadership A-" in 2025 - Identified physical climate risks, including heatwaves, and assessed their financial impacts based on climate change scenarios - Established and implemented corporate strategies based on the results of climate risk analyses
	2025 CDP SEA "Leadership A"	• Achieved an "A" rating in the Supplier Engagement Assessment (SEA) for the second consecutive year since 2024 ※ SEA: A CDP program that assesses how proactively companies manage climate change responses across their supply chains
Awards	2025 CDP Korea Awards	• Received the CDP Korea Awards Raw Materials Sector Honors for the second consecutive year since 2024 ※ Only recipient of the award among steel companies in Korea

1) Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), World Economic Forum (WEF), and Task Force on Climate-related Financial Disclosures (TCFD), etc.
2) Carbon Disclosure Project (CDP): A global initiative established in London, United Kingdom, in 2000 to encourage companies, cities, and governments to disclose information on climate change, carbon emissions, and environmental impacts. Hyundai Steel has participated in the CDP since 2012

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2.2.3 Transition Risks Response Strategy

Enhancement of Scope 3 GHG Emissions Calculation Across the Supply Chain

Hyundai Steel has continued to enhance its Scope 3 emissions calculation since initially disclosing selected Scope 3 categories in 2021. Following the establishment of a Scope 3 calculation framework in 2023 and the development of a GHG Protocol-based Scope 3 emissions calculation guideline and system in 2024, the Company is further advancing its Scope 3 calculation capabilities in 2025.

- Established emissions reduction targets for major emission sources following the identification of Scope 3 emissions reduction priorities (September 2025)
- Strengthened supply chain emissions reduction through the collection of primary emissions data from key raw material and fuel suppliers by survey (November 2025), while planning to expand participating suppliers and further enhance emissions data management
- Enhanced the Scope 3 Emissions Calculation Guideline
  - Participated in the Hyundai Motor Group's Carbon Neutrality Technology Committee to establish and incorporate Scope 3 emissions accounting standards in 2025
  - Participated in the steel industry Scope 3 emissions calculation support program organized by the Ministry of Climate, Energy and Environment (July 2025)

2.2.4 Regulatory Risk Response Strategy

Hyundai Steel faces regulatory risks under the Emissions Trading Scheme, as it is required to purchase additional emissions allowances when greenhouse gas emissions exceed allocated allowances, while non-compliance may result in penalties of up to three times the average market price of emissions allowances. In response to the strengthened allocation plan under the 4th compliance period (2026~2030) of the Emissions Trading Scheme, Hyundai Steel plans to reinforce its response efforts by reviewing its internal carbon neutrality transition plan, strengthening internal emissions reduction initiatives, and establishing a mid-to long-term emissions allowance portfolio[1].

- Short-term Response: Securing emissions allowances and mitigating price risks through participation in government auctions, utilization of the emissions trading market, and implementation of greenhouse gas reduction projects to offset short-term emissions liabilities
- Long-term Response: Achieving long-term carbon neutrality goals and alleviating emissions reduction burdens through manufacturing process improvements, regular energy meetings, implementation of energy-saving initiatives, and establishment of an emissions reduction portfolio
- Ongoing Response: Calculating monthly greenhouse gas emissions and carbon costs associated with fuel and raw material consumption across all business sites, supported by IT system-based greenhouse gas emissions management
- Conducting financial impact assessments incorporating greenhouse gas emissions and emissions allowance prices when establishing business plans and reviewing new investments, including annual financial impacts prior to emissions reductions (equivalent to 3 times current emissions liabilities) and projected impacts over a 5-year period reflecting the 5-year compliance cycle of the Emissions Trading Scheme

1) Mid-to long-term Emissions Allowance Portfolio: An emissions allowance portfolio consisting of government auctions, exchange and over-the-counter trading, and externally certified offset credits

2.2.5 Physical Risk Response Strategy

2.2.5.1 Enhancement of Disaster Response Management

Hyundai Steel has established site-specific emergency response procedures and operates internal response systems, including personnel evacuation and facility recovery procedures, to prepare for emergency situations arising from climate-related natural disasters.

- Conducting regular inspections of major facility structures and reinforcing them as needed, while routinely inspecting flood and storm disaster prevention equipment and supplies, including drainage pumps
- Establishing and progressively implementing a six-year investment plan to strengthen the flood and storm disaster response system at Dangjin Integrated Steelworks
- Assessing recovery time, recovery costs, and potential revenue losses resulting from operational disruptions caused by abnormal situations, including equipment failures and raw material supply disruptions
- Reviewing raw material supply chain diversification measures to mitigate potential raw material supply disruptions caused by natural disasters
- Preparing for physical property damage and environmental impacts resulting from facility accidents through enrollment in Comprehensive Property Insurance and Environmental Liability Insurance

Floodgate Technology Development and Application for Inundation Damage Prevention

Hyundai Steel has developed and deployed floodgates optimized for large industrial facilities and plant entrances in collaboration with the Korean Society of Steel Construction, Hyundai Engineering, and Haejeon Industrial Co., Ltd. to prevent inundation damage at its business sites. Through the prevention of external water intrusion, the enhancement of on-site forced drainage capacity, and emergency response measures utilizing floodgates, Hyundai Steel has strengthened its resilience against disaster risks such as typhoons and flooding by establishing the capability to respond to extreme rainfall events exceeding a 1,000-year return period. We will maintain a stable production environment by enhancing inundation prevention facilities and strengthening its response systems.

- Developed a multi-stage sliding floodgate design minimizing storage space requirements while providing protection across a wider area
- Verified structural performance through the Korean Society of Steel Construction following the joint disaster prevention and safety technology development project, with technology development completed in 2023
- Installed a new floodgate at the main gate of Pohang Works, deployed flood barriers at other entrances, and expanded forced drainage capacity in 2024

2.2.5.2 Enhancement of Chronic Climate Change Adaptation

Hyundai Steel is committed to preventing safety incidents associated with high-temperature and heat-intensive operations, which may occur more frequently as temperatures rise.

- Establishing work standards for heat stress and extreme heat conditions and developing related infrastructure, including air-conditioned rest areas
- Identifying hazardous work factors, monitoring workers' health conditions, and providing situation-specific safety training for managers and workers
- Operating plant-specific emergency medical and fire response teams, supported by department-tailored emergency drills to enhance emergency preparedness

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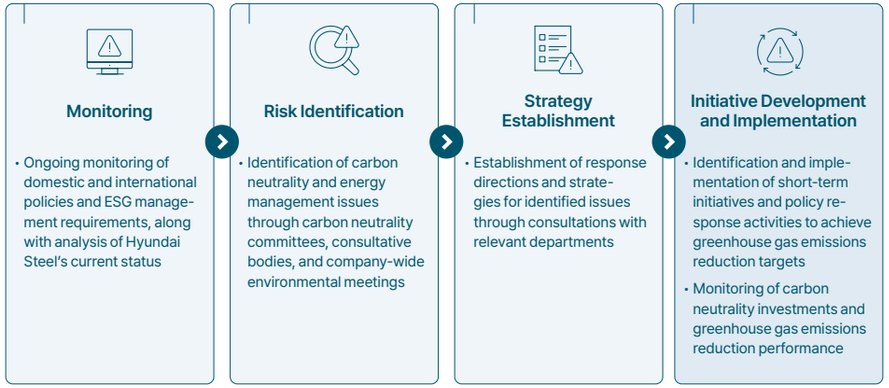
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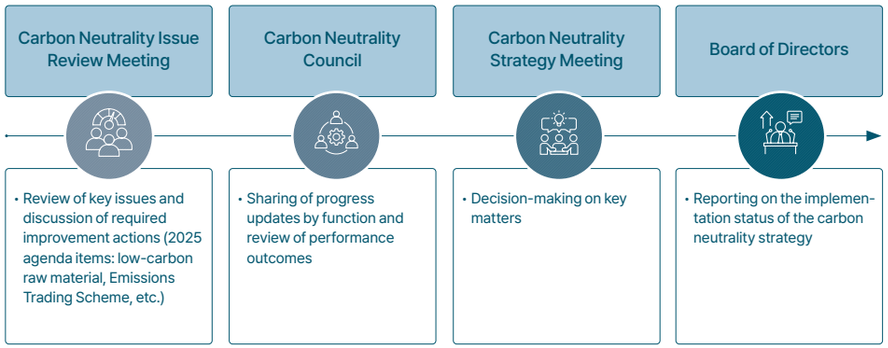
2.2.6 Climate Change Risk Identification and Assessment

Hyundai Steel continuously monitors climate-related issues and policies to identify and manage associated risks.

Climate Change Risk Identification Process



Climate Change Risk Management and Oversight Process



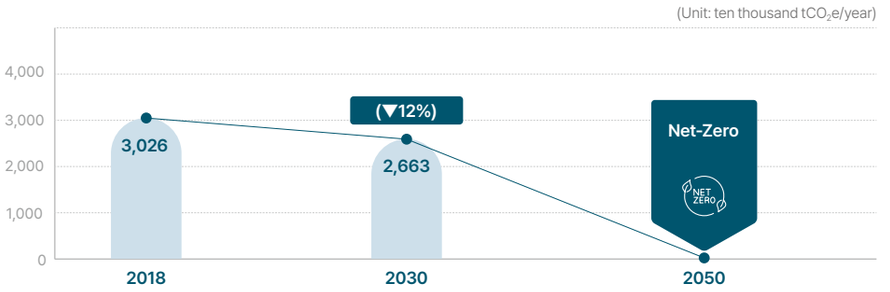
Indicators and Goals

2.2.7 Greenhouse Gas Emission Management Status and Plans

Hyundai Steel has established indicators and targets to systematically monitor and manage its climate change response performance.

- Publicly announced Hyundai Steel's 2050 mid-to long-term carbon neutrality roadmap in April 2023 to contribute to the Nationally Determined Contribution (NDC)
- Set a target to reduce greenhouse gas emissions from domestic sites by 12% compared to 2018 levels by 2030 through the Electric Arc Furnace-Blast Furnace Combined Process and process-level carbon reduction activities

Carbon Emission Reduction Target



Greenhouse Gas Emission Scope 1 & 2[1) 2) 3) 4)]

Greenhouse gas emissions (domestic standalone basis) totaled 28,012 thousand tCO_2e in 2025, a 7.4% decrease from the 2018 baseline emissions level of 30,256 thousand tCO_2e established under Hyundai Steel's 2050 Carbon Neutrality Roadmap.

Classification	Unit	2022	2023	2024	2025
Scope 1	thousand tCO_2e	25,907	26,679	26,580	25,959
Scope 2		2,594	2,590	2,238	2,052
Total (Scope 1 + Scope 2)		28,501	29,269	28,818	28,012

1) Includes carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and other greenhouse gases in accordance with Article 2, Paragraph 5 of the FRAMEWORK ACT ON CARBON NEUTRALITY AND GREEN GROWTH FOR COPING WITH CLIMATE CRISIS
2) Greenhouse gas emissions were calculated in accordance with the "Guidance for Reporting and Certifying Emissions from GHG emissions trading scheme" under the Emissions Trading Scheme and reflect figures that have completed the conformity assessment by the Ministry of Climate, Energy and Environment
3) Since 2021, the benchmark allocation approach has been applied, under which incentives are provided to companies with higher emissions efficiency
4) Annual total greenhouse gas emissions may differ from the sum of Scope 1 and Scope 2 emissions, as total emissions are calculated based on site-level emissions after truncation.

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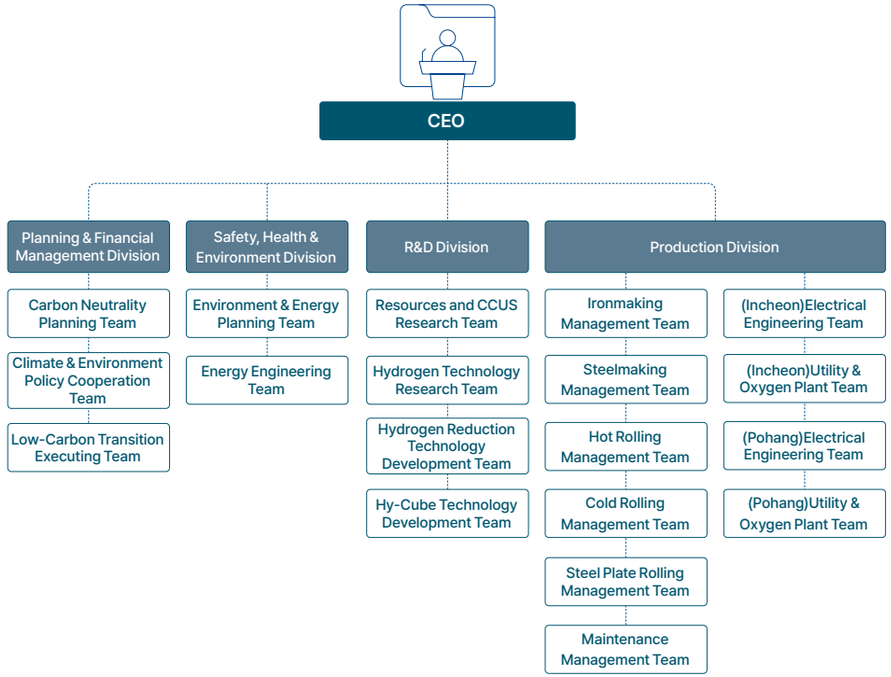
Hyundai Steel operates a company-wide energy management system and improves process energy efficiency through targeted investments. By participating in the Korea Energy Efficiency Partnership 30 (KEEP 30), we set measurable energy-saving targets and expand energy management activities across our supply chain.

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2.3.1 Energy Management System

Hyundai Steel has dedicated teams under each business division to effectively manage energy use at individual business sites and operates an energy management system based on ISO 50001 certification. In addition, the Company is implementing initiatives to reduce energy intensity to manage energy performance and trends, as well as energy use and saving performance.

- Held five company-wide energy meetings in 2025, attended by executives and working-level staff, including business division heads
- Discussed key issues related to internal energy use and energy-saving performance



Strategy

2.3.2 Energy Diagnostics and Investment Management

Hyundai Steel conducts training for energy practitioners on the entire process of planning, improving, and implementing energy efficiency improvement and consumption reduction measures in connection with ISO 50001 certification, based on its company-wide energy efficiency management system. In collaboration with external specialized institutions, the Company also conducts annual energy diagnoses across all business sites, including legally mandated diagnoses, to reduce and improve the efficiency of major energy sources such as electricity and steam. In addition, the Company is constructing Coke Dry Quenching (CDQ) facilities as part of its energy-saving investment.

Dangjin Integrated Steelworks Coke Dry Quenching (CDQ)[1] Facility Investment

- Planning to establish steam production units (two units at 114 t/h and one unit at 131 t/h) and power generation units (two units at 34 MW and one unit at 39 MW)
- Estimated to reduce greenhouse gas emissions by approximately 500 thousand tCO_2e annually

1) Facility that recovers sensible heat generated during the dry cooling of high-temperature coke produced in coke ovens to generate steam, which is then used to produce electricity.

2.3.3 Energy-saving Activities

Classification		Contents
Optimization of Automatic Combustion Control System for Hot Blast Stove	Activity	• Developed combustion automation systems to improve the energy efficiency of hot blast stoves, including the Automatic Hot Blast Stove Fuel Control System[1], Model Automatic Tuning System[2], and Automatic Combustion Air Control System[3], and completed their application to all blast furnaces at Dangjin Integrated Steelworks • Optimized key operational indicators, including dome temperature, exhaust gas temperature, and Coke Oven Gas (COG) co-firing rate, in connection with the combustion automation system
	Performance	• Saved approximately 29,000 Gcal of by-product gas in 2024 through key operational indicator optimization → Management of optimized operational indicators is ongoing
Optimization of Co-firing Rate in Hot Blast Stoves	Activity	• Hot blast stoves use approximately KRW 300 billion worth of by-product gas annually and therefore have significant energy-saving potential through improved combustion efficiency • Verified that lower co-firing rates improved combustion efficiency in 2024 • Conducted continuous monitoring in 2025 to stably maintain co-firing rates and identify factors hindering efficiency - Monitored co-firing rate management status by individual blast furnaces, encouraged target setting, and reviewed and analyzed co-firing rates on a quarterly basis • Carried out optimization in 2025 by troubleshooting incomplete combustion caused by lower co-firing rates, further lowering co-firing rates, and adjusting other energy indicators, including exhaust gas temperature - No. 1 Blast Furnace: Reduced fuel flow by lowering exhaust gas temperature - No. 2 Blast Furnace: Saved energy use through further co-firing rate reduction
	Performance	• Saved KRW 5.88 billion worth of by-product gas

1) System that supplies fuel according to blast conditions that vary depending on the condition of the blast furnace
2) System that continuously enhances the performance of the fuel control model
3) System primarily aimed at improving combustion efficiency

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2.3.3 Energy-saving Activities

Classification		Content
Optimization of Rolling Process Heating Furnace Operations	Activity	• Selected energy-saving targets and reviewed saving measures through an energy diagnosis in 2024 • Promoted activities in 2025 to reduce cooling water heat loss from hot rolling mill and steel plate heating furnaces, improve process heat exchanger efficiency, and reduce utility consumption including nitrogen and hydrogen used in cold rolling mill heating furnaces • Expanded target facilities from five to six units and advanced the application schedule from September to February to enhance effects
	Performance	• Saved KRW 550 million through reduced cooling water heat loss from heating furnaces • Saved KRW 273 million through improved heat exchanger efficiency • Saved KRW 152 million through reduced utility consumption
Development of Virtual Sensor[1] to Predict Coke Oven Temperature	Activity	• Operating a smart system capable of precise equipment control to improve the efficiency of coke ovens - (Previous) Coke oven temperature was measured manually and irregularly, making it impossible to verify whether the target temperature was reached during non-measurement periods → (Improved) Developed and applied a virtual sensor for predicting coke oven temperature using process data related to temperature changes, such as the amount of fuel, to enhance the accuracy of maintaining the target temperature in coke ovens - Estimated to reduce excess heat supply and improve coke quality
	Performance	• Completed development of the No. 3 Coke Plant virtual sensor in 2023 and secured the reliability of predicted coke oven temperature by comparing it with actual measured temperature • Installed the No. 3 Coke Plant virtual sensor in 2024 and completed development of coke oven temperature prediction models for No. 1 and No. 2 Coke Plants • Completed establishment of virtual sensor systems for No. 1 and No. 2 Coke Plants in 2025
Heat Control of SGTS[2]/COG[3] and Boiler Improvement	Activity	• Optimized duct burner combustion control for No. 3 Sinter environmental facilities (Air-fuel ratio adjustment according to changes in COG (Coke Oven Gas) calorific value) • Pursued steam production increase from waste heat boilers by changing winter operating conditions for sinter cooler fans
	Performance	• Saved approximately KRW 54 million worth of COG • Generated approximately KRW 400 million worth of additional steam production

1) Model that identifies patterns between process data and actual measured coke oven temperature to predict coke oven temperature in real time
2) Sinter Gas Treatment System
3) Coke Oven Gas

Metrics and Targets

2.3.4 Energy Use Reduction Targets

Hyundai Steel participates in "KEEP 30 (Korea Energy Efficiency Partnership 30)[1]," a Korean energy efficiency innovation partnership, to establish an energy management system and carry out innovation activities. The Company is conducting company-wide energy-saving activities to achieve its target of reducing energy intensity by 5% by 2027 through annual improvements of approximately 1% from 2023 to 2027.

- Completed 62 projects in 2023, achieved approximately KRW 15.6 billion in energy cost savings (7 GWh of electricity, 156m³ of LNG), improved energy intensity by 1.58%, and selected as an "Excellent KEEP 30 Participant" at the end of 2024
- Completed 110 projects to improve energy use in 2025 and achieved approximately KRW 20.4 billion in energy cost savings

KEEP 30 Energy Efficiency Improvement Targets and Performance

Classification		Unit	2023	2024	2025	2026	2027
Goals[2]	Energy intensity[3]	toe/kt	483.4	478.4	473.4	468.4	463.4
	Reduction rate	%	1	2	3	4	5
Performance[4]	Energy intensity	toe/kt	481	485.4	(TBD)[6]	-	-
	Reduction rate	%	1.58	1.19[5]	(TBD)[6]	-	-

1) Voluntary agreement joined by 30 major companies in energy-intensive industries, including steel, oil refining, chemicals, cement, and semiconductors. The government provides an incentive package to support energy intensity improvement targets, and contributions to energy efficiency improvements through supplier support are also recognized as performance
2) Calculated based on the energy intensity performance of 488.3 toe/kt in the base years of 2021–2022
3) Weighted sum of Incheon Works and Dangjin Integrated Steelworks
4) As confirmed by the Korea Energy Agency
5) Target for energy intensity reduction not met due to decreased production in 2024
6) 2025 performance not yet confirmed by the Korea Energy Agency; recalculation is underway due to changes in the performance calculation methodology

Energy Cost Reduction Goals and Performance

Classification	Unit	2023	2024	2025	2026
Goals	KRW 100 million	131	120	153	102
Performance		156	132	204	-
Energy-saving projects	Case	62	60	110	97

In addition, Hyundai Steel continues to pursue mid- to long-term energy strategy investments to achieve carbon neutrality and systematically manage energy use.

Mid- to Long-Term Strategic Energy Investments

Classification	Unit	2024	2025	2026(Planned)
Strategic Energ Investments	KRW 100 million	392	280	102
Energy-saving Effect		125	90	42

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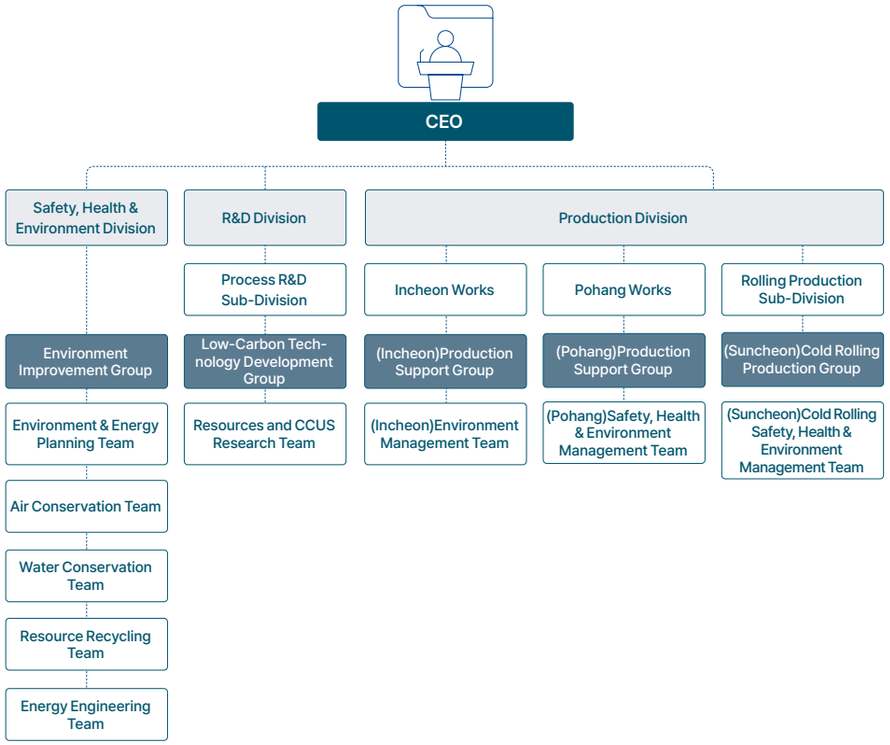
Hyundai Steel operates a regular environmental reporting system and dedicated environmental management teams to systematically manage pollutants. We reduce emissions through strengthened internal management standards for air pollutants, odors, and fugitive dust, as well as the expansion and adoption of emission reduction technologies. Additionally, real-time monitoring through chemical and water quality management systems, environmental inspections, and risk analysis enables proactive responses to environmental risks.

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2.4.1 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.

- Overseeing overall environmental management at Dangjin Integrated Steelworks and coordinating Company-wide Environmental Meetings through the Environment & Energy Planning Team, while managing pollution emission sources by environmental medium through the Air Conservation Team, Water Conservation Team, and Resource Recycling Team
- Managing environmental impacts of production processes through the Environment Management Teams at Incheon Works, Pohang Works, and Suncheon Works



Strategy

2.4.2 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.

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
	Pollutant emission limits under the regional total pollutant load management system	• Introduction of best available control technology and purchase of emission permit
Chemical Substances	Chemical spills and increased liability insurance premiums	• Operation of chemical substance management system • Replacement and reduction of hazardous chemical substances • 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	• Operation of Environmental Improvement Council • Investment in odor prevention facilities and dust collection equipment improvements • Regular monitoring
	Administrative sanctions due to violations of regulations related to noise and soil	

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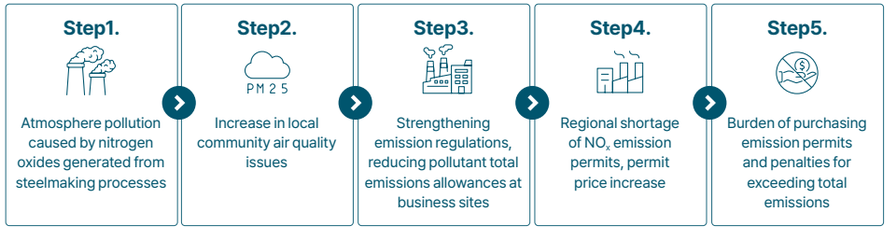
Strategy

2.4.2 Pollutant Risk Analysis

Nitrogen Oxides (NO_x) Regulatory Risk and Financial Impact Review

Hyundai Steel conducted a financial impact assessment of Nitrogen Oxides (NO_x) emissions under the total emission management system established pursuant to the SPECIAL ACT ON THE IMPROVEMENT OF AIR QUALITY IN AIR CONTROL ZONES, as part of its analysis of air pollutant emissions-related risks.

○ Total Air Pollutant Emission Management System Risk Review Scenario



○ Review Basis

- Implementation of Total Air Pollutant Emission Management System in 2020 under the SPECIAL ACT ON THE IMPROVEMENT OF AIR QUALITY IN AIR CONTROL ZONES
- Analysis of nitrogen oxides (NO_x) emissions and total emission allowances at Incheon Works, Pohang Works, Dangjin Integrated Steelworks, and Suncheon Works subject to the Total Air Pollutant Emission Management System
- Assumption of continued business operations under a business-as-usual (BAU)[1] scenario, without additional pollutant reduction investments, based on nitrogen oxides (NO_x) emission levels prior to the introduction of the Total Air Pollutant Emission Management System

○ Financial Impact Analysis Results

- Estimated financial losses of up to KRW 445 billion by 2029, the final year of the second phase of the Total Air Pollutant Emission Management System, arising from the purchase of emission allowances[2] to cover shortages in nitrogen oxides (NOx) total emission allowances and excess emission surcharges[3] under a business-as-usual (BAU)[1] scenario

○ Response Activity and Strategy

- Establishment and phased implementation of plans to install nitrogen oxides (NO_x) reduction facilities, including Selective Catalytic Reduction (SCR) facilities, at major emission sources across all business sites
- Optimization of pollution prevention facility operations and establishment and operation of an SCR monitoring system
- Management of nitrogen oxides (NO_x) emissions within total emission allowances across all business sites

1) Business As Usual
2) Purchase amount of emission permit: Average annual emission permit trading price from the air pollutant management system × Excess emissions (BAU estimated emissions – total amount of allowed emission)
3) Surcharges for excess emissions: Penalties 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 IMPROVEMENT OF AIR QUALITY IN AIR CONTROL ZONES; does not consider reduction in next year's emission allowance total when allowances are exceeded

2.4.3 Air Pollution Management

Hyundai Steel is enhancing the atmosphere environment management system by reinforcing internal management standards for key air pollutants, including NO_x, 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, campaigns to reduce fine dust.

Establishment of Internal Management Standards for Air Pollutants

Hyundai Steel has installed Tele Monitoring Systems (TMS) at each air emission outlet in accordance with legal installation requirements to monitor pollutant concentrations and emissions. As of 2026, TMS have been installed at a total of 112 stacks to monitor 4 pollutants (Total Suspended Particles (TSP), Sulfur Oxides (SO_x), Nitrogen Oxides (NO_x), and Hydrogen Chloride (HCl)) to manage air pollutant emissions.

- Established internal management standards for proactive response to environmental regulatory compliance risks and identification of equipment abnormalities based on analyses of pollutant emission data by facility
- Applied internal management standards that are more stringent than legal requirements to support regulatory compliance and enable mid-to long-term management of aging environmental facilities and abnormalities in process equipment

Investment in NO_x Reduction Facilities

From 2022 to 2025, Hyundai Steel developed and implemented optimized operating measures for major emission sources across all business sites, including heating furnaces and annealing furnaces, to reduce nitrogen oxides (NO_x) emissions and respond to tightening environmental regulations. We also completed phased investments in environmental facilities and pollution prevention facilities.
Hyundai Steel continues its efforts to minimize environmental impacts and related risks through rigorous management of emission concentrations and continuous monitoring of emission reduction facilities.

- Installed and operated a multistage combustion and low-NO_x burners at multiple production facilities
- Introduced Selective Catalytic Reduction (SCR) facilities, the most efficient and reliable technology for nitrogen oxides (NO_x) reduction, across business sites since 2018
- Established a focused investment plan for emission reduction facilities at Incheon Works, Pohang Works, Dangjin Integrated Steelworks, and Suncheon Works from 2022 to 2025, completing the phased installation of 19 Selective Catalytic Reduction (SCR) units and 3 low-NO_x burners
- Established a SCR monitoring system linked to SCR facility investments to enable real-time monitoring of operating conditions and abnormal status, with full implementation across 13 heating furnaces at Dangjin Integrated Steelworks
- Completed the development of "low-temperature SCR catalyst technology" through a government-led project, delivering high Nitrogen Oxides (NO_x) removal performance even at low exhaust gas temperatures
  - Verified a regulatory compliance and operational benefits following application to a heating furnace at Dangjin Integrated Steelworks in December 2023, including maintenance of Nitrogen Oxides (NO_x) concentrations below regulatory limits, increased waste heat boiler output through low-temperature operation, and reduced fuel costs

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2.4.3 Air Pollution Management

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.

- Expanded and installed odor prevention facilities at major odor-generating sources at Dangjin Integrated Steelworks, along with periodic measurement and management of odor emission concentrations under standards more stringent than outlet concentration limits specified in the MALODOR PREVENTION ACT
- Conducted maintenance of odor emission concentrations[1] at 144–300 dilution ratios, corresponding to 30–60% of the legal threshold of 500 dilution ratios under the air dilution olfactory method[2]

Participation in Voluntary Reduction of Fine Dust

Since signing the "Agreement on Voluntary Reduction of High-concentration, Seasonal Fine Dust" with the Ministry of Environment (currently, Ministry of Climate, Energy and 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.

Year	Details
2019	• Signing of the Agreement on Voluntary Reduction of High-Concentration Seasonal Fine Dust with the Ministry of Environment (currently the Ministry of Climate, Energy and Environment) • Implementation of site response manuals upon the issuance of government emergency reduction measures (ongoing since 2019)
2021	• Participation since 2021 in joint intensive management activities led by the Geum River Basin Environmental Office and related organizations[3] to reduce fine dust emissions in the Dangjin Port area
2024	• Reduction of Nitrogen Oxides (NO_x) emission concentrations from the sintering furnace by approximately 15.5% compared to normal levels through increased use of pollution prevention facility reagents on days when Chungcheongnam-do issued emergency reduction measures,including related promotional activities
2025	• Participation in a public-private joint promotional campaign under the seasonal management system to reduce fine dust in February - Conduct of vehicle emissions inspection activities - Implementation of pollution monitoring and surveillance activities in Dangjin Port and adjacent industrial complexes using mobile monitoring vehicles and drones • Reduction of sulfur oxides (SO_x) and nitrogen oxides (NO_x) emission concentrations from the sintering furnace by an average of 21.1% compared to normal levels through operational adjustments to the sintering furnace and increased use of pollution prevention facility reagents on days when Chungcheongnam-do issued emergency reduction measures
2026	• Participation in a fine dust reduction campaign led by the Geum River Basin Environmental Office in March, including related promotional activities • Reduction of Sulfur Oxides (SO_x) and Nitrogen Oxides (NO_x) emission concentrations from the Sintering Furnace by an average of 27.0% compared to normal levels on the day Chungcheongnam-do issued emergency reduction measures

1) Emission concentrations are calculated based on dilution ratios under the air dilution olfactory method, representing the degree of dilution required until the odor is no longer detectable
2) Air dilution olfactory method: Technique for evaluating odor intensity by determining the dilution ratio at which an odor sample, diluted stepwise with air, can no longer be detected
3) Metropolitan Air Quality Management Office, Pyeongtaek Regional Office of Oceans and Fisheries, Gyeonggi-do, and Chungcheongnam-do

Fugitive Dust Management

Hyundai Steel conducts diagnostics and consulting on fugitive dust reduction both on-site and off-site through external specialists and establishes short-term investment plans and mid- to long-term improvement plans based on the results.

- Implemented improvements to dust-generating sources and dust collection facilities that could be immediately addressed in the short term
- Conducted field-scale evaluation and verification of dust collection facilities requiring mid- to long-term review by 2024, followed by ongoing investments in performance improvement and installation of new dust collection facilities since 2025 based on the results

2.4.4 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. 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 has strengthened its water quality data monitoring system at Dangjin Integrated Steelworks and plans to expand its monitoring scope by integrating water quality data that has traditionally been managed separately by process into a single, unified system to proactively address water management risks. Through this initiative, we aim to establish a proactive water quality management framework that enables comprehensive management of water quality information across the steelworks and early detection of abnormal signs, thereby preventing environmental incidents and further strengthening sustainable environmental management.

- Established real-time water quality monitoring systems across major wastewater treatment processes, enabling immediate detection of changes in concentrations of key pollutants, including Suspended Solids (SS) and Total Nitrogen (T-N)
- Optimized chemical dosage and operating conditions at the Blast Furnace Dust Collection Wastewater Treatment Plant and Wastewater Treatment Plant to maintain stable treatment efficiency and enable rapid response to high-concentration inflows or process fluctuations

Wastewater Treatment Plant Expansion

Hyundai Steel's Dangjin Integrated Steelworks currently treats and discharges wastewater generated from major processes, including the blast furnace and coke plant, through its wastewater treatment plant. As facility expansion is expected to increase industrial water consumption by approximately 10% by 2028, wastewater generation is also projected to rise accordingly. To ensure appropriate treatment of the increased wastewater volume, we are expanding our wastewater treatment capacity by 8,800 m^3 per day. Hyundai Steel plans to minimize water pollutant emissions by managing effluent water quality under stringent standards.

- Implementing a 36-month project (December 2024–December 2027), with process design, site preparation, and demolition of existing facilities completed, and construction and commissioning planned within schedule



Rendering of the Organic Wastewater Treatment Plant Expansion Project

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2.4.5 Chemical Substance 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 Substance Management System

Since 2015, Hyundai Steel has operated 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.

- Verifying the composition and hazardous characteristics of all materials classified as chemical substances through a two-stage evaluation process before site entry, and allowing only approved chemical substances to be brought into the workplace
- Registering and managing all chemical substances through the chemical substance management system and regularly updating the Material Safety Data Sheet (MSDS) for each chemical substance

Proactive Response to Chemicals Regulations

Hyundai Steel is proactively responding to the strengthened chemical regulations to mitigate environmental impact on local communities and addressing concerns regarding environmental pollution.

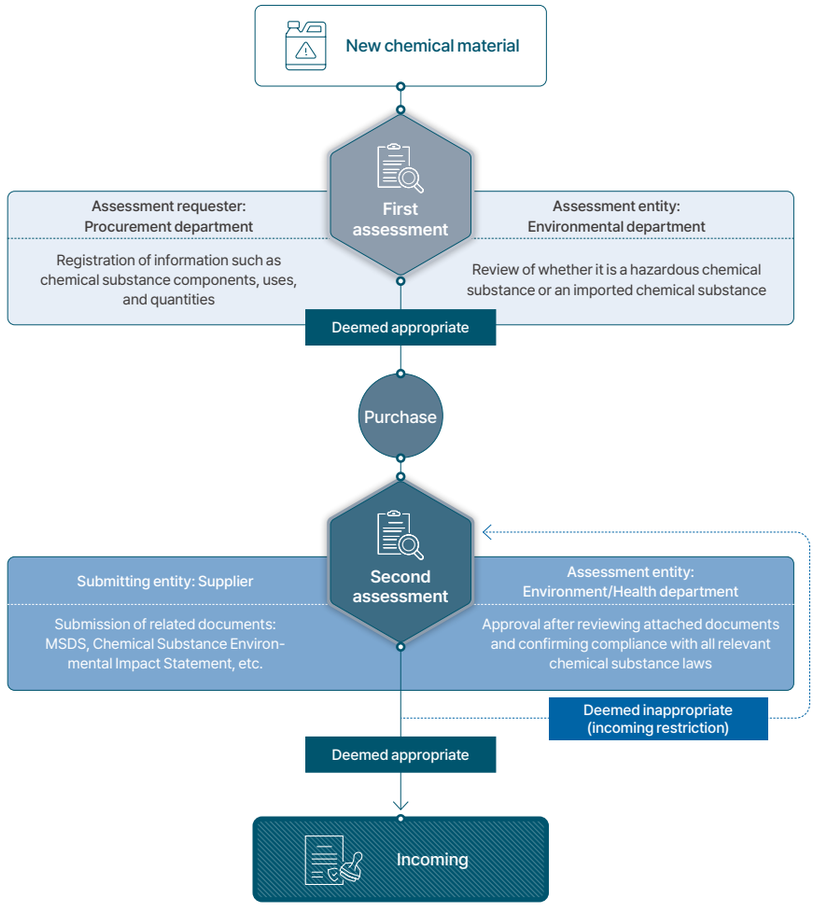
- Registered 40 substances, including magnesium (Mg), as managed substances by 2025 in response to strengthened regulations under the CHEMICAL SUBSTANCES CONTROL ACT and the ACT ON REGISTRATION AND EVALUATION OF CHEMICAL SUBSTANCES, with plans to register an additional 22 substances by 2030
- Monitoring the distribution status of chemical substances in real time through the chemical substance management system
- Engaging regularly with local chemical safety community organizations and industry peers to enhance chemical substance management practices

Hazardous Chemical Substance Safety Management

Hyundai Steel is preemptively responding to the extended designation of hazardous chemical substances and the revision of standards about the installation and management of hazardous chemical substance handling facilities.

- Actively reviewing opportunities to transition to non-hazardous chemical substances, including partially replacing Hexavalent Chromium (Cr^{6+}), a hazardous chemical substance, with Trivalent Chromium (Cr^{3+}) in 2025
- Conducting self-assessments of the Chemical Accident Prevention Management Plan in collaboration with a chemical consulting organization and submitting the assessment results to the National Institute of Chemical Safety

○ Evaluation of Registration Process of Chemical Substances



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2.4.6 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 chemical substances.

- Providing training on chemical substance safety management and emergency response procedures in accordance with the CHEMICAL SUBSTANCES CONTROL ACT
- Conducting at least two hours of hazardous chemical substance safety training each year for all employees at facilities handling hazardous chemical substances and reporting the training results annually to the National Institute of Chemical Safety
- Conducting emergency response drills at least once a year for each department using hazardous chemical substances to prepare for potential chemical accidents

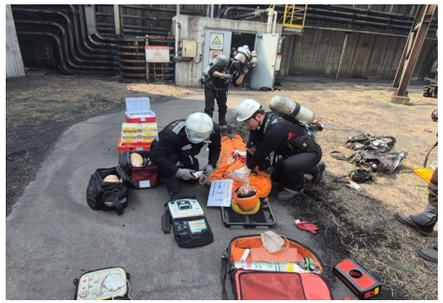
○ 2025 Chemical Substance Accident Education

(Unit : persons)

Name	Training employees		Attendance			
	Target	Number of employees	Offline	Online	Total attendees	Attendance rate
Training for hazardous chemical substance handling employees	Total employees at hazardous chemical substance handling sites	21,042	9,611	11,431	21,042	100%
	Employees	9,403	1,572	7,831	9,403	100%
	Cotractor	11,639	8,039	3,600	11,639	100%



Chemical Substance Accident Education



Emergency Response Drill

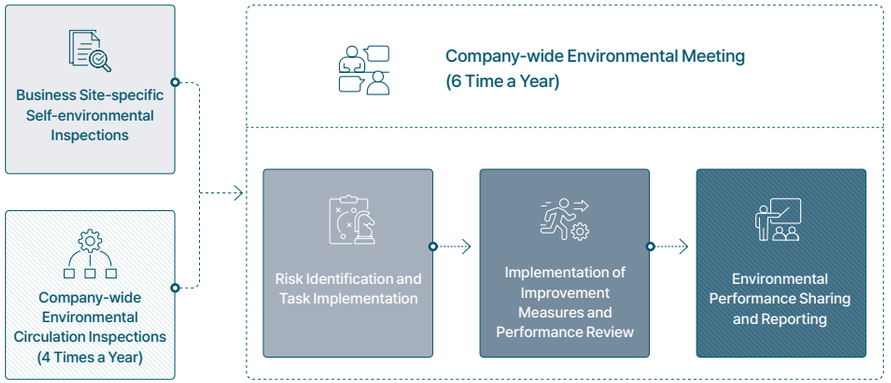
Risk Management

2.4.7 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.

- Identifying environmental risks and implementing improvement measures through environmental inspections conducted by operations, support departments, and environmental teams at each business site
- Conducting quarterly Company-wide Environmental Circulation Inspections with the participation of environmental teams from all business sites to review potential issues and discuss improvement measures for identified risks
- Implementing improvements through various measures, including facility maintenance, large-scale facility investments, and process modifications, and providing employee training on environmental risk management
- Reporting progress and outcomes of risk improvement activities at Company-wide Environmental Meetings attended by management and sharing the results across all business sites

Environmental Risk Management Process



Meeting Name	Disscution Contents	Frequency
Company-wide Environmental Circulation Inspections	Identifying risks and developing improvement measures and action plans through site-by-site inspections conducted across all business sites	Quarterly (4 times per year)
Company-Wide Environmental Meeting	Reviewing the status and outcomes of corrective actions for identified issues at Company-wide Environmental Meetings attended by top management	Bimonthly (6 times per year)

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2.4 Pollutant Management

Metrics and Targets

2.4.8 Pollutant Emissions Management Status and Plans

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

Category	Pollutant	Unit	2022	2023	2024	2025
Air	Dust (TSP)	tonnes	285	329	280	292
	Nitrogen oxides (NO_x)		8,760	8,646	8,438	8,523
	Sulfur oxides (SO_x)		5,507	5,877	5,465	5,749
Water	Suspended Solids	tonnes	36	29	19	20
	Total Organic Carbon		80	90	80	95

1) Dust: TSP (Total Suspended Particulates) based on TMS (Tele Monitoring System) data
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		2025	Mid-to Long-term (~2030)
Pollutant Emission Concentration	Air Pollutant Management Standards (TSP, NO_x, SO_x)	Strengthened management level up to 80% of legal requirements	Strengthened management level up to 80% of legal requirements
	Water Pollutant Management Standards (SS, TOC)	Strengthened management level up to 80% of legal requirements	Strengthened management level up to 80% of legal requirements

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2.5 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

2.5.1 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.

- Integrated ecosystem change assessments, risk analysis, and mitigation processes based on the TNFD guidelines and the LEAP (Locate, Evaluate, Assess, Prepare) approach into the company-wide risk management framework
- Developed and implemented action plans based on the Biodiversity Policy to strengthen ecosystem functions in areas where business sites are located and reduce natural capital risks
- Provided employee training to enhance awareness and understanding of natural capital protection and biodiversity conservation

Natural Capital and Biodiversity Training

Year	Target	Description
2024	ESG related teams	Provided training on the relationship between climate change and natural capital, the status of natural capital initiatives, and forest conservation activities
2025	ESG governance committee members	Provided training on biodiversity fundamentals, the Global Biodiversity Framework (GBF), and the LEAP (Locate, Evaluate, Assess, Prepare) approach

Biodiversity Policy ›

No Deforestation Policy ›

Strategy

2.5.2 Natural Capital Risk and Opportunity Analysis

2.5.2.1 Identification of Regional Ecosystem Characteristics

Hyundai Steel analyzed the ecosystem characteristics of domestic sites and surrounding areas accounting for 100% of crude steel production volume using the World Wide Fund for Nature (WWF) Biodiversity Risk Filter.

Scope of Risk Assessment

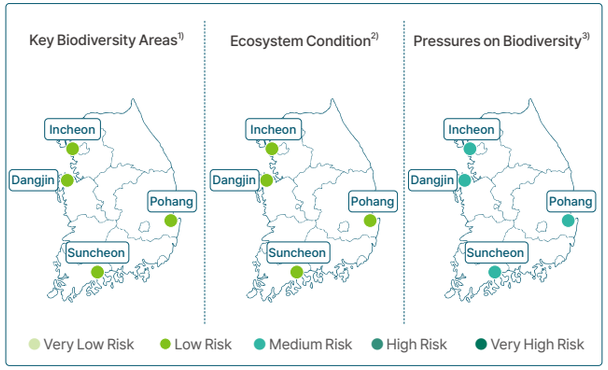
- Included domestic steelworks sites and their surrounding areas in the scope of natural capital risk analysis

Classification	Unit	Target	Assessment Conducted	Risk Exposure Identification[1]	Management Plan Development and Implementation
No. of Sites	Number	4	4	0	0
Area	ha	1,148	1,148	0	0

1) Based on the Key Biodiversity Areas (KBAs) criteria established by the International Union for Conservation of Nature (IUCN) and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC)

Regional Risk Identification Results

- Confirmed a low likelihood of overlap between the regions where major domestic sites are located and biodiversity-sensitive areas
- Identified a moderate level of risk under biodiversity pressure indicators, given that the sites are located in industrialized areas, and planning to continuously monitor regional biodiversity impacts arising from industrial activities



1) Identification of sites overlapping with or located adjacent to internationally significant Key Biodiversity Areas (KBAs)

2) Composite indicator assessing biodiversity integrity, habitat condition, water quality, and marine ecosystem health based on ecosystem intactness; higher scores indicate a higher level of ecosystem conservation

3) Composite indicator assessing the impacts of human activities on ecosystems based on factors such as water use, forest area loss, invasive species introduction, and pollution; lower risk levels indicate lower impacts on nature

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2.5 Natural Capital Protection

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2.5.2 Natural Capital Risk and Opportunity Analysis

2.5.2.2 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).

- Identified potential risks and impacts related to water supply and regulation, greenhouse gas emissions, and pollutant emissions, selected based on the materiality assessment criteria[1] from nature-related dependencies and impacts of business activities assessed as High to Very High

	Classification	Key Factor	ENCORE Rating[2]	Materiality
Ecosystem Service Dependency	Provisioning service	Water supply	H	Material
	Regulating and maintenance service	Water flow regulation services	H	
		Rainfall pattern regulation services (at sub-continental scale)	M	Non-material
		Water purification services	M	
		Storm/Flood mitigation services	M	
		Soil and sediment retention services	L	
		Global/Local (micro and meso) climate regulation services	L–VL	
		Air filtration/Water purification services	L–VL	
		Noise attenuation services/Mediation of sensory impacts (other than noise)	VL	

	Key Factor	ENCORE Rating	Materiality
Ecosystem Impact	Disturbances (e.g noise, light)	VH	Non-material
	Emission of toxic pollutants to water and soil	VH	Material
	Emission of non-greenhouse gas air pollutants	H	
	Emission of greenhouse gas	H	
	Generation of solid waste	M	Non-material
	Volume of water use	M	
	Area of land use	L	

1) Assessed in consideration of the potential for disruptions to business operations, regulatory compliance risks, regional ecosystem characteristics, and ecosystem sensitivity
2) Classified by 5 levels; VH(Very High), H(High), M(Medium), L(Low), VL(Very Low)

Key Factor[3]	Potential Impact and Risk		
Dependency Water flow regulation services	• Ensuring a stable supply of sufficient water resources and water quality, which are critical ecosystem services supporting business operations • Risk of water withdrawal constraints arising from reduced natural pollutant purification capacity and declining water availability (both quantity and quality) due to deterioration of ecosystem cycling functions • According to the 2025 CDP report[4], 69% of global companies reported water-related risks, with potential annual financial losses estimated at approximately USD 225 billion	Financial Risk	• Increased costs resulting from production disruptions and higher water withdrawal costs due to water shortages and water quality issues
		Operational Risk	• Operational shutdowns and damage to production facilities resulting from water supply disruptions caused by droughts and floods
Impact Emission of greenhouse gas	• Loss of coastal habitats and wetlands due to sea level rise, and changes in plankton and marine species driven by increasing sea surface temperatures • Impacts on species and landforms caused by pollutant accumulation resulting from atmospheric stagnation, habitat shifts driven by temperature changes, and natural disasters such as floods and typhoons • By the end of the 21st century, 336 species (6%) out of approximately 5,700 species in Korea are projected to become extinct under a greenhouse gas business-as-usual scenario[5], representing a fivefold increase compared with an active greenhouse gas reduction scenario[6], with particularly significant impacts on species with limited ability to shift habitats[7] • Damage to wetlands and aquatic ecosystems resulting from increases in invasive and disturbance species under a greenhouse gas business-as-usual scenario[5]	Financial Risk	• Increased costs associated with stricter emissions trading schemes and the imposition of carbon taxes
		Reputational Risk	• Deterioration of corporate reputation due to inadequate responses to environmental protection requirements
		Operational Risk	• Physical damage to production facilities and supply chains caused by natural disasters such as floods and typhoons
		Market Risk	• Decline in competitiveness resulting from inadequate responses to growing market demand for environmentally friendly products
Impact Emission of pollutants	• Sulfur Oxides (SO_x) and Nitrogen Oxides (NO_x) emitted into the atmosphere are converted into acidic substances and subsequently deposited in aquatic ecosystems, causing pH imbalances, deteriorating habitats for fish and aquatic plants, and ultimately contributing to biodiversity loss • Deposition of particulate matter (PM2.5/PM10) in soil may reduce crop productivity and biodiversity • Infiltration of heavy metals, including lead, arsenic, and cadmium, into soil and groundwater may adversely affect the growth of plants and animals	Financial Risk	• Increased costs related to regulatory penalties and the purchase of emission allowances due to non-compliance • Costs incurred for ecosystem remediation and restoration - Heavy metal removal and wetland restoration
		Reputational Risk	• Restrictions on customer contracts, investment attraction, and government support resulting from deteriorating environmental reputation
		Legal Risk	• Increased litigation risks and related legal costs arising from impacts on local communities

3) Quantitative management indicators for each material factor are reported in the Factbook
4) CDP: Carbon Disclosure Project
5) Scenario assuming continued greenhouse gas emissions at the same trend observed globally as of 2017, resulting in an average temperature increase of more than 4.5°C on the Korean Peninsula compared with 1880
6) Scenario assuming substantial implementation of global greenhouse gas reduction policies, limiting the average temperature increase on the Korean Peninsula to approximately 2.9°C compared with 1880
7) Ministry of Environment, Reference Materials for Predicting Ecosystem Impacts of Climate Change (based on research in 2015~2020)

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2.5 Natural Capital Protection

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2.5.2 Natural Capital Risk and Opportunity Analysis

2.5.2.3 Identification of Risks and Opportunities

Hyundai Steel identifies nature capital-related risks and opportunities and implements response measures to address them.

- Identified nature capital-related risks and opportunities across business sites, surrounding areas, and the upstream and downstream value chain based on the results of ecosystem service dependency and impact assessments
- Developing and implementing response measures to mitigate negative impacts with the objective of ecosystem recovery and restoration

Classification		Contents	Dependency	Impact	Value Chain				Materiality	Response
					Site	Surrounding area	Upstream	Downstream		
Risk	Business operation	Potential disruptions in water supply (both quantity and quality) caused by changing weather patterns, leading to operational challenges and product quality deterioration	●	●	All business sites	●	●	●	H	Increase water reuse rates
										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
		Ground weakening due to groundwater usage	●		All business sites	●			L	Restrict direct withdrawals of surface water and groundwater
	Regulation	Strengthened biodiversity related regulations such as expanded protected species and area	●	●	All business sites	●	●	●	H	Monitor ecosystem and environmental 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	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
										Monitor effluent ecotoxicity
										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
		Surface water usage exceeding the sustainable boundaries of ecosystem		●	All business sites	●			L	Restrict direct withdrawals of surface water and groundwater
										Utilize industrial water and municipal water for all water needs
Opportunity	Business operation	Stabilization of production output and product quality through smooth water supply	●		All business sites			●	M	Secure stable water sources
										Monitor the cost competitiveness of water supplies compared with existing systems
		Reduction of waste disposal costs through expanded recycling across the entire value chain		●	All business sites		●	●	M	Monitor waste disposal costs
										Research opportunities to expand inter-industry waste-linked recycling

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2.5 Natural Capital Protection

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2.5.3 Ecosystem Protection Activities

Hyundai Steel is implementing initiatives centered on prevention, reduction, regeneration, restoration, and transformation to reduce environmental pressures on local ecosystems and protect and enhance natural capital, including resource substitution, pollutant emission reduction, strengthening the ecological status of protected species, habitat restoration, and biodiversity awareness programs for employees and local communities.

- Established partnerships with specialized organizations, including World Vision (coordination of collaboration with local environmental organizations), the Korea Ecotourism Association (design and implementation of conservation and enhancement activities), the Citizen's Institute for Environmental Studies (design and delivery of community education programs), and NS Ecological Research Institute (ecological surveys)
- Implementing ecosystem enhancement projects across all regions in phases and striving to achieve the goals of No Net Loss (NNL) and Net Positive Impact (NPI)

Prevention

Restrictions on Direct withdrawal of Surface Water and Groundwater, Replacement and Reduction of Hazardous Chemical Substances

Excessive use of surface water and groundwater may inhibit the reproduction and growth of local plant species, potentially leading to vegetation changes such as population shifts and declines, as well as the spread of invasive species. It may also weaken the natural purification capacity of ecosystems for pollutants, thereby reducing water availability. Hyundai Steel is committed to preventing the deterioration of the water cycle within ecosystems.

- Maintaining a policy restricting direct withdrawal of surface water and groundwater, while relying on industrial and municipal water supplies to prevent landform and geological changes caused by excessive water use
- Completed the substitution of and reduction in the use of a total of 10 hazardous chemical substances through benchmarking and pre-testing processes to prevent ecosystem risks associated with the use and release of hazardous chemical substances
  - Substituted or reduced the use of substances including methanol (CH_3OH, wastewater treatment), inorganic zinc compounds (cooling water production), and chromium compounds (surface treatment)

Reduction

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

To reduce pollutant emissions, Hyundai Steel operates Best Available Control Technologies (BACT) and manages emission levels through internal emission standards that are more stringent than legal requirements.

- Reducing air pollutant emissions through the adoption of Best Available Control Technologies (BACT), including coke plant desulfurization and denitrification facilities and Selective Catalytic Reduction (SCR) systems
- Managing effluent quality through physical, chemical, and biological wastewater treatment facilities and operating a water quality monitoring system
- Operating a response process that enables operations and environmental departments to take immediate corrective actions through system alerts when pollutant concentrations exceed internal management standards

Regeneration

Protection/Enhancement Activities on Ecosystems and Protected Species

Biodiversity loss is recognized as one of the most serious risks facing the planet as a result of climate change. The International Union for Conservation of Nature (IUCN) has reported that amphibians, which play an important role as secondary consumers within ecosystems and move between terrestrial and aquatic environments, could be among the most affected taxonomic groups, with up to 41% at risk.

Habitat Improvement for the Gold-spotted Pond Frog

- Conducted habitat cleanup activities and installed 30 ecological ladders for the Gold-spotted Pond Frog[1] in coastal wetlands in Songsan-myeon, Dangjin, Chungcheongnam-do, in collaboration with the Korea Ecotourism Association and NS Ecological Research Institute in 2024
- Expected to increase the Gold-spotted Pond Frog population through improvements to breeding and spawning habitats

Ecological Survey in Suncheon

- Conducted literature reviews and on-site biodiversity surveys in the Suncheon area in collaboration with NS Ecological Research Institute in 2024, confirming the presence of signs of the endangered otter[2] and invasive species such as Japanese hop (Humulus japonicus)

Suncheon Ecological Survey Report ›

→ Hoduri Wetland and Suncheon Waeseong Natural Resources Report, Flora and Fauna Guidebook

- Supported the Suncheon Bay National Garden Expo and participated in efforts to enhance ecological functions in order to protect the Suncheon Bay ecosystem[4], which provides habitat for more than 140 bird species, including the Hooded Crane[3]

Restoration

Restoration Activities in Areas with Weakened Ecosystem Functions

Hyundai Steel has carried out forest restoration and greening initiatives, including expanding on-site green spaces, creating parks near business sites, and greening public-use facilities, with the goal of achieving Net Deforestation Zero. In addition, we are working to restore aquatic ecosystem functions in the regions where its operations are located through activities such as planting halophytes for tidal flat restoration in Dangjin.

Afforestation and Greening Activities

- (Incheon) Promoted the Green Dong-gu Project through an employee participation fund, planting 400 arborvitae trees and 800 azalea and boxwood shrubs
- (Dangjin) Continued participation in local greening activities in 2025, including the planting of 1,400 hackberry trees and saplings through a joint public-private-community initiative

River and Marine Ecosystem Restoration Activities

- (Incheon) Contributed to restoring the ecological functions of Gulpo Stream through more than 10 years of restoration activities conducted in collaboration with government agencies, local communities, and private partners, including cleanup campaigns, release of water-purifying organisms, and removal of invasive plant species
- (Dangjin) Participated in regular marine cleanup activities in cooperation with public and private organizations, collecting marine debris such as discarded fishing gear and waste styrofoam
- (Dangjin) Established and planted halophyte[5] colonies for tidal flat restoration in 2026 through a joint initiative involving volunteer organizations and local residents
- Planning to conduct annual planting activities through 2029 across approximately 20,000 m² of tidal flats in the Maesan Coastal Park area

Transformaiton

Shift to Businesses with Reduced Ecosystems Impacts

Hyundai Steel operated the Junior Citizen Scientist ecological and environmental education program for children and adolescents in partnership with World Vision and the Citizen's Institute for Environmental Studies.

In addition, when reviewing capital investment projects, Hyundai Steel comprehensively considers biodiversity-related factors, including potential increases in water consumption, confirmation of water sources, opportunities for resource recycling, changes in greenhouse gas and pollutant emissions, and projected ecological impacts.

Junior Citizen Scientist Program

- Engaged local environmental organizations in Dangjin, including the Dangjin Environmental Movement Union, Dangjin Sustainable Development Council, Poolsee Eco-Education Research Institute, and Our Seed Research Institute
- Involved a total of 20 children and adolescents from the Dangjin area participated as citizen scientists in ecological education and monitoring activities conducted over eight sessions from April to June 2024
- Provided education on the value of natural capital, the status of ecological resources in the Dangjin area, and methods for observing and documenting biodiversity, followed by ecological monitoring and field surveys at Dangjin Stream, the Eumseom Port tidal flats, and Dangsan Ecological Park

1) Gold-spotted Pond Frog (Pelophylax chosenicus) is classified as Vulnerable (VU) on the IUCN Red List due to rapid population declines caused by habitat loss and the introduction of invasive species. It is also designated as a Class II Endangered Wildlife Species and serves as an environmental indicator species in Korea
2) The otters is designated as a Class I Endangered Wildlife Species in Korea and is classified as Near Threatened (NT) on the IUCN Red List
3) The Hooded Crane is classified as Vulnerable (VU) on the IUCN Red List
4) Suncheon Bay was designated as a Ramsar Convention wetland in 2006 and inscribed as a UNESCO World Natural Heritage site in 2021
5) Halophytes are plants that can grow in high-salinity environments surrounding tidal flats and play a critical role in stabilizing tidal-flat soils and creating habitats

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Risk Management

2.5.4 Risk Analysis Process

Hyundai Steel considers natural capital risks related to ecosystem dependencies and impacts as part of its ecological assessment process.

Risk Analysis Process



2.5.5 Response Measures Monitoring

Hyundai Steel implements a range of ecosystem management activities in accordance with its risk assessment process. To evaluate the effectiveness of these activities, we conduct ecological impact assessments, including environmental impact assessments, and continuously manage surrounding ecosystems.

Dangjin Environmental Impact Assessment and Response

Hyundai Steel investigates key environmental factors, including air quality, water quality, soil, and living conditions (noise, vibration, and waste), through environmental impact assessments conducted for the Dangjin Integrated Steelworks and surrounding areas, and strives to minimize impacts on nearby ecosystems based on the assessment results..

- Monitored species composition and biodiversity status of wildlife inhabiting areas surrounding business sites, including legally protected species (endangered species)[1], such as mammals, birds, amphibians and reptiles, fish, marine fish, insects, plants, and plankton, to support ecosystem conservation
- Developed and implemented environmental facility improvement plans based on environmental impact assessment results
- Managed pollutant emissions using internal emission standards that are more stringent than legal requirements
- Established an Environmental Reporting Center to collect feedback and concerns from local communities
- Disclosed environmental issues through the Environmental Improvement Council, a public-private consultative body

Status of Species Near Dangjin Integrated Steelworks

Year	Mammals	Birds	Amphibians and 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
2025	10	56	9	4	44	100	284	114

1) Endanger Species identified in Dangjin: [Mammals] Otter (Class I Endangered Wildlife Species, IUCN NT*), Wildcat (Class II Endangered Wildlife Species, IUCN LC), [Birds] Peregrine Falcon/White-tailed Eagle (Class I Endangered Wildlife Species/Natural Monument, IUCN LC), Greater White-fronted Goose ·Tundra Swan· Black-headed Gull (Class II Endangered Wildlife Species, LC), Common Kestrel(Natural Monument, IUCN LC), [Amphibians] Gold-spotted Pond Frog (Class II Endangered Wildlife Species, IUCN VU), Suweon Treefrog (Class I Endangered Wildlife Species, IUCN EN), [Plants] Spiny Water Flea (Class II Endangered Wildlife Species, IUCN LC)

* IUCN, International Union for Conservation of Nature: EN=Endangered, VU=Vulnerable, NT= Near Threatened, LC=Least Concern

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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.

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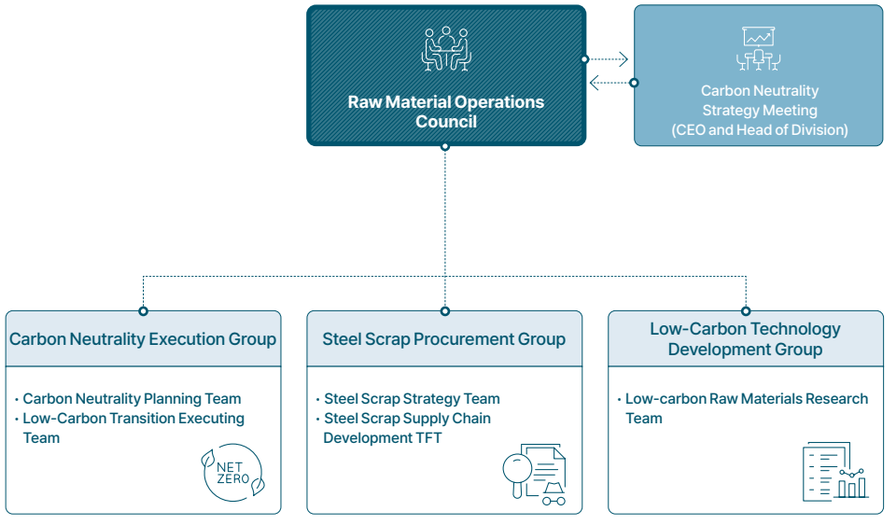
2.6.1 Resource Circularity Management System

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.

Recyclable Resource (steel scrap) Management System

Hyundai Steel operates a systematic management framework to ensure the stable procurement of recycled steel scrap and enhance resource efficiency as part of its transition toward a low-emission production system.

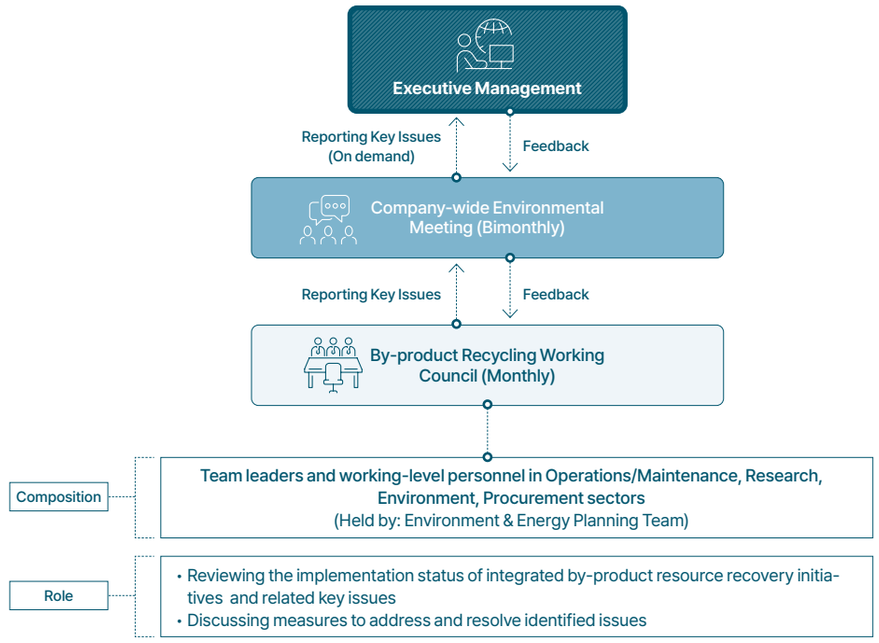
- Operating the Raw Material Operations Council on a monthly basis starting in February 2026
  - Comprised of team leaders and working-level personnel from relevant departments under the leadership of the Low-Carbon Raw Materials Research Team within the R&D Division
  - Reviewing mid- to long-term raw material procurement and operation plans, raw material market trends, current status, and key issues
- Managing strategic initiatives and implementation progress through the Carbon Neutrality Strategy Meeting, a division-head consultative body chaired by the CEO



By-product Management System

Hyundai Steel conducts by-product recycling working meetings to expand the recycling and resource recovery of by-products generated during production and to manage related initiatives. Key issues are integrated and managed through the Company-wide Environmental Meeting.

- Reviewing integrated by-produfct resource recovery initiatives and key issues through monthly cross-functional meetings and reporting major matters to the Company-wide Environmental Meeting
- Reviewing plans and making decisions on key issues from an integrated environmental management perspective through the Company-wide Environmental Meeting, with the participation of senior management



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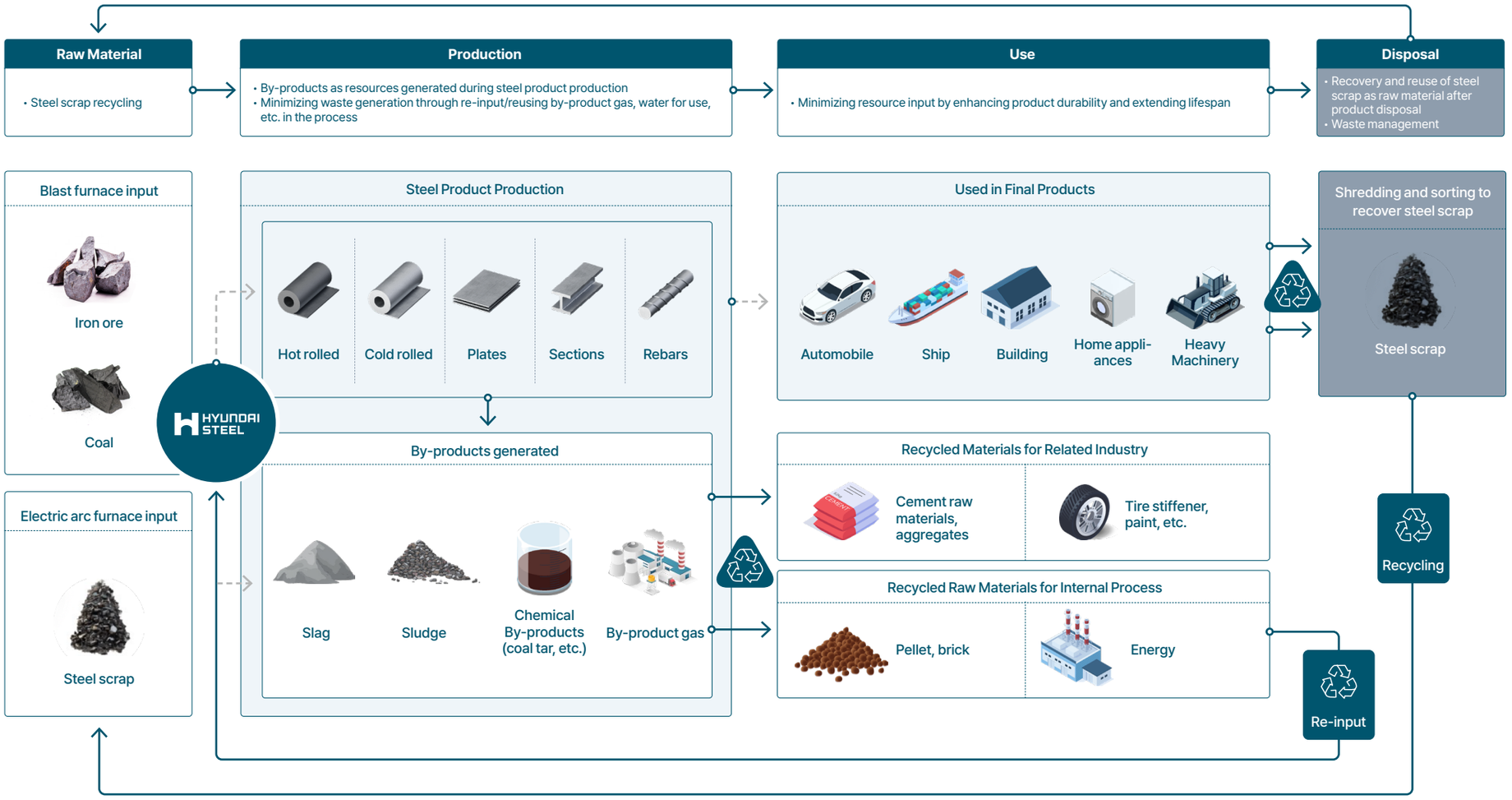
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2.6.2 Resource Circularity Business Structure



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2.6.3 Resource Circularity Risks and Opportunities Analysis

Hyundai Steel manages waste generated from business activities in compliance with domestic WASTES CONTROL ACT. In addition, we are gradually expanding recycling initiatives to reduce waste generation and enhance resource circulation.

- Conducting annual hazard assessments for each waste type and performing waste composition analyses newly incorporated into environmental impact assessments
- Identifying negative impacts associated with each waste type based on environmental impact assessment results and managing waste in accordance with legally compliant treatment methods for each category

By-product Type[1]	Category[2]	Description	Response	Urgency[3]	Impact[4]
Slag (Blast furnace, steel making, etc.)	Opportunity	• Diverse recycling applications such as construction raw materials • Stricter regulations on aggregate extraction and a decreasing trend in the production of grade 1 aggregate	• Development of slag-based aggregate/cement	M	M
			• Research in expansion of slag asphalt usage	M	H
	Risk	• Demand fluctuations according to construction market conditions	• Development of applications to secure new and large-scale demand	M	M
Steelmaking process dust	Opportunity	• Recyclable internally and externally	• Reintroduction of pellets and bricks produced from dust/sludge mixtures back into the process	H	H
			• Review of process recycling and external sales of coke dust	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	• Reintroduction of 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	• Establishment of 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, ACT ON PROMOTION OF TRANSITION TO CIRCULAR ECONOMY AND SOCIETY, 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 (L (Low), M (Medium), H (High) (L (Low), M (Medium), H (High))
4) Impact: Assessed by the potential for profitability improvement and the need for new treatment solutions (L (Low), M (Medium), H (High))

Strategy ***Raw Material***

2.6.4 Strengthening Competitiveness in Steel Scrap Procurement

Hyundai Steel has established a mid- to long-term plan through 2030 to secure a stable supply of steel scrap, a key raw material for the transition to a low-emission production system and is promoting various initiatives to expand steel scrap utilization through technology development and supply chain diversification.

Developing Technologies for Securing High-Quality Steel Scrap

- Developing technologies to remove non-ferrous metals, including copper, and other impurities mixed in steel scrap
- Researching upgrading technologies for low-quality scrap, including steel scrap sorting equipment

Promoting Long-Term Supply Chain Diversification and New Supply Chain Development

- Supporting waste treatment generated during the steel scrap refining process (127 suppliers, approximately KRW 7 billion)
- Providing advance payments for refining facility investments to steel scrap suppliers (approximately KRW 20 billion)
- Operating the Win-Win Growth Fund, an Industrial Bank of Korea loan interest support program (approximately KRW 16 billion)

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Strategy ***Production/Use***

2.6.5 Implementation of Integrated By-product Resource Recovery Initiatives

Hyundai Steel continuously identifies and implements integrated by-product resource recovery initiatives to reduce waste generation and expand resource circulation. In 2025, the Company completed seven initiatives and plans to implement eight projects in 2026, including four ongoing projects carried over from 2025 and four new initiatives.

2025 Key Achievements in Integrated Initiatives for By-products

Name	Purpose	Key Achievements
Research on Expanding the Use of Slag Asphalt	• Identifying large-scale utilization opportunities by expanding the use of slag aggregate	• Completed highway pilot applications of electric arc furnace oxidation slag aggregate (2 projects) in 2025
Development of Construction Aggregate Products Using Slag	• Developing new recycling applications for steelmaking slag	• Derived the optimum mix design for guardrail filler mortar
Development of Cement Raw Materials Using Slag	• Developing new recycling applications using slag and identifying large-scale utilization opportunities	• Established and evaluated a pilot facility for producing non-carbonate raw materials using slag
Development of Cement Substitute Materials Using Slag	• Developing new applications for non-contact exposure categories	• Completed the development of an expansion prediction model for cement composites using converter slag • Initiated a joint research project and improved compressive strength for converter slag-blended cement
Review of Utilization Opportunities for Coke Dust	• Reducing costs and mitigating environmental risks	• Supplied coke dust for converter and electric arc furnace briquette production
Development of Sintering Technologies for Low-carbon Blast Furnace Raw Materials	• Securing mid- to long-term technologies and direct reduced iron (recycled) supply technologies to enhance the value of by-products	• Established a steelmaking by-products database and developed impurity removal technologies for by-products
Response to Policy Developments through Participation in the Slag Committee	• Responding to environmental regulations related to slag to facilitate the effective use of circular resources	• Held Board of Directors meetings and regular general meetings of the Steel Slag Committee • Implemented initiatives to enhance the external image of steel slag

Strategy ***Production/Use***

2.6.6 Operation of In-house By-product Resource Recovery Facilities

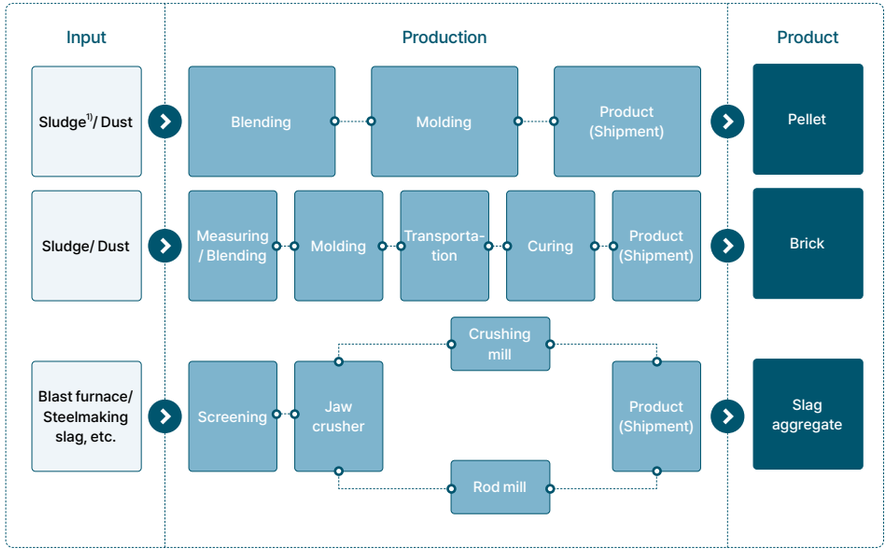
To minimize waste generated at business sites and increase recycling rates, Hyundai Steel operates approved by-product resource recovery facilities. Through these efforts, the Company achieved a resource circulation rate of 96.7% in 2025, exceeding its target of 96.1%.

Operation Status of In-house Resource Recovery Facilities

- Implementing in-house resource recovery facilities, including solidification and stabilization facilities, refining facilities, crushing and pulverizing facilities, and sorting facilities
- Operating resource recovery plants through Hyundai ITC, a specialized subsidiary

Resource Utilization Product Production Process

- Sludge and dust → Blending/Molding → Pellet and brick production → 100% reinjected into the production process in steelworks
- Slag → Crushing/Grinding → Production of slag aggregate products → Recycled for various applications, including construction materials



1) Sludge: Sediment generated during the wastewater treatment process

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Strategy ***Production/Use***

2.6.7 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.

Sharing Progress on New Construction Material Technologies Using Steelmaking By-products

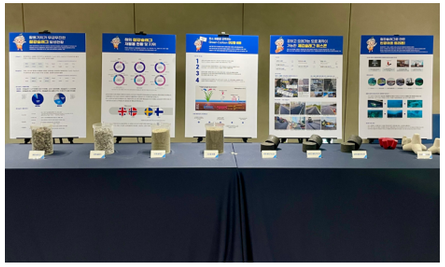
- Hosted the 3rd Steel By-product Utilization Construction Material Technology Symposium in June 2025 in collaboration with the Korea Society of Waste Management at COEX Magok
- Provided a forum for discussing technologies that utilize steelmaking by-products as construction materials to support carbon reduction and resource circulation

○ 3rd Steel By-product Utilization Construction Material Technology Symposium

Category	Description
Purpose	• Sharing opportunities to utilize steelmaking by-products as construction materials, including solutions to meet growing carbon neutrality requirements across industries • Strengthening collaboration among industry, academia, and research institutions
Participants	• Host: Hyundai Steel and the Korea Society of Waste Management • Attendee: Approximately 100 experts from seven major organizations, including the Korea Iron & Steel Association, Hanyang University, Kangwon National University, SsangYong C&E, Hyundai E&C, Korea Expressway Corporation, and the Korea Road Traffic Authority Research Institute
Key Contents	• Introduced the current status and key issues of slag recycling, process changes driven by carbon neutrality strategies, and utilization opportunities for steelmaking by-products • Discussed the technical advantages of steelmaking by-product-based construction materials, regulatory developments, global technology trends, and research achievements • Shared mid- to long-term outlooks and technical and regulatory challenges related to the recycling of steelmaking by-products • Built consensus on the need to expand technology commercialization and improve related policies through expert discussions



3rd Steel By-product Utilization Construction Material Technology Symposium



Presented Slag and Slag Products

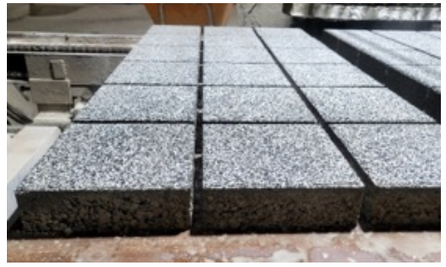
Expanding Resource Circulation through the Development of Steelmaking Slag CO_2-Capturing Pavement Blocks

- Successfully developed and commercialized CO_2-capturing sidewalk blocks using steelmaking slag aggregate since July 2023
- Established a sustainable business model that promoted resource circulation and carbon reduction while fostering win-win growth with suppliers by presenting a new utilization model for industrial by-products

○ Steelmaking Slag CO_2-Capturing Pavement Blocks

Category	Description
Steelmaking Slag	• Industrial by-product inevitably generated during the steel production process • Contains high levels of quicklime Calcium Oxide (CaO), which readily reacts chemically with atmospheric CO_2 • Serves as a suitable material for carbon capture and mineralization
CO_2-Capturing Pavement Blocks	• Demonstrates CO_2 capture performance equivalent to approximately 63% of that of a 10-year-old pine tree through the application of steelmaking slag aggregate[1] • Signed a supply agreement for steelmaking slag aggregate with a sidewalk block manufacturer near Dangjin, and plans to gradually expand future applications

1) Eco-friendly Construction Materials Certified with the Environmental Label



Slag aggregate Pavement Blocks



Slag aggregate Pavement Blocks Placed in H-MODULA LAB.

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Strategy ***Disposal***

2.6.8 Hazardous Chemical Substances Management

Hyundai Steel has established internal management regulations based on Article 7 of the Enforcement Decree (Standards for Waste Disposal, etc.) of WASTES CONTROL ACT and strictly manages hazardous waste generated at its business sites.

Specific Management Approach

- Provided hazard information data and required work plans for new contractors in accordance with Article 18-2 of the WASTES CONTROL ACT (Obligation to Prepare and Provide Hazards Information Data) to ensure that work-related risks were communicated in advance
- Required workers handling liquid waste to wear personal protective equipment in accordance with hazardous chemical substance handling standards
- Managed the entire waste lifecycle, from generation and transportation to treatment, through the Allbaro System
- Reported annual waste generation and treatment performance every February in accordance with Article 38-1 of the WASTES CONTROL ACT (Submission of Reports) and paid disposal charges pursuant to Article 36 of the ACT ON PROMOTION OF TRANSITION TO A CIRCULAR ECONOMY SOCIETY

1) Hazardous waste refers to waste designated by Presidential Decree that may contaminate the surrounding environment or pose risks to human health, including waste oil, waste acids, and other harmful substances generated at business sites

Risk Management

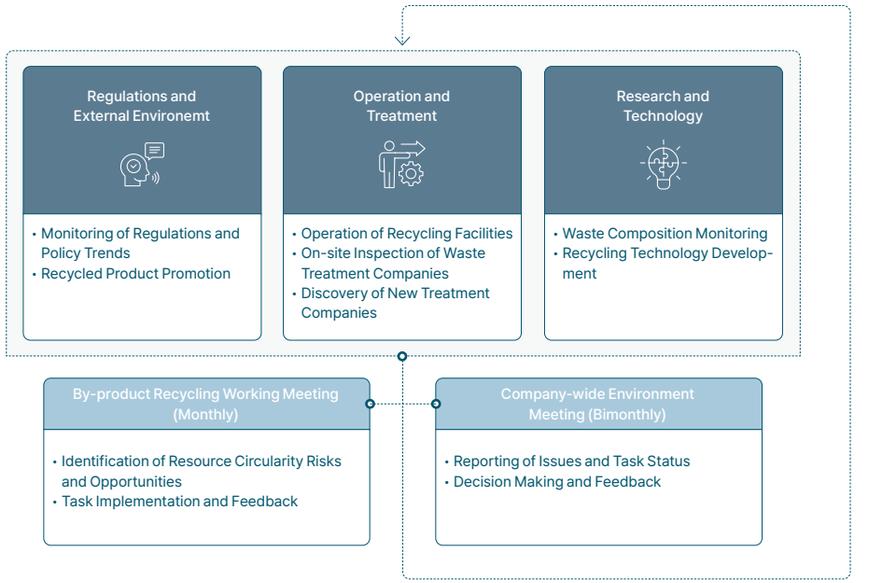
2.6.9 Resource Circularity Risk Management

Hyundai Steel proactively responds to resource circulation risks and opportunities through a systematic monitoring and management framework.

- Monitoring waste-related laws, regulations, and policy developments on an ongoing basis
- Conducting regular inspections of on-site waste treatment facilities, periodic monitoring of waste composition, and due diligence reviews of external waste treatment contractors to reduce the risk of non-compliance with waste-related laws and guidelines
- Identifying new recycling applications and waste treatment contractors to ensure stable mid- to long-term waste treatment
- Promoting awareness and acceptance of recycled products through promotional activities and information sessions

Risk Management Process

- Identifying resource circulation risks and opportunities and discussing improvement measures through monthly by-product recycling working-level meetings
- Reporting the status and results of improvement initiatives to the Company-wide Environmental Meeting and facilitating decision-making and feedback on key issues



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Risk Management

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

Hyundai Steel has established an in-house LCA analysis system (HLCA) and calculates product carbon footprints (CFP) through Life Cycle Assessment (LCA). Based on these assessments, the Company responds to stakeholder requirements, including those of customers, as well as global regulations such as the EU Carbon Border Adjustment Mechanism (CBAM). Hyundai Steel also plans to continuously enhance the system's capabilities to further improve the quality and accuracy of environmental impact assessments.

Environmental Product Declaration (EPD) Certification

- Expanding the portfolio of certified products to meet diverse customer requirements
  - Obtained "Low-carbon product certification" for rebar and "International EPD" certifications for rebars, sections, steel plates, hot-rolled steel, cold-rolled steel and galvanized steel in 2025

Certification Type	Certification Country	Certified Products	Certification Period
Ministry of Climate, Energy and Environment EPD	Republic of Korea	• Hot-rolled coils, steel plate (Dangjin) • Section shape steel (Incheon, Pohang)	October2023~October2026
			April2026~April2029
Low-carbon Product[1] Certification	Republic of Korea	• Rebars (Incheon, Pohang, Dangjin)	March2025~March2028
UL EPD[2]	United States	• Rebars (Incheon, Pohang, Dangjin), section shape steel (Incheon, Pohang)	September2024~September2029
International EPD	Sweden	• Wire rods (Dangjin) • Rebars (Incheon, Pohang, Dangjin), section shape steel (Incheon, Pohang) • Hot rolled steel, steel plate (Dangjin), cold rolled steel, galvanized steel (Dangjin, Suncheon)	November2023~November2028
			June2025~June2030
			August2025~August2030
EPD Global[3]	Norway	• Wire rods (Dangjin)	November2023~November2028

1) Low-carbon products: Green products recognized by the Ministry of Climate, Energy and Environment that are subject to the mandatory procurement list for public institutions under the ACT ON PROMOTION OF PURCHASE OF GREEN PRODUCTS. They are also eligible for additional points under the Green Standard for Energy and Environmental Design (G-SEED), Korea's green building certification system
2) UL EPD: Environmental Product Declaration (EPD) program operated by UL Solutions (Underwriters Laboratories).
3) Formerly EPD Norge

Metrics and Targets

2.6.11 Resource Circularity Management Status and Plans

Use of Recycled Materials and By-product Recycling

Classification	Unit	2022	2023	2024	2025
Usage of Recycled Materials	kt	7,549	6,677	6,118	5,783
By-product (waste) Generation		9,952	10,162	9,926	10,253
Total Recycled Waste		9.721	10,079	9,819	10,057
Recycling Rate	%	97.7	99.2	98.9	98.1

Life Cycle Assessment (LCA) Analysis and Roadmap

Classification		Current Status	Yearly Goals and Plans	
		2025	Short-term (~2026)	Mid-to Long-term (~2030)
Life Cycle Assess-ment	Product CFP[2]	• Establishment of Calculation Methodology for Low-Emission Products	• Calculation of Low-Emission Product CFP[2]	• Calculation of Low-Emission Product CFP[2] by Steel Grade
	Cerification	• International EPD Certification (rebars, sections, steel sheets)	• Ministry of Climate, Energy and Environment EPD Certification (sections, steel plates, hot-rolled coils)	• Ministry of Climate, Energy and Environment Low-carbon Product Certification (steel sheet products)
HLCA Enhance-ment	Low-Emission Product	• Data Collection and Development of Calculation Logic for Low-Emission Products	• Automation and Verification of CFP[2] Calculation	• Integration of Carbon Neutrality Plans into the System
	Simulator[1]	• Establishment of Calculation Methodology for Low-Emission Products	• Low-Emission Product Simulation	• Annual Simulator Updates with the Latest Operational Data
	Recycled Raw Material Traceability Management		• Establishment of a Classification Framework for Recycled Raw Materials	• Linkage with Product CFP[2]

1) Predicting Product CFP (Carbon Footprint of Product) under changes in operating conditions
2) CFP, Carbon Footprint of Product

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2.7 Sustainable Product R&D

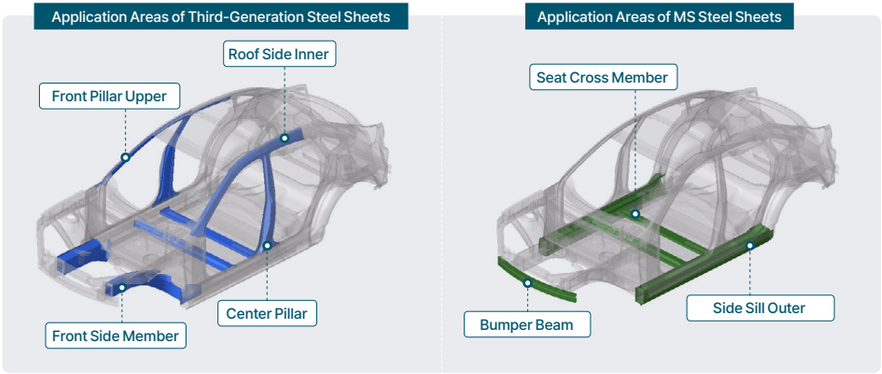
Hyundai Steel is strengthening its competitiveness in the automotive materials sector through continuous Research and Development (R&D) investments and technological advancements, thereby contributing to the domestic Future Mobility industry. By actively building networks and partnerships with academic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

2.7.1 Development of Core Materials and Parts in Future Mobility

Hyundai Steel is advancing the performance of automotive steel products and reinforcing its global competitiveness through the establishment of high-strength automotive steel sheet production facilities and the development of high-toughness, ultra high-strength PHS (Press Hot Stamping) steel.

Development of Third-Generation Steel Sheets and Production Facilities

- Completed of annealing facility upgrades and construction of a new production line in 2025 to support the commercialization of third-generation and MS (Martensitic) steel sheets
- Completed the development of 1.0 GPa and 1.2 GPa third-generation non-galvanized steel sheets, as well as 1.3 GPa, 1.5 GPa, and 1.7 GPa MS (Martensitic) steel sheets in 2025
- Planning commercialization and supply to global automakers beginning in 2026



Development of High-Toughness, Ultra High-Strength Press Hot Stamping (PHS) Steel

- Developed 1.5 GPa high-toughness PHS steel
  - Improved fracture performance and enhanced crash energy absorption compared with internal testing standards
  - Achieved approximately 25% improvement in bending performance and 67% improvement in weldability based on internal evaluation criteria
  - Continuing to expand the high-toughness PHS portfolio to enhance vehicle safety and strength while supporting automotive lightweighting and improved fuel efficiency
- Developing 2.0 GPa ultra high-strength PHS steel sheets
  - Targeting an optimal balance of formability, impact resistance, and weldability in the ultra high-strength (≥ 2.0 GPa) range
  - Conducting advanced development activities and evaluating applicability for next-generation vehicle body structural components

2.7.2 Global Automaker Certification & Sales Expansion for Low-Emission Steel

In line with its carbon neutrality roadmap, Hyundai Steel is systematically advancing the development and certification of low-emission products. The Company is also supporting R&D aimed at optimizing low-carbon production processes in conjunction with the development of its US electric arc furnace steel mill.

Building and Certification of a Low-Emission Automotive Steel Sheet Portfolio

- Successfully produced low-emission steel sheets using the world's first hybrid process combining molten iron from electric arc furnaces and blast furnaces, and commenced mass production in February 2026
- Obtained steel grade certifications for automotive steel products that reduce carbon emissions by approximately 20% compared with Hyundai Steel's conventional blast furnace steel, for multiple global automakers
  - Completed certification of a total of 25 steel grades, including two newly commercialized low-emission steel sheets
  - Targeted to expand the certification portfolio to a total of 53 steel grades by adding 28 grades in 2026

Joint Evaluation and Certification with Global Automakers and Integration with Low-Carbon Production Processes

- Collaborating with global automakers and major component suppliers to verify and apply related technologies, with the aim of expanding the application of low-emission steel products across a broader range of industries
- Hyundai Motor and Kia plan to apply low-emission steel products to selected vehicle models manufactured in Korea and Europe beginning in 2026
- Planning to supply low-emission steel products produced through the Electric Arc Furnace–Blast Furnace Combined Process and gradually expand the range of applicable steel grades and supply volumes in the future

Advancing Decarbonization through EAF-based Production

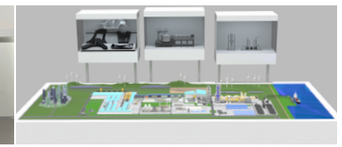
- Supporting R&D to optimize low-carbon production processes in conjunction with the development of the Company's US EAF steel mill
- Utilizing a Direct Reduction Plant (DRP) and electric arc furnace process to produce high-quality low-emission automotive steel sheets with quality comparable to conventional blast furnace steel

Exhibition of US Electric Arc Furnace Steel Mill and Hydrogen-Based DRI Technology at WHE (World Hydrogen Expo) 2025

- Participated in WHE 2025 and unveiled a scale model of the electric arc furnace steel mill currently under construction in Louisiana, United States
- Exhibited a scale model showcasing key steelmaking processes and related infrastructure, including the Direct Reduction Plant (DRP) for producing Direct Reduced Iron (DRI), electric arc furnaces (EAFs), and hot-rolled and cold-rolled production facilities
- Highlighted the mid- to long-term transition pathway toward hydrogen-based DRI, beginning with a direct reduction process using natural gas as the reducing agent and gradually increasing the proportion of hydrogen used in the process



Hyundai Steel Exhibit at WHE 2025


Scale Model Displayed at WHE 2025

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2.7 Sustainable Product R&D

2.7.3 Development of Key Materials for the Energy Sector and Customer Support

Hyundai Steel is strengthening its competitiveness in the energy market through the continuous development of materials for offshore wind and nuclear power applications.

Strengthening Competitiveness in the Offshore Wind Market with Hyundai E&C

- Signed an MOU for the joint development of a proprietary floating offshore wind model in March 2026
  - Jointly pursuing the development of a proprietary hybrid floating structure combining steel and concrete, as well as obtaining DNV Approval in Principle (AIP)[1] certification in 2027
- Targeting classification approval in 2027 and the commercialization of a steel-concrete hybrid floating structure
  - Developing a hybrid floating structure that combines high-strength, corrosion-resistant steel products, including rebars and plates designed for marine environments, with concrete to achieve both durability and economic efficiency
- Responding to growing demand for plates for offshore wind applications.
  - Completed the development and certification of ultra-heavy steel plates with yield strength of 420 MPa and above, and currently supplying materials for the Shinan Ui Offshore Wind Project.

1) Approval in Principle (AIP): Formal recognition by a classification society or certification body of the technical feasibility of a new technology or design concept under development, based on a review of its safety and compliance with applicable international regulations



MOU Signing Ceremony

Global Nuclear Material Supplier Quality System Certification

- Achieved industry-first ASME QSC[1] certification among Korean steelmakers, etablishing nuclear-grade supply chain gredentials
- Expanding participation in domestic and international nuclear projects by capitalizing on rising global nuclear investment and certification-based competitive advantage

1) ASME QSC: The global standard for quality assurance systems governing suppliers of nuclear-grade materials and components

2.7.4 Strengthening Industry-Academia-Research Collaboration Networks

Hyundai Steel is building close partnerships with government agencies, global steelmakers, and research institutions to secure sustainable products and technologies.

Participation in a Government-led Hydrogen-based DRI Project

- Advancing technology development in collaboration with POSCO, with hydrogen-based DRI process development and expansion of electric arc furnace operations as key strategic priorities
- Accelerating public-private technology demonstration efforts following the government's decision to provide funding support for hydrogen-based DRI demonstration R&D projects

Participation in a Government-led R&D Project on Special Carbon Steel

- Pursuing participation in a government-led R&D project focused on special carbon steel
- Strengthening technological competitiveness in the special carbon steel sector in alignment with government R&D policies which aim to reduce oversupply of conventional steel products and accelerate the steel industry's transition toward high-value-added and environmentally friendly technologies for future industries, including shipbuilding, energy, defense, and aerospace

Joint Research Agreement on Global Carbon Capture, Utilization and Storage (CCUS)

- Pursuing joint research with global steelmakers and related companies to identify potential CCUS hubs
  - Signed a Joint Research Agreement (JSA) in Singapore in August 2025 to advance the CCUS Hub Study[1] in consortium with five companies, including BHP (Australia), Chevron, Mitsui & Co. (Japan), JSW Steel (India), and AM/NS India (a joint venture between ArcelorMittal and Nippon Steel)
- Established a foundation for strengthening global networks in the CCUS sector through participation in Asia's first industry-led CCUS research initiative
- Planning to identify potential hub locations in Southeast Asia and Northern Australia and assess the commercial feasibility of hub development through an 18-month research program

1) CCUS Hub Study: A research project aimed at identifying central hub locations that collect, compress, and process carbon dioxide emitted from multiple industrial facilities. The project is managed by Hatch, a global engineering company, and CO_2 collected at onshore hubs is intended to be transported to offshore storage sites for permanent underground storage



CCUS Joint Research Agreement Signing Ceremony

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CONNECTING PEOPLE & TRUST

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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3.1 Human Rights Management

Hyundai Steel is committed to respecting human rights and protecting the rights of employees and stakeholders. We conduct annual human rights impact assessments across all business sites, suppliers, and subsidiaries, including joint ventures, to ensure compliance with human rights policies and guidelines and proactively identify and address human rights risks. In addition, human rights risks are proactively identified during business changes such as mergers and acquisitions.

Governance

3.1.1 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.

- Operating and continuously improving the human rights management system in collaboration with relevant departments, including ESG, HR, Compliance, and Procurement, in response to changes in the internal and external environment
- Reporting amendments and revisions to the Human Rights Policy, as well as human rights risks identified through Human Rights Impact Assessments (HRIAs), to management-participated ESG Governance bodies and the Transparent Management Committee under the Board of Directors
- Sharing the implementation results of reported matters with both internal and external stakeholders

Human Rights Management Process

- STEP 01: Declaration of Human Rights Policy and Establishment/Implementation of Human Rights Management
- STEP 02: Establishment of Human Rights Risk Management Process and Implementation of Preventive Measures
- STEP 03: Human Rights Risk Assessment and Issue Identification
- STEP 04: Improvement of Human Rights Risks and Program Support
- STEP 05: Disclosure of Human Rights Management Status

3.1.2 Human Rights Policy

Hyundai Steel has declared a Human Rights Policy that reflects internationally recognized human rights and labor standards and guidelines, demonstrating its commitment to implementing human rights management and realizing the value of respect for human rights.

Human Rights Policy ›

Human Rights Policy Details	
Alignment with International Standards and Guidelines	• United Nations Guiding Principles on Business and Human Rights • Universal Declaration of Human Rights • International Labour Organization Conventions • Organization for Economic Co-operation and Development Due Dilligence Guidance for Responsible Business Conduct
Principles	• Regular review and revision of the policy to prevent human rights violations arising from business operations and mitigate related risks • Permission for overseas subsidiaries to adopt a Human Rights Policy that reflects local legal requirements and industry-specific characteristics and to establish supplementary policies where necessary • Compliance with local laws and regulations where policy provisions conflict with applicable local requirements
Scope	• All Hyundai Steel employees, including executives, regular employees, and non-regular employees • All employees of domestic and overseas production and sales subsidiaries • All employees of consolidated subsidiaries, affiliates, and joint ventures (JVs)
External Applicability	• Suppliers and all stakeholders and business partners involved in business activities are encouraged to respect the Human Rights Policy

3.1.3 Anti-Discrimination and Harassment Policy

To prevent workplace discrimination, harassment, and sexual harassment and foster a workplace culture where all employees respect diversity and are treated equally and fairly, Hyundai Steel has established the Anti-Discrimination and Harassment Policy.

- Strictly prohibiting the exclusion or rejection of any individual or group based on differences among individuals, acts that causes physical or psychological harm through the abuse of workplace position or relationships, and acts that causes sexual humiliation or offense

Anti-Discrimination and Harassment Policy ›

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3.1 Human Rights Management

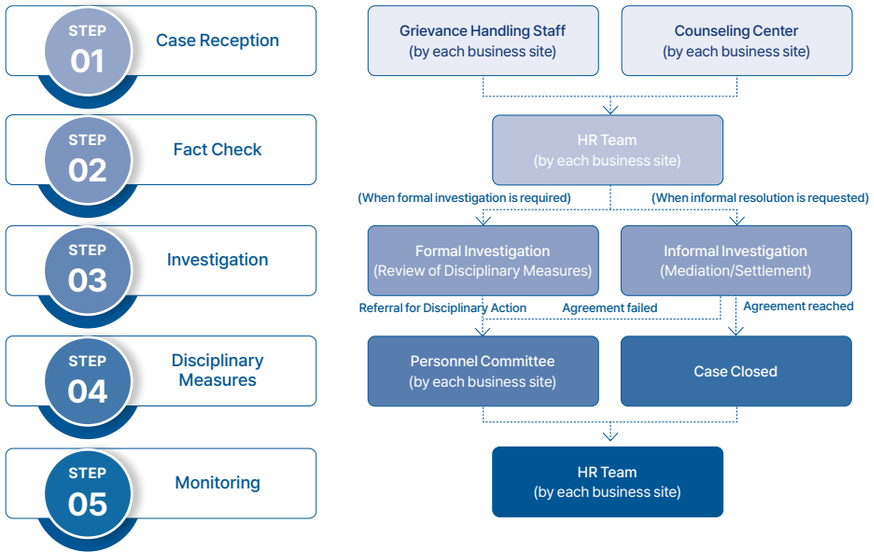
Strategy

3.1.4 Human Rights Grievance Handling

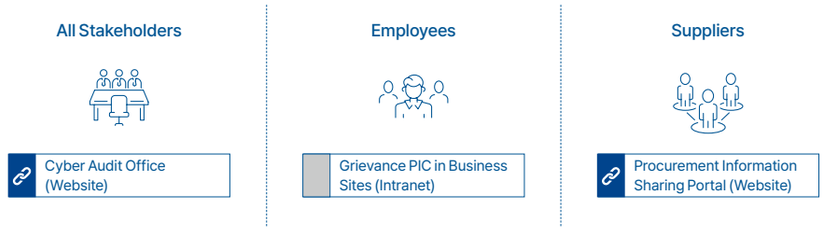
To address human rights violations and grievances experienced during work performance and protect the human rights of those affected, Hyundai Steel has established a comprehensive grievance handling process.

Channel	• Operation of multiple online and offline grievance channels, including mail, hotlines, the Cyber Audit Office, and external counseling centers, to improve accessibility for whistleblowers • Provision of information on procedures and responsible organizations from case reporting through personnel actions and monitoring
Principles	• Prompt assessment of reported grievances in accordance with established procedures • Improvement of internal systems and work practices to address root causes and prevent recurrence • Implementation of personnel actions against employees responsible for discrimination, harassment, or other adverse conduct in accordance with the standards and procedures stipulated in employment and disciplinary regulations
Whistleblower Protection Measures	• Protection of whistleblowers' anonymity and confidentiality; prohibition of retaliation, identity disclosure, and employment-related disadvantages; and public disclosure of these protections through the Company's website (Cyber Audit Office)

Grievance Handling Process



Grievance Intake and Ethical Management Reporting Channels



3.1.5 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.

- Mandatory compliance training for newly appointed managers and new hires to strengthen ethics and compliance awareness
- Annual training for all employees on sexual harassment prevention, disability awareness, and workplace harassment prevention

2025 Human Rights and Compliance Education Status

Classification	Scope and Method		Unit	Completed Employees	Notes
Compliance Education	Newly Appointed Managers and New Hires		Persons	198	
		Newly Appointed Team Managers		99	
		New Hires		99	
Sexual Harassment Prevention, Disability Awareness, and Workplace Harassment Prevention Education	Company-wide All Employees (including retirees and dispatched workers)		Persons	11,584	100% completed as of the training period
	Online Training			4,102	
	Cascade Training			7,482	

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3.1 Human Rights Management

Risk Management

3.1.6 Human Rights Impact Assessment

Hyundai Steel conducts regular human rights impact assessments to proactively identify, systematically manage, and improve human rights risks.

Frequency	• Annually (regularly)
Scope	• All domestic and overseas business sites, consolidated subsidiaries, and suppliers
Assessment Body	• Department responsible for human rights conducts the assessment in collaboration with an independent third-party expert organization to ensure objectivity and independence (2025 assessor: ESG Partners)
Assessment Methodology	• Assessment indicators are developed based on major domestic and international human rights guidelines and regulations, including the OECD Guidelines for Multinational Enterprises • Human rights risks are identified through document-based assessments and on-site due diligence based on the results of preliminary risk screening • Improvement measures are established and implemented for identified human rights risks, while the responsible department provides support and monitoring

Human Rights Impact Assessment Process

Designing Indicators STEP.1	Document-based assessments STEP.2	On-site due diligence STEP.3	Result Analysis STEP.4	Improvement STEP.5
Analysis and overview of domestic and international ESG assessment system and industry initiatives based on human rights policies of Hyundai Steel	Diagnosis based on indicators designed by differentiating assessment subject and issue, identification of human right risk factors	Conducting on-site due diligence with external experts at business sites where risks have been identified through document-based assessments	Identifying risks and implications of business sites by collecting human rights assessment results (document-based assessments, on-site due diligence)	Establishing improvement plans by risks, checking and inspecting of implementations

Human Rights Impact Assessment Mid-to Long-Term Target

- Establishing mid-to long-term goals in 2022 under the new ESG strategic framework to improve vulnerable human rights areas and operate long-term human rights improvement programs
- Expanding the proportion of business sites subject to on-site due diligence to 30%
- Strengthening the effectiveness and systematic operation of Hyundai Steel's human rights management system by enhancing human rights impact assessment-related systems and processes, including grievance handling mechanisms

Target Year	Description	Completion Status
2022	• Establishment of mid-to long-term goals: improvement of vulnerable human rights areas and operation of long-term human rights improvement programs	○
2023	• Expansion of human rights impact assessment coverage by 10%	○
2024	• Expansion of assessed business sites (including domestic subsidiaries)	○
	• Launch of a human rights improvement program	○
2025	• Enhancement of supply chain assessments	○
	• Advancement of grievance handling mechanisms	△
2026	• Implementation of human rights impact assessments across 100% of business sites	○

3.1.6.1 Results of the Human Rights Risk Forecast

Hyundai Steel conducted a preliminary assessment based on key human rights risk review areas to proactively identify potential human rights risks that may arise across its business activities.

- Reviewed nine human rights areas, including human rights management systems, employment and labor, occupational health and safety, local communities, environmental rights, and workplace human rights
- Assessed risk levels[1] through a comprehensive consideration of the likelihood and potential impact of human rights risks across key stakeholder groups, including employees, women, children, migrant and contract workers, suppliers, and local communities

Human Rights Issue	Target					
	Employee	Women	Children	Migrant, Contract workers	Supplier	Local Community
Human Rights Management System Implementation	-	-	-	-	○	-
Non-Discrimination in Employment	-	○	-	●	○	-
Freedom of Association & Collective Bargaining	○	-	-	○	○	-
Forced Labor Prohibition & Right to Rest	○	○	-	●	○	-
Child Labor Prohibition	-	-	-	-	○	-
Occupational Health & Safety Guarantee	○	○	-	●	-	-
Respecting and Protecting Local Community Rights	-	-	-	-	○	●
Environmental Rights Protection	-	-	-	-	○	●
Protection of Human Rights in the Workplace	○	○	-	○	○	-

1) Human Rights Risk Severity Criteria (3 Level Scale)
- High Risk (●): A high likelihood of a human rights violation occurring, or a violation that could have a significant impact on employees or other stakeholders if it occurs
- Potential Risk (○): A potential for human rights risks to arise due to business characteristics, working conditions, or stakeholder characteristics.
- Low Risk (-): A low likelihood of a human rights violation occurring, or a case where the impact would be limited even if a violation occurs / not applicable

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Risk Management

3.1.6 Human Rights Impact Assessment

3.1.6.2 Document-based Assessments

Hyundai Steel conducted document-based assessments across all domestic business sites and overseas subsidiaries as part of its human rights impact assessment and identified key human rights risks based on items that exceeded a defined threshold of negative responses.

Scope	• Hyundai Steel: 38 business sites - 5 domestic business sites, 15 overseas subsidiaries, 10 overseas offices, and 8 domestic consolidated subsidiaries - Covering more than 90% of Hyundai Steel employees • Suppliers: 480 companies
Participants Selection	• Survey participants segmented by gender, position level, employment type, and nationality following review and consultation by a third-party expert organization (ESG Partners), and the survey was conducted across vulnerable human rights stakeholder groups and diverse employee segments
Indicator	• Designed to provide a balanced assessment of both the institutional foundation of human rights management and employees' actual experiences and perceptions • Reflecting operational characteristics, the assessment consisted of 47 indicators for domestic business sites, 46 indicators for domestic subsidiaries, and 55 indicators for overseas subsidiaries, with enhanced focus on organizational culture, employment, and working conditions
Risk Identification Criteria	• Items with a negative response rate of 10% or higher were identified as key human rights risks

Human Rights Risk Assessment Items

Human Rights Issue	Description
Human Rights Management System Implementation	Whether a human rights management foundation is in place, including the establishment and disclosure of a Human Rights Policy, operation of the human rights management system, implementation of human rights impact assessments, and grievance handling and remediation procedures
Non-Discrimination in Employment	Whether discrimination is prohibited and fair working conditions are ensured throughout the employment lifecycle, including recruitment, compensation, and promotion
Freedom of Association & Collective Bargaining	Whether employees are guaranteed the right to establish and join labor unions, engage in collective bargaining, and are protected from related disadvantages
Forced Labor Prohibition & Right to Rest	Whether forced labor is prohibited and appropriate working hours, fair wages, and the right to rest are ensured
Child Labor Prohibition	Whether the legal minimum working age is observed, child labor is prohibited, and young workers are protected
Occupational Health & Safety Guarantee	Whether a safe working environment is maintained through hazard management as well as the provision of protective equipment and safety training
Respecting and Protecting Local Community Rights	Whether community impacts arising from business operations are managed and the rights of local residents are protected
Environmental Rights Protection	Environmental rights protection activities, including the management of environmental impacts and compliance with environmental laws and regulations
Protection of Human Rights in the Workplace	Level of human rights protection in the workplace, including the prevention of workplace harassment and sexual harassment, support for work-life balance, and grievance handling mechanisms

3.1.6.3 Human Rights Vulnerable Group Identification

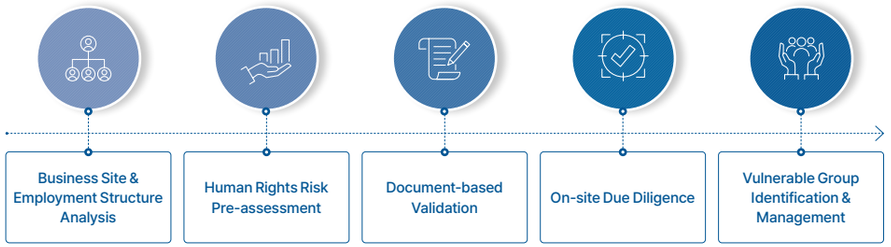
Scope	• On-site due diligence for 100% of business sites where human rights risks were identified
Target Selection	• Business sites with negative response rates exceeding a defined threshold in the document-based assessment results (3 domestic sites, 2 overseas sites)
Method	• Conducted using a Focus Group Interview (FGI) approach involving external human rights experts

3.1.7 Human Rights Vulnerable Group Identification

As part of its human rights impact assessment, Hyundai Steel pilot-tested the identification of vulnerable groups to more systematically identify human rights risks across its business activities.

- Conducted a preliminary assessment of human rights risks through analyses of business sites and employment structures
- Identified actual risks related to employment structures, labor practices, and job functions through surveys, self-assessments by human rights personnel, on-site interviews, and field inspections at major business sites
- Identified vulnerabilities for each stakeholder group based on the risk analysis results
- Utilizing the results as a foundation for future human rights impact assessments and improvements to follow-up management systems, thereby enhancing the effectiveness of human rights management

Human Rights Vulnerable Group Identification Process



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Risk Management

3.1.7 Human Rights Impact Assessment

2025 Human Rights Vulnerable Group Identification Results

Human Rights Issue	Vulnerable Group	Key Potential Risks	Likelihood	Impact
Human Rights Management System Implementation	Overseas subsidiaries and supplier employees	Limited awareness of available grievance and remediation procedures	●●	●●●
Non-Discrimination in Employment	Expatriate and locally hired employees	Potential regional disparities in compensation and benefits	●	●
Freedom of Association & Collective Bargaining	Non-union employees	Limited opportunities to participate in labor unions and express opinions	●	●
Forced Labor Prohibition & Right to Rest	Shift workers and expatriates	Risk of involuntary overtime work in domestic and overseas operations	●●	●●
Child Labor Prohibition	Employees of overseas subsidiaries	Potential employment of workers under the age of 18	●	●●
Occupational Health & Safety Guarantee	On-site workers	Exposure to hazardous tasks, recurrence of near-miss incidents, and inadequate management of high-risk work areas	●●●	●●●●●
Respecting and Protecting Local Community Rights	Local residents near domestic business sites	Community complaints and insufficient communication channels with local governments and residents	●	●
Environmental Rights Protection	Local residents near domestic business sites	Environmental issues such as noise and dust	●	●
Protection of Human Rights in the Workplace	Women and newly hired/ junior employees	Workplace human rights violations and barriers to the utilization of maternity protection programs	●●●	●●●

Metrics and Targets

3.1.8 Human Rights Risk Assessment Results and Improvement Status

Hyundai Steel analyzed the human rights impacts of identified risks across four dimensions based on the results of document-based assessments and on-site due diligence. Suppliers for which human rights risks were identified (100%) established improvement plans and shared the relevant details.

Human Rights Risk and Impact Assessment Criteria



Overall Assessment Results	• Identified potential human rights risks in 1 area (Human Rights Management System) • Established improvement plans and implemented corrective actions for the identified human rights risks
Supplier Assessment Results	• Conducted human rights impact assessments for 480 suppliers • Identified human rights risks at 50 supplier sites based on the assessment results
Status of Improvement Actions	• 100% of suppliers where human rights risks were identified established improvement plans. The relevant details were shared with Hyundai Steel

Assessment and Improvement Status of Human Rights Risk

Classification	Details	2023	2024	2025	3 Year Average
Hyundai Steel	Human Rights Impact Assessment Coverage	100%	100%	100%	100%
	Percentage of Business Sites with Identified Risks	9%	15%	13%	12%
	Improvement Plan/Measure Implementation Rate[1)]	100%	100%	100%	100%
Supplier	Human Rights Impact Assessment Coverage	57%	82%	80%	73%
	Percentage of Business Sites with Identified Risks	10%	9%	10%	10%
	Improvement Plan/Measure Implementation Rate	38%	100%	100%	79%

1) Percentage of improvement plans from the previous year's human rights impact assessment implemented by the following year

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3.1 Human Rights Management

Metrics and Targets

3.1.8 Human Rights Risk Assessment Results and Improvement Status

Improvement Measures on Identified Human Rights Risks

Classification	Human Rights Issue	Identified Risks and Areas for Improvement	Identified Sites/ Suppliers	Improvement Measure
Hyundai Steel	Human Rights Management System Implementation	Inadequate Formalization of Grievance Procedures	Business site C, E	Establishment of a formal grievance handling procedure
		Insufficient Communication of Grievance Resolution Outcomes	Business site B	Development of a grievance handling results sharing system
		Inadequate Expertise of Grievance Handling Personnel	Business site D	Completion of specialized training for grievance handling personnel
Supplier	Human Rights Policy	Non-existent/Insufficient Human Rights Policy	Supplier A	Provision of guidelines for developing a Human Rights Policy (Definition of objectives and mandatory components)
	Child Labor	Need for Child Labor Prevention Measures	Supplier B	Support for the development of child labor prevention plans
	Non-Discrimination	Need for Enhanced Non-Discrimination Practices	Supplier C	Provision of guidelines for related policies and activities

3.1.9 Effectiveness Monitoring of Human Rights Risk Improvement Measures

Hyundai Steel conducted effectiveness monitoring to evaluate the implementation outcomes of corrective actions identified through the previous year's human rights impact assessment.

- Confirmed a certain level of improvement through the implementation of measures such as the distribution of the Human Rights Policy and enhanced safety training, while horizontally expanding leading practices across some business sites
- Found that occupational health and safety management was being operated in a stable manner through established training and inspection systems, while identifying the need for further enhancement of the on-site integration of the Human Rights Policy, the effectiveness of grievance mechanisms, and human rights management systems for suppliers
- Planned to strengthen the effectiveness of management systems and continuously improve company-wide human rights management practices by reflecting the results of effectiveness

2024 Human Rights Risk Improvement Measure Effectiveness Monitoring Results

Classification	Category	Previous Year Improvement Measure	Monitoring Results	Effectiveness Rating
Hyundai Steel	Human Rights Policy	Distribution of the Human Rights Policy	Company-wide policy distribution confirmed, while awareness levels at on-site operations varied across business sites	Medium
	Working Conditions/ Working Environment	Establishment of listening channels, including town hall meetings	Regular town hall meetings implemented	High
		Revision and repeated communication of grievance procedures for workplace harassment	Revision of grievance procedures completed, with awareness confirmed among some employees	Medium
		Activation of Diversity Council operations and enhancement of evaluation criteria	Diversity awareness present across the organization, while the operating framework remains at an early stage	Medium
	Occupational Health and Safety	Updates to safety training and incor poration of revisions to safety policies	Regular training and inspection systems operating in a stable manner	High
Supplier	Human Rights Policy	Provision of guidelines for establishing a Human Rights Policy	Partial policy development and compliance efforts confirmed	Medium
	Diversity	Provision of recommendations related to UN diversity principles	Awareness of related policies exists, while practical implementation remains limited	Medium
	Grievance handling	Provision of Grievance Handling Process guidelines	Grievance channels in place, though further enhancement of the system is required	Medium

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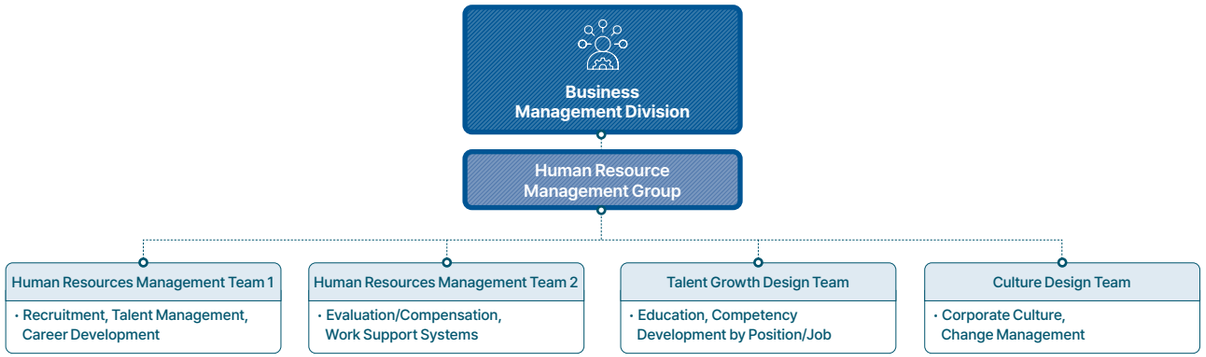
3.2 Talent Management

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.

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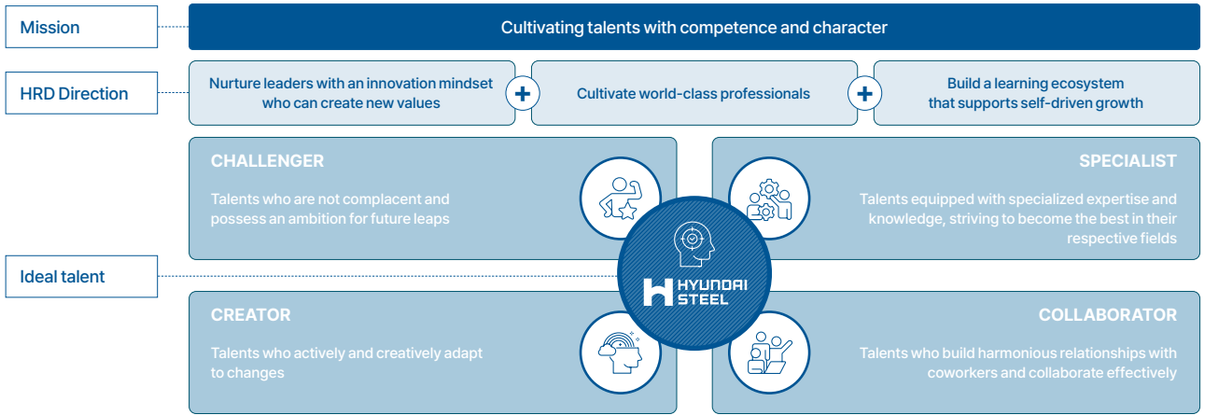
3.2.1 Talent Management System

Hyundai Steel has established a dedicated talent management organization to support the sustainable growth of its employees and is focused on securing the momentum to drive change and innovation by fostering a culture of co-existence and shared growth in which both employees and the company grow together.



Each organization strengthens its system for securing and developing key talent for future businesses based on HR strategies aligned with its business objectives.

3.2.2 Talent Management Direction



Strategy

3.2.3 Talent Recruitment

3.2.3.1 Introduction of Year-round Recruitment System

Hyundai Steel operates a year-round recruitment system to secure highly qualified talent suited to specific job requirements. Through this approach, we place talent in positions that best align with organizational needs, enhancing employee engagement while also contributing to the reduction of socioeconomic costs by preventing the accumulation of experience unrelated to job competencies.

- Allowing each division to independently establish job-specific recruitment plans and select candidates
- Enhancing recruitment transparency by having the Human Resource Management Group cross-check recruitment results across divisions
- Providing preferential treatment in recruitment for national merit recipients in accordance with applicable laws and regulations
- Operating employment policies that support socially vulnerable groups

3.2.3.2 Global Talent Recruitment

In response to economic bloc formation and changes in global supply chain structures, Hyundai Steel is establishing a global network through initiatives such as expanding its overseas market presence and securing talented professionals with strong global capabilities

- Recruiting candidates through online and local information sessions across various countries
- Conducting job suitability and competency assessments for applicants and expanding the workforce based on job family-specific requirements

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3.2 Talent Management

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3.2.4 Talent Development

3.2.4.1 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
Leadership		Developing business leaders who contribute to role fulfillment and performance creation across career stages	• Executives • Team leaders • Team members	• New Position Holder Program • X-class, FIF • Leader Insight Training • Team Leader Leadership Training • Team Member Leadership Training • Newly Promoted Employee Program	• Online (On-demand, Live Sessions) • Instructor-Led Training (Internal Instructors, External Subject Matter Experts, etc.) • Group Discussion • Coaching • Mentorship
Team Member	Job	Developing steel business professionals equipped with industry knowledge and job-specific expertise	• Team members	• Steel Technology Academy • Job Academy • DX Academy • Innovation Academy	
		Enhancing job competencies of on-site employees through stage-based development programs	• Technical employees	• Electrical Job Academy • Mechanical Job Academy • Metallurgy Job Academy	
	Global	Developing global talent quipped with a business mindset and foreign language proficiency	• All employees	• Overseas Expatriate Training • Foreign Language Training	
	On-boarding	Development programs for the rapid onboarding and early productivity of new hires	• New hires in general and research positions (Entry-level and experienced)	• Steeltube • Biztuletube • Value-up • Skill-up • Jump-up • Jump-up: Pro-logue	
Mandatory		Mandatory training based on legal requirements	• All employees	• Retirement Preparation Training • Mandatory Legal Training (Prevention of Sexual Harassment, Workplace Bullying Prevention, Disability Awareness Improvement) • Mandatory Training (Safety, Certifications, etc.)	

Expertise Enhancement Programs — *Job*

- Providing diverse training programs to enhance job expertise and practical capabilities for all employees, thereby strengthening Hyundai Steel's competitiveness
  - Classified into Steel Technology Academy, Job Academy, and other academies based on training objectives
  - Categorized into four proficiency levels (Introductory, Basic, Intermediate, and Advanced) according to participants' level of steel industry knowledge
  - Delivered through both external instructors, including industry experts and university professors, and internal instructors

Classification	Unit	2024	2025
Total Traing Program Sessions	Sessions	78	91
Total Participants Acquiring Professional Knowledge	Persons	2,320	3,627

AI and Digital Competency Enhancement Program — *Job*

- Operating the DX Academy, a digital capability enhancement program designed to develop talent capable of leading digital transformation and smart factory initiatives
  - Delivering training based on actual production process data and diverse business cases to strengthen employees' capabilities in executing operational tasks
  - Introducing a DX Leadership Program in 2025 and providing leadership training to support DX project execution for 4 sub-division heads for and 9 general managers from smart factory- and smart management-related organizations
  - Providing online courses for all executives, general employees, and researchers to strengthen the DX mindset and offer opportunities to learn through theory- and technology-based case studies
  - Designing learning pathways by classifying digital capabilities into three levels and establishing learning objectives tailored to each level

Classification	Details	Notes
Data Track	Developing engineering talent capable of executing data-driven projects to enhance DX based ways of working and data utilization capabilities	Assessment of participant competency development through training programs based on Python and SQL (structured query language), including written and practical examinations and on-the-job assignments.
Biz Track	Enhancing work productivity through data analytics	
Literacy	Strengthening awareness of the importance of DX and data management capabilities	

Classification	Unit	2024	2025
Number of Program Graduates (Combined)	Persons	896	1,057

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3.2.4 Talent Development

3.2.4.1 Company-wide Education System

Master Certification System

Job

- Operating the Master Certification System to encourage growth aspirations among technical employees and facilitate the transfer of expertise and professional know-how
  - Operating growth activities across three areas: Self-Development, Knowledge Transfer, and Innovation Activities
  - Achieving technical certification levels through the accumulation of Growth Points earned from participation in online and offline training programs and other development activities aimed at enhancing job expertise, followed by certification and evaluation processes
  - Providing growth opportunities for technical employees and enhancing the status of technical professions through the certification and utilization of highly skilled experts

Activity	Growth Point-earning Activities	Master Certification System
Self-Development	• Completing job-related training, obtaining professional certifications, and publishing academic papers	Worker → Innovator → Expert → Master • Conducting staged certification and evaluation based on accumulated Growth Points earned through participation in growth activities • Advancing through Worker, Innovator, and Expert levels to ultimately achieve Hyundai Steel Master
Knowledge Transfer	• Serving as an internal instructor, conducting OJT (On-the-Job Training), and filing patent applications	
Innovation Activities	• Submitting improvement suggestion, participating in quality circle activities	

Leadership Development Programs by Job Level

Leadership

- Systematizing leadership development programs for each career stage, from entry-level employees to executives, to support employee growth across the organization
  - Operating Team Member Leadership Training to help general and research position employees reflect on and develop role-specific capabilities
  - Providing Foresight programs focused on management trends and strategic alignment, as well as Team Leader Leadership Training to support successful leadership among team leaders
  - Offering a range of leadership development programs for executives (general manager level and above) to enhance insight into future business environments, strengthen decision-making capabilities, and support effective organizational leadership

Classification	Key Programs	Target	Contents
Staff-level	• New Promotee Training • Team Member Leadership Training	• Senior Managers • Managers	• Role awareness, self-reflection, and motivation • Understanding expected role responsibilities and leadership competencies
Team Leadership	• In-Hub Training • Team L:eader Leadership Training • New Team Leader Training	• Team Leaders	• MBA, customer value creation, and entrepreneurship • Management insight, performance management, and coaching • Role awareness, team leadership, and understanding and application of management systems
Executive Leadership	• CEO training Course • HMG Prime • FIF, xClass, etc.	• Executives (Above general manager-level)	• Enhancing business acumen and strategic insight • Sharing key management issues and response strategies • Providing insights from economic, business, historical, and philosophical perspectives

Classification	Program	Unit	2024	2025
Team Leader-level	Team Leader Leadership	Persons	338	313
Staff-level	Team Member Leadership	Persons	206	249

Team Member Leadership Training

Leadership

- Operating Team Member Leadership Training by establishing leadership development objectives and role expectations based on career-stage growth pathways to support employees' self-directed growth
  - Structured into six training modules that reflect organizational roles and expected levels of initiative, including three modules for Senior Managers (Performance Management, Communication, and Leading by Example) and three modules for Managers (Strategic Execution, Continuous Improvement, and Efficient Completion)
  - Designed around three stages—Action Plan Development, Implementation, and Wrap-up Reviews—to facilitate the practical application of leadership capabilities in the workplace over approximately one month

Classification	Careeer Experience	Target Rols and Responsibilities	Training Module
Senior Researcher· Senior Manager	8+ years	Performance-Driven Leader	Performance Management
	5~7 years	Collaborative Leader	Communication
	2~4 years	Growth-Driven Leader	Leading by Example
Research Engineer· Manager	7+ years	Proactive Follower	Strategic Execution
	4~6 years	Continuous Improvement Follower	Continuous Improvement
	2~3 years	Execution-Focused Follower	Efficient Completion

Classification	Unit	2024	2025
Training Sessions Conducted	Sessions	12	12
Number of Participated Employees	Persons	206	249
Workplace Application of Training			
Willingness and Relevance for Application	Points	4.43	4.23
Improvement in Individual Job Performance	Points	4.36	4.21
Net Promoter Score (NPS)	Points	45	58

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3.2.4.1 Company-wide Education System

Retirement Preparation Training ***Mandatory***

- Providing reemployment support services through annual pre-retirement training programs to help employees adapt to new environments and prepare for the next stage of their lives after retirement
  - Receiving positive feedback from participants through curricula designed to reflect reemployment needs and the characteristics of different job groups

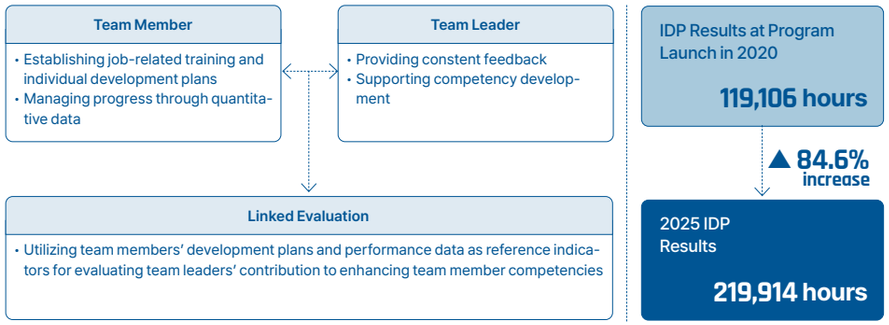
Classification	Change Management	Second Life Planning	Career Planning
Key Programs	• Adapting to life transitions • Relationship building for a fulfilling life • Financial planning • Health planning	• Career assessment and exploration • Government support programs • Exploring alternative career paths (returning to farming/hometown, start-up, reemployment)	• Career plan development

Classification	Unit	2024	2025
Training Target	Persons	194	361[1]
Training Participants (Completion Rate)	Persons (%)	169 (87%)	343 (95%)

1) Employees scheduled to retire in 2025: 210; Employees scheduled to retire in 2026: 151

3.2.4.2 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.



Communities of Practice

- Introduced and currently operating Communities of Practice, a new learning initiative designed to foster a self-directed learning culture throughout the organization
  - Enhancing the effectiveness and accessibility of knowledge-sharing activities following internal seminars and externally outsourced training programs
  - Allowing employees to independently select learning topics and manage learning activities
  - Limiting participation to learning activities aimed at enhancing job-related expertise

Type	Details
Problem-Solving	• Focused on solving operational challenges • Conducted by identifying business issues and generating improvement ideas and tangible deliverables through learning activities - Examples: Data-processing automation and repetitive task improvement using Generative AI and Python
Knowledge-Sharing	• Focused on knowledge dissemination and sharing • Sharing theories, new technologies, and industry trends acquired through self-directed learning or external training programs via team seminars and knowledge-sharing sessions • Enhancing cross-functional understanding and facilitating the dissemination of learning outcomes across the organization

- Fostering a culture in which employees proactively plan and manage their own learning through Communities of Practice, while expanding workplace-oriented learning experiences across the organization
  - Gradually expanding AI-focused Communities of Practice activities beginning with an AI Communities of Practice launched by the Human Resource Management Group in 2024
  - Expanding Communities of Practice across organizational units in the first half of 2025, led by the Business Management Division, and subsequently broadening activities to focus on team-based performance creation through generative AI following company-wide team leader training

- Continuing to identify and expand Communities of Practice activities that enhance job expertise and networking across related functions to strengthen both organizational expertise and collaboration capabilities

2025 Communities of Practice Performance

Classification	Number of Communities of Practice	Participants	Training Hours
Problem-Solving	121	584 persons	1,315 hours
Knowledge-Sharing	134	2,286 persons	7,249 hours
Total	255	2,870 persons	8,564 hours

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3.2.4.3 Innovation Academy

Hyundai Steel operates the "Innovation Academy" to enhance the problem-solving capabilities of its general and research employees, and to mitigate the negative impacts on job continuity due to industry changes such as workforce automation from AI adoption.

- Structured into 6 courses and designed to systematically support the entire process from workplace application of training content to project execution and performance delivery
- Demonstrated strong effectiveness of the "Introductory Problem-Solving Methodology" and "Introductory Statistical Data Analysis Techniques" courses among the 6 courses

Introductory Problem-Solving Methodology

- Designed to enable participants to progress from acquiring fundamental theories to applying them in practice, with the objective of driving company-wide quality innovation and process improvement

Training Course	Building proficiency in Hyundai Steel's proprietary problem-solving methodology through a 5-stage training program Define → Measure → Analyze → Improve → Control
Key Performance	• Identified an energy-saving project through revisions to heating furnace operation patterns based on efficient process scheduling and material temperature evaluation • Improved operational efficiency by analyzing overheating sections and reorganizing processes through implementation of the identified project

Introductory Statistical Data Analysis Techniques

- Provides statistics focused training to enhance statistical tool utilization and statistical communication capabilities

Training Course	Strengthening data-driven work capabilities through training focused on practical statistical analysis techniques Control Chart Development + Normality Testing + Correlation Analysis
Key Performance	• Identified a project to improve ferroalloy consumption efficiency and expand the use of lower-cost ferroalloys • Prevented excessive ferroalloy input and out-of-spec chemical compositions caused by human error through data analytics and implementation of the identified project

○ Financial Performance[1)]

Classification	Unit	2022	2023	2024	2025	Cumulative Total
Introductory Problem-Solving Methodology	KRW million	1,948	19,785	7,057	8,629	39,872
Introductory Statistical Data Analysis Techniques	KRW million	6,919	7,091	9,672	7,037	33,581

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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3.2.5 Fair Evaluation and Compensation System

3.2.5.1 Evaluation System

Hyundai Steel operates an MBO (Management by Objectives)-based evaluation system linked to organizational goals, along with a Continuous Performance Management System, to enhance the fairness and employee acceptance of performance and competency assessments.

- Establishing individual performance goals and target achievement levels in consultation with supervisors based on organizational objectives set at the beginning of the year, while discussing company priorities such as strategic and operational initiatives and ESG management goals
- Monitoring goal achievement throughout the year by regularly documenting progress on performance-related tasks and utilizing the records for year-end evaluations
- Allowing performance goals to be revised through consultation with supervisors when changes in job responsibilities or personnel reassignments occur

Classification		Content	Frequency	Target
Continuous Performance Management System(Agile Communication)		• Reviewing and discussing work objectives, performance outcomes, and key issues with organizational leaders on an ongoing basis • Documenting review and discussion outcomes for use in year-end performance evaluations	On-going	General·Research employees (below general manager-level)
Yearly Evaluation	Performance	• Conducting team-based evaluations by linking team leaders' KPIs (Key Performance Indicators) with selected components of individual performance evaluations to assess employees as team members • Promoting performance improvement aligned with organizational objectives and reflecting evaluation results in compensation, promotions, and personnel appointments • Conducting annual individual performance evaluations and confirming achievement of individual goals through performance review discussions • Finalizing evaluations by position holders and senior HR decision-makers, with evaluations confirmed at the department level	Once per year	All employees[1]
	Evaluation	• Assessing behaviors demonstrated during work execution to support competency development, improve job performance, and evaluate competency levels by job grade • Reflecting evaluation results in compensation, promotions, transfers, training opportunities, and personnel appointments • Conducting annual individual performance evaluations and confirming achievement of individual goals through performance review discussions • Finalizing evaluations by position holders and senior HR decision-makers, with evaluations confirmed at the department level		
360-degree Leadership Feedback		• Gathering feedback from supervisors, subordinates, peers, and employees themselves on leadership-related competencies to enhance leadership and collaboration capabilities • Referencing 360-degree feedback results in personnel decisions, including appointments and job rotations	Once per year	All Managerial Positions, Senior Manager, Senior Researcher

1) Includes 100% of general and research position employees at domestic sites within the reporting scope, excluding employees with less than one year of service, employees on leave or experienced hires who worked less than 50% of the evaluation period, and contract or dispatched workers

3.2.5.2 Compensation System

Classification	Details
Compensation Principles	• Operating under a performance-based compensation philosophy • Reflecting evaluation results in promotions, grade advancements, and salary increases • Applying the same job grade and compensation system regardless of gender
Salary Determination	• Determining salaries based on job grade and years of service, with the same base salary applied to both male and female employees • Maintaining the same base salary within the same job grade for both managerial and non-managerial employees

3.2.5.3 Reward System

Hyundai Steel operates various reward systems to enhance employee engagement and foster a corporate culture of challenge and innovation.

Classification	Details
Division-level	• Independently operating recognition programs tailored to the characteristics of each division (e.g., patent applications, outstanding safety practices)
Company-wide	• Operating on-going recognition programs based on performance and competencies

Company-wide On-going Reward System

Innovation Leader Award	Challenger Award	Exemplary Employee Award
Contribution to corporate growth and business performance through innovative ideas aligned with Hyundai Steel's management philosophy	Provide monetary rewards for achievements exceeding KRW 1 billion, based on a comprehensive assessment of innovation, challenge, and economic impact	Recognizing employees who serve as outstanding role models across the company

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3.2.6 Organizational Culture for Coexistence and Symbiosis

3.2.6.1 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.

Vision and Strategy Perspective

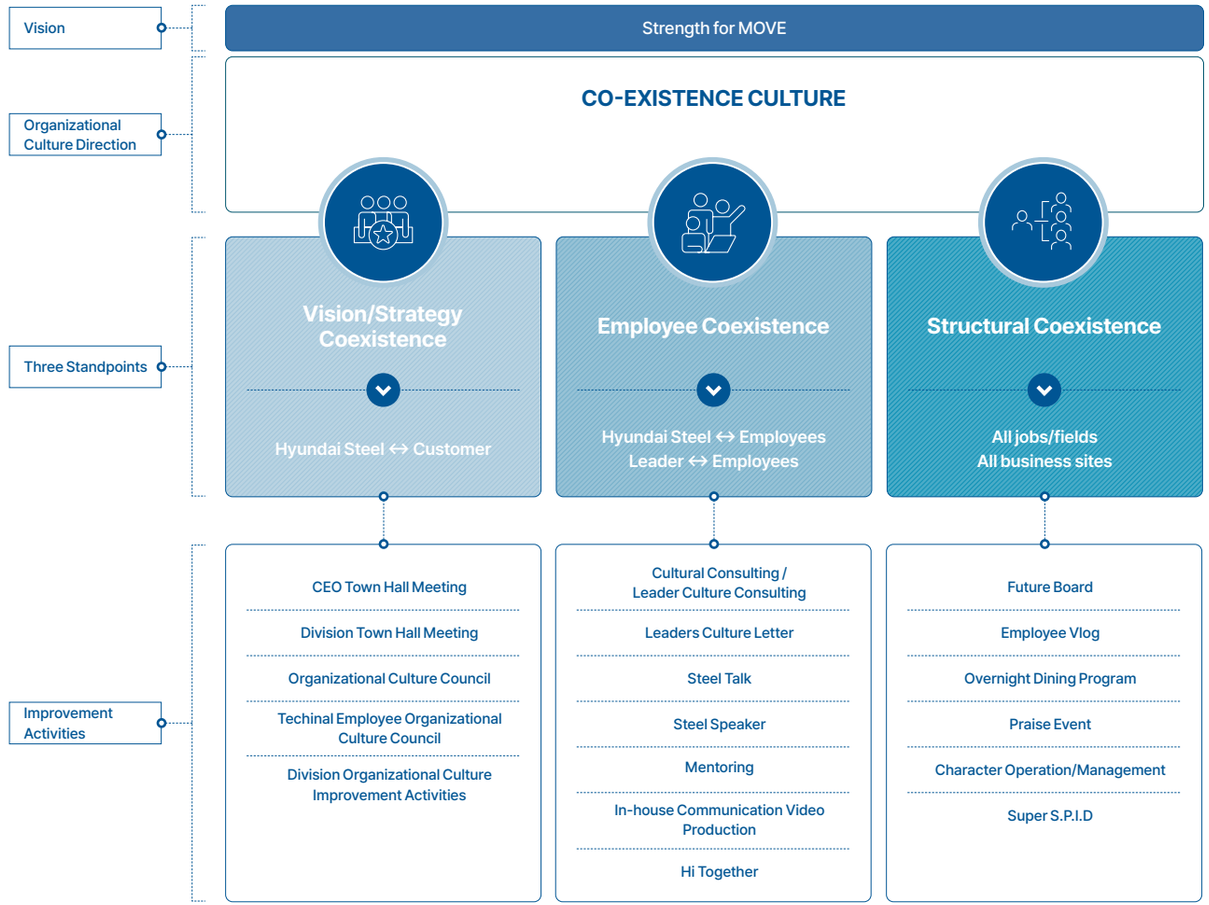
- Providing opportunities for direct communication between management and employees on Hyundai Steel's vision and strategic direction through CEO Town Hall Meetings, Division Town Hall Meetings, and other forums to build internal and external alignment around the company's vision and strategy
- Establishing Organizational Culture Councils within each business division and appointing Culture Designers and Culture Leaders to drive organizational culture improvement initiatives that support the achievement of the company's vision and strategy
- Planning to expand organizational culture improvement initiatives to technical employees by establishing a technical employee-focused Organizational Culture Council centered on team leaders

Employee Perspective

- Operating Culture Consulting and Leader Culture Consulting programs to enhance teamwork based on the values of co-existence and shared growth and to foster open communication between employees and management
- Establishing and supporting a team-based culture management system

Structural Perspective

- Operating the Future Board, composed of junior employees from diverse functions, job groups, and business sites, to identify and implement culture improvement initiatives aimed at reducing structural differences across the organization
- Operating Employee Vlogs that share work and daily life experiences to foster a culture of mutual understanding and collaboration among employees
- Operating programs such as the Overnight Dining Program to express appreciation and gratitude to employees working night shifts



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3.2.6 Organizational Culture for Coexistence and Symbiosis

3.2.6.2 Labor-Management Relations for Coexistence

Hyundai Steel maintains an equal and cooperative relationship with labor unions to respect workers' basic labor rights guaranteed by the Constitution, including the right to organize, collective bargaining, and collective action.

- Conducting annual collective bargaining with the representative labor union selected through the bargaining channel unification process under the multiple labor union system
  - Discussed and determined employee compensation, incentives, welfare programs, and working conditions
- Conducting quarterly labor-management council meetings to promote employee welfare
  - Operating labor-management councils tailored to the characteristics of each business site, including Incheon, Pohang, Dangjin, and Suncheon
  - Listening to employee grievances and suggestions and identifying and implementing workplace improvement measures

2025 Hyundai Steel Labor-Management Council Key Agendas

Business Sites	Annual Key Agendas
Incheon Works	• Improved aging facilities in meeting rooms • Upgraded welfare facilities, including fitness centers and bathhouses
Pohang Works	• Enhanced the environment of employee welfare centers • Remodeled on-site rest areas and improved aging facilities
Dangjin Integrated Steelworks	• Improved the operation of snack coupon programs in employee cafeterias • Installed tire inflators in parking lots
Suncheon Works	• Enhanced cafeteria environments and upgraded aging facilities • Improved the environment of employee welfare centers

3.2.7 Diversity and Inclusion Activities

3.2.7.1 Female Talent Development

Hyundai Steel is committed to fostering female talent as part of its efforts to strengthen diversity, and the proportion of female employees has steadily increased. In addition, we are operating Incheon Hyundai Steel Red Angels, a women's football club, to nurture female football talent in Korea and identify and develop promising athletes.

- Expanding female recruitment into production management, quality, and other functions beyond planning, finance, and R&D, where the proportion of female employees has traditionally been higher
- Appointing female talent to managerial positions and above across diverse functions to support their development as future leaders
  - Creating a work environment that enables female employees to maintain work-life balance, maximize their capabilities, and build long-term careers

Female Manager Status

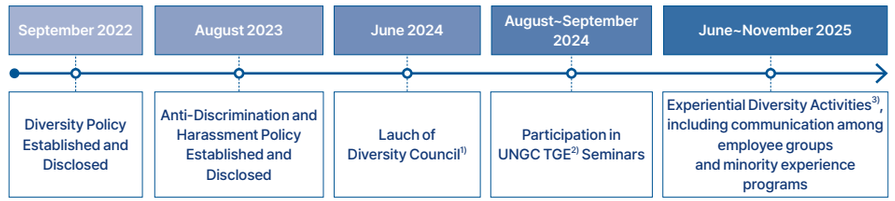
Classification	Unit	2024	2025
Number of Female Managers (general·research position)	Persons	369	385
Female Managers Percentage[1]	%	10.3	10.8

1) Percentage of female managers relative to the total number of managers

3.2.7.2 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.

- Annual training on disability awareness, non-discrimination, and gender equality are required to all employees



1) Educational programs, initiatives, and activities aimed at enhancing employee inclusion regarding diversity, including race, ethnicity (multicultural backgrounds), gender, religion, disability, and sexual orientation, have been operated for two consecutive years
2) UN Global Compact Target Gender Equality (UNGC TGE): Gender equality corporate culture program organized by the United Nations Global Compact
3) Linked with Hi Together, a division-level change management initiative

Diversity Policy ›
Anti-Discrimination and Harassment Policy ›

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3.2.8 Establishing a Family-Friendly Culture

Hyundai Steel supports employees in balancing work and family life while fully demonstrating their work capabilities through multifaceted support.

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

Classification	Program	Description	Notes
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	
	Maternity leave	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·Miscarriage leave	Leave days for stillbirth and miscarriage during pregnancy. Different number of days depending on pregnancy period	
	Fertility treatment leave	Leave days for fertility treatment. 6 days per year (5 paid, 1 unpaid)	
Childcare	Parental leave[2)]	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	
	Childcare facilities operation	Installation and operation of on-site daycare centers and nursing rooms	
Family Care Support[3)]	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	
	Part-time working for family care	Part-time working hours available for family care. Up to 1 year, working 15 to 30 hours per week	
Medical Support[4)]	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)
2) Management performance bonuses are paid during parental leave
3) In cases where parents and children of employees or parents of employee's spouse require family care due to disease, accident and age
4) Partially includes families

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3.2.8 Establishing a Family-Friendly Culture

3.2.8.1 Support for Work-Life Balance

Hyundai Steel is committed to operating various systems that support work-life balance for its employees.

Classfication	Details
Flexible Working Hours	• Allowing employees to choose their own working hours to support reasonable and flexible working time management (for general and research position employees)
Remote Working System	• Supporting autonomous work environments to enhance work engagement and productivity
Automatic PC Control	• Applying an automatic PC control program to manage overtime and ensure compliance with maximum working hours (52 hours per week[1]) • Monitoring regular and overtime working hours in real time through the intranet and sending email notifications to employees and their supervisors when excessive overtime is anticipated, thereby preventing overwork in advance
Additional Compesation	• Providing additional compensation for work performed on weekly holidays, public holidays, and during nighttime hours in accordance with statutory requirements
Leave Programs	• Providing annual paid leave that can be used freely throughout the year, as well as five days of paid summer leave[2] • Operating additional leave programs, including Leader's Insight Leave, Refresh Leave, and Promotion Leave (up to five days), while encouraging the use of extended leave • Monitoring leave utilization through the Company intranet

1) Based on Articles 50 and 53 of the LABOR STANDARDS ACT
2) Based on Article 60 of the LABOR STANDARDS ACT

3.2.8.2 Ensuring an Adequate Standard of Living

Hyundai Steel is committed to making multifaceted efforts to help its employees maintain an adequate standard of living.

Classification	Details
Compensation Principles	• Providing wages above the statutory minimum wage • Implementing annual salary increases based on factors such as compensation levels at peer companies and inflation rates • Providing compensation above the average level of large corporations (companies with more than 1,000 employees)
Employment Stability	• Providing at least 30 days' prior notice before termination to help prevent livelihood disruption resulting from unexpected dismissal[1] • No history of large-scale layoffs to date

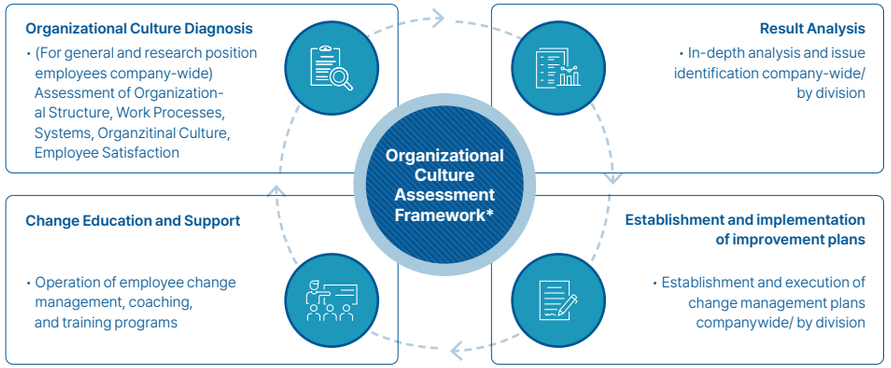
1) Based on Article 26 of the LABOR STANDARDS ACT

Risk Management

3.2.9 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. Additionally, talent management trends are monitored and risks detected through regular meetings and listening to employee opinions (Voice of Employee).

- Conducting annual Organizational Culture Diagnoses to evaluate the overall organization, including organizational structure, work processes, systems, and organizational culture, while assessing employee satisfaction with their work, organization, and the company
- Holding monthly meetings between headquarters and overseas subsidiaries to discuss operational status and key issues, while operating an emergency communication system to prevent risk management blind spots and enable prompt responses to emergency situations



Metrics and Targets

3.2.10 Talent Employment Status

Total Employees	Employees with Disabilities[1]	Employees with National Merit	Average Length of Service
11,698 Persons	190 Persons	367 Persons	14 years

1) Includes indirect employment through the subsidiary-type standard workplace for persons with disabilities, based on the disability employment rate reported to the Korea Employment Agency for Persons with Disabilities (KEAD)

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3.3 Occupational Safety and Health

Hyundai Steel operates a systematic safety and health management system under the SHE Division, with labor and management jointly setting policies via the Occupational Safety and Health Committee. We strengthen safety capabilities through ISO 45001 certification, safety culture assessments, the Safety Suggestion System, the right to suspend work, supplier safety and health support, in-house medical services, and regular safety inspections.

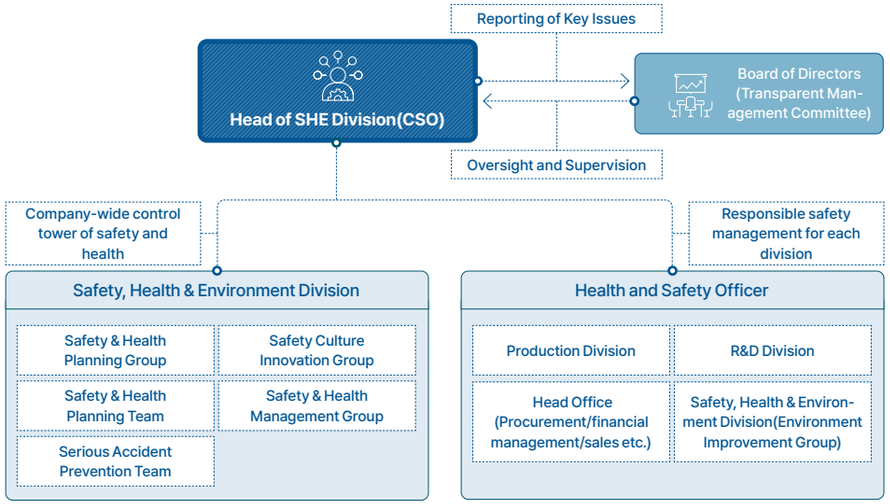
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3.3.1 Occupational Safety and Health Management System

3.3.1.1 Integrated Safety Management System

Hyundai Steel operates dedicated safety and health departments at all business sites under the Safety, Health & Environment Division, the Company-wide control tower for safety, health, and environmental management, to ensure efficient safety management and prompt decision-making. Safety and health management is incorporated into the KPIs (Key Performance Indicators) of executives, department heads, and team leaders, and performance is evaluated accordingly.

- Submitting the Annual Safety and Health Plan to the Board of Directors (Transparent Management Committee) each year and obtaining review and approval from the Board to ensure responsible safety management
- Establishing, through the SHE Division, company-wide safety and health policies and targets, while developing and implementing mid- to long-term roadmaps and key action plans to advance the safety and health management system
- Conducting safety management activities, including Safety Management Supervision Meetings, Safety Communication Meetings, and safety inspections & evaluations, through dedicated safety and health departments at all business sites



3.3.1.2 Safety Management Supervision Meeting

Hyundai Steel regularly holds the Safety Management Supervision Meeting and on-site safety assessment to ensure systematic safety management.

- Safety Management Supervision Meeting: Safety management leaders from each business site and organization participate under the leadership of the Head of the SHE Division (CSO) to discuss company-wide safety policies and share site-specific safety activity plans and performance
- On-site Safety Inspection: Management, including the Head of SHE Division, directly visits sites to inspect hazardous facilities requiring improvement and reinforce compliance with work procedures and safe work practices among employees

3.3.1.3 Occupational Safety and Health Committee

In accordance with the OCCUPATIONAL SAFETY AND HEALTH ACT, Hyundai Steel operates Occupational Safety and Health Committees at all business sites, with labor and management equally represented, to deliberate and make decisions on matters related to workplace safety and health.

- Making joint labor-management decisions on industrial accident prevention plans, workplace environment inspections, and improvement measures through quarterly meetings

2025 Agenda Items and Key Discussion Topics	
Incheon	• Installation of air conditioners in the annex building and provision of winter gloves for all employees
Pohang	• Cold weather protection measures for workers during the winter season
Dangjin	• Mitigation of overhead falling-object hazards above the Teeming Ladles • Establishment of a personal protective equipment warehouse
Suncheon	• Introduction of dedicated equipment to improve safety in manual inspection work on drive facilities

3.3.2 Principles and Policies of Occupational Safety and Health Management

Hyundai Steel has established policies and guidelines aimed at achieving “Zero Serious Injuries and Fatal Accidents” under its vision of “Realizing Safe Steelworks for 100 Years” and applies them across all domestic and overseas business sites. The Company also fulfills its responsibility to ensure the safety of all personnel working at its business sites. Revisions to the Safety and Health Policy are subject to review and approval by the Board of Directors.

Safety and Health Objectives and Management Policies ›
Health and Safety Policy ›

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3.3.3 Safety and Health Management Promotion Strategy

Hyundai Steel promotes various occupational safety and health initiatives based on its safety management slogan, "H-S.O.S (Hyundai-Steel One Safety)," to strengthen safety capabilities and advance its safety and health management system.

Vision	**"Realizing Safe Steelworks for 100 Years"**
Objectives	**Zero Serious Injuries and Fatal Accidents**
Health and Safety Management Policy	❶ Health and safety will be a top priority in all business activities, and an effective health and safety management system will be established. ❷ Establish health and safety goals and detailed objectives linked to the Health and Safety Policy, and develop and implement action plans to achieve them. ❸ Enhance employees' health and safety competencies through health and safety training programs. ❹ Strictly comply with health and safety laws and regulations, as well as the requirements of the health and safety management system. ❺ Evaluate and continuously improve the effectiveness of the system through company-wide participation.
Slogan	H-S.O.S: Hyundai-Steel One Safety

Classification	2025 Performances	2026 Plans
Strengthening on-site safety execution	• Conducted daily on-site safety inspections and safety dialogues by management (48 times) • Demonstrated proactive safety leadership by team leaders and section leaders through Leader's Contact activities (47,260 cases) • Operated the On-site Small Group Safety Activity Certification Program • Implemented the Autonomous Improvement Care Program (site-tailored training, system improvements, and dialogue sessions)	• Continuing management-led on-site safety inspections and safety meetings with suppliers • Introducing the Safety Practice Leader Program for technical supervisors • Introducing an individual Safety Mileage to motivate on-site safety practices, with points redeemable for cash rewards
Establishing a risk-assess-ment-centered preventative safety system	• Introduced a mobile QR code-based risk assessment system • Implemented the Safety Team Certification Program for risk assessments through monthly joint verification by operational departments and the safety team • Optimized and expanded safety equipment at the No. 2 Cold Rolling Plant Smart Leading Plant (SPOT, Smart ILS, AI-based Safety Monitoring System, etc.)	• Conducting in-depth verification of the alignment between work standards and risk assessments with the participation of safety and health experts, while providing improvement solutions • Advancing risk assessment capabilities - Providing customized training programs and consulting support for suppliers and operating a mobile suggestion platform • Establishing a Rapid Safety Investment Support System - Digitalizing safety investment processes and operating a Fast-Track system to promptly reflect on-site VOCs (Voice of Customers)
Enhancing safety and health capabilities	• Established the SHE (Safety, Health and Environment) Integrated Management System (Risk Map, mobile application, and management system for high-risk and routine inspections) • Conducted revalidation of work standards and risk assessment adequacy • Conducted a two-year company-wide safety mindset enhancement training program (114 sessions, 3,361 participants) • Conducted a safety culture awareness survey to enhance safety culture (12,013 participants)	• Establishing a safety training system and improving infrastructure to eliminate serious accidents - Developing a serious accident case database, modularizing training programs, and renewing of the safety culture center focused on hands-on safety experiences • Providing technical support to enhance operational Process Safety Management (PSM) capabilities - Providing focused and ongoing support for lower-performing plants and business units based on PSM self-audit results • Enhancing the usability and accessibility of the SHE Safety Management System - Establishing a Risk Map monitoring system and strengthening mobile application support
Establishing Health-friendly operations	• Introduced a three-layer safety assurance inspection process for high-risk operations (Suppliers, operational teams, and safety teams) • Strengthened confined space prevention management through pre-summer work inspections and the introduction of a certification program for safety attendants • Actively implemented prevention activities for seasonal illnesses (heat waves and cold weather), including the expansion of climate-controlled rest areas, adjustment of working hours, and enhanced management of vulnerable groups • Implemented employee health programs covering weight management, tracking, and mental health	• Strengthening employee health promotion activities - Providing Body & Mind Integrated Health Promotion Program covering weight management, smoking cessation, and mental health - Operating a mobile healthcare services for musculoskeletal and cardio-cerebrovascular disease management • Operating safety focus periods for key seasonal themes, including thawing seasons, heat waves, storms and floods, cold waves, and holiday periods, while strengthening on-site safety and health support

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3.3.4 Occupational Safety and Health Education

3.3.4.1 Internalization of Safety Education

To internalize safety education, Hyundai Steel utilizes a dedicated training venue equipped with audiovisual training equipment and provides expert courses to improve the capability of safety and health education instructors.

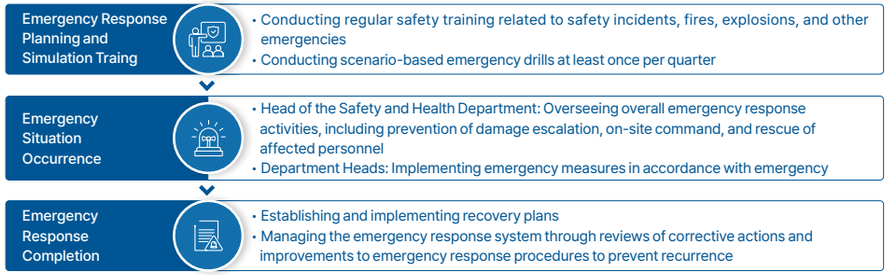
- Enhancing experiential facilities at the Centennial Safety Culture Center located in Dangjin Integrated Steelworks and developing new training programs to strengthen employees' safety capabilities
- Ensuring managers complete safety training themselves and support employees in completing training on safety regulations and systems, the use of digital systems, hazard identification, and improvement measures to facilitate effective safety and health management activities

Safty Education Status

Classification	Name	Target	Frequency	Attendance rate
Legally mandatory education	Regular Safety Education	All employees	Quarterly	100%
	Supervisor Education	Leaders	Yearly	100%
	Onboarding Education	New Hires	When newly hired	100%
	Special Safety Education	Personnel Performing Hazardous Work	When a task occurs	100%
	Hazardous Chemical Substance Education	Related Workers and Handling Personnel	Yearly	100%
In-house education	Advanced Supervisor Course, etc.	Applicants	On-demand	100%

3.3.4.2 Emergency Response Training and Simulation Training

Hyundai Steel has established safety and health emergency preparedness and response plans for all business sites to minimize human and material losses and conducts emergency drills on a regular basis to ensure prompt and effective responses to emergency situations.

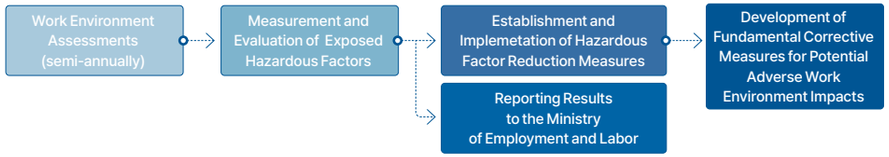


3.3.5 Improvement of Occupational Safety and Health

3.3.5.1 Work Environment Measurement and Improvement

In accordance with the OCCUPATIONAL SAFETY AND HEALTH ACT, Hyundai Steel conducts workplace environment monitoring and establishes fundamental corrective measures through consultations with external experts when potential adverse impacts on the work environment are identified.

- Conducting workplace environment monitoring through collaboration among external specialized monitoring agencies, the safety and health department, labor unions, on-site safety managers, and other relevant personnel
  - Selecting external specialized monitoring agencies through consultation with the Occupational Safety and Health Committee by a joint labor-management evaluation group
- Measuring and evaluating hazardous factors to which employees are exposed semi-annually and reporting the results to the Ministry of Employment and Labor
- Establishing and implementing hazardous factor reduction measures based on monitoring results and developing fundamental corrective actions through consultations



3.3.5.2 Work Environment Improvements and Protective Measures

Hyundai Steel continuously makes improvements targeting workplace hazards to prevent occupational accidents.

- Establishing and complying with work standards and safety requirements for work performed in accident-prone areas, including oxygen facilities and gas handling facilities
- Assigning management classifications to hazardous facilities and restricted areas and strengthening access procedures while establishing additional control measures
- Conducting continuous equipment inspections and improvement activities and ensuring adequate illumination around work areas and walkways
- Providing workers in high-risk exposure areas with fit-for-purpose personal protective equipment, including hearing protection and respiratory protective equipment, based on suitability assessments
- Inspecting on-site rest and sanitation facilities, periodically remodeling aging facilities, and providing mandatory rest facilities and appropriate break times to reduce fatigue during high-temperature and hot-weather operations

3.3.5.3 Leader's Contact

Hyundai Steel operates the Leader's Contact program, which brings managers and on-site employees together, by assigning monthly safety activity targets to managers in order to strengthen on-site safety execution and promote a proactive safety culture.

- Leaders conduct safety activities with on-site employees, including TBM (Tool Box Meeting) activities, safety training, and safety meetings

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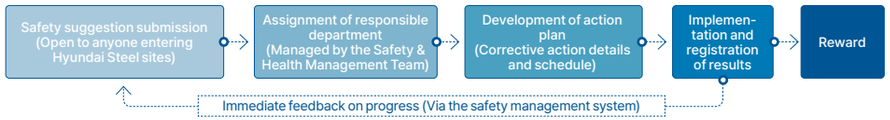
3.3.5 Improvement of Occupational Safety and Health

3.3.5.4 Operation of Safety Suggestion System

Hyundai Steel operates the Safety Suggestion System to promptly identify and address workplace hazards by collecting input from all members of the workforce and encourages active participation by incorporating safety suggestions into safety performance evaluations.

- Allowing all workers, including employees, affiliates, and suppliers, to directly submit safety improvement suggestions through the safety management website, including proposals related to safety facility installation, work procedure changes, workplace environment improvements, and housekeeping activities
- Assigning responsible departments through the Safety & Health Management Team and promptly establishing and implementing improvement plans through designated facility maintenance departments upon receipt of suggestions
- Providing immediate feedback on improvement progress to submitters through the safety management system and individual messages
- Managing suggestion status and corrective action implementation on a monthly basis and making the results available through the intranet
- Enabling all other stakeholders to report hazards and provide safety-related opinions through the Company website and the Cyber Audit Office

Safety Suggestion System Process



Safety Suggestion System Performance

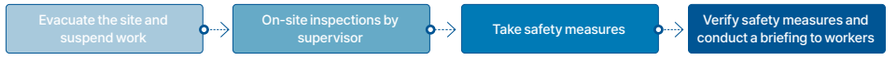
Classification	Unit	2024	2025
Number of recieved suggestions (all business sites)	Cases	3,212	3,593
Number of implemeted suggestions	Cases	3,187	3,550
Improvement rate	%	99	99

3.3.5.5 Operation of 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.

- Allowing anyone to suspend work and request safety measures through the Right to Suspend Work process in the event of an imminent danger
- Providing cascade training to ensure that all employees can respond to hazardous situations by exercising their Right to Suspend Work

Right to Suspend Work Process (4 Steps)



3.3.5.6 Safety Mileage Program

To foster employees' commitment to voluntary safety improvements and establish a proactive safety culture, Hyundai Steel operates the Safety Mileage Program, an individual reward system that replaced its group reward system, the Small Group Safety Activity Certification Program.

- Providing individual rewards based on participation in safety activities
- Motivating employees to engage in safety activities through tangible incentives, including mileage points that can be used like cash
- Expanding program eligibility to allow participation by all team members, including general employees, to enhance participation rates

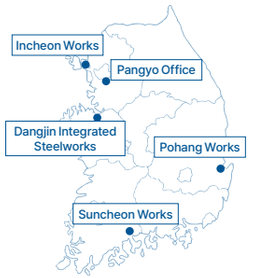
Requirements for Mileage

Classification	Requirements	Frequency	Unit of Reward
Legal Requirements	• Completion of all three requirements (emergency drills, risk assessments, and health checkups) by all team members	Semi-annually	Team
	• Completion of three mandatory safety training courses (Regular, Special, and MSDS (Material Safety Data Sheet) Training)	Quarterly	Individual
Internal Requirements	• Achievement of zero lost-time accidents	Daily	
	• Participation in safety inspections (Company-wide on-site safety inspections and high-risk work inspections)	Monthly	
	• No violations of the 10 Safety Core Rules (SCR)	On-going	
	• Receipt of Praise Coupons issued by on-site supervisors to outstanding safety performers	Quarterly	
	• Correctly answering safety quizzes	Monthly	
	• Participation in safety activities (e.g., Risk Assessment Contest, 10,000-Step Walking Program)	On-going	
	• Outstanding safety practices through labor-management safety activities	Quarterly	

3.3.6 Safety and Health Management System Certificatoin

Hyundai Steel operates a safety and health management system that systematically implements safety activities, including workplace risk assessments, safety training, and safety inspections, to identify and prevent potential workplace accidents before they occur.

- Obtaining and maintaining certification to the international occupational health and safety management standard (ISO 45001) across all domestic business sites
  - Applying ISO international standards to 100% of employees at certified business sites
- Planning to pursue integrated certification beginning in 2026 to ensure consistency across the safety and health management system



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3.3.7 Employee Health Promotion

3.3.7.1 Accessible Internal and External Medical Facilities for Employees

Hyundai Steel operates both in-house and external medical facilities to support employee health management and implements various programs designed to promote physical and mental well-being.

- Operating in-house medical facilities, including a clinic, physical therapy center, exercise prescription center, oriental medicine clinic, and counseling center, to provide professional medical services and help prevent work-related musculoskeletal disorders
- Supporting health checkups for employees' family members through partnerships with external medical institutions

Classification	Details
Health Check-ups Support	• Supporting comprehensive health checkups and PET-CT screenings for the early detection of serious illnesses and prevention of diseases among employees and their family members • Conducting annual general and special health examinations for employees • Providing follow-up care for employees identified with health concerns through partnerships with external medical institutions and improving employee health management through the operation of in-house clinical laboratories
Psychological Consultation Center for Employee Mental Health	• Operating both in-house and external counseling centers, as well as non-face-to-face mental health services, to ensure employees can access psychological counseling regardless of location - In-house: Mind Forest (Pangyo), Greuteogi (Dangjin) - External: Naemamen (Incheon), Choi Seung-ae Psychological Counseling Center (Pohang), Psychological Counseling Coaching Center (Suncheon), Doran Doran (Yeosu) - Online: Counseling reservations through www.koreaeap.com/steel and Nudge EAP • Conducting annual job stress assessments for all employees to identify and prevent mental health issues related to workplace stress
Cerebral Cardio-vascular Disease Prevention Activities	• Operating cerebrovascular and cardiovascular disease prevention programs to help prevent conditions such as cerebral infarction, cerebral hemorrhage, and myocardial infarction • Installing and regularly inspecting automated external defibrillators (AEDs) across all business sites to enable their use within the golden time during emergencies • Providing regular training on cardiopulmonary resuscitation (CPR) and AED operation for employees
Health Promotion Program	• Operating health promotion programs to enhance employee health and quality of life • Supporting healthy lifestyles through smoking cessation and healthy weight management programs aimed at improving physical health • Strengthening mental health management by expanding access to external counseling services and providing Gatekeeper training for managers
Return-to-Work Program for Injured Employees	• Operating a return-to-work program to support the stable and successful reintegration of employees recovering from occupational injuries • Providing safety mindset enhancement training and recurrence prevention-focused management activities when injured employees return to work to help prevent similar incidents

3.3.8 Occupational Safety and Health for Suppliers

3.3.8.1 Support and Participation for Safety and Health Management of Suppliers

To promote a shared culture of safety, Hyundai Steel supports the safety and health activities of suppliers and carries out various initiatives to foster a proactive safety culture. In addition, the Company strengthens worksite safety management by monitoring the real-time site access status of all workers, including suppliers, through its safety management system.

Safety and Health Support Activities

- Supporting various initiatives to strengthen safety and health infrastructure, including assistance with safety personnel recruitment costs, provision of safety training, and enhancement of rest and sanitation facilities
- Allowing suppliers' employees to submit safety improvement suggestions and opinions through the Safety Suggestion System, which is equally accessible to Hyundai Steel employees
- Applying the same reward scheme to outstanding suggestion contributors

Safety Capability Enhancement Activities

- Discussing safety improvement measures and sharing accident cases and safety improvement activities with suppliers through the Health and Safety Council
- Providing diverse and systematic training programs, including risk assessment training for suppliers' employees, basic safety training for new site entrants, and experiential safety training

Integrated Safety and Price Evaluation Bidding System for Contracted Construction

- Operating an Integrated Safety and Price Evaluation Bidding System that considers safety as a key selection criterion when selecting suppliers in order to increase the contract ratio of high-performing suppliers and enhance overall supplier safety capabilities
  - Granting bidding eligibility to suppliers that achieve a score of 70 or above in the Supplier Comprehensive Assessment[1)]
  - Selecting the best-performing supplier based on the combined scores of Price Competitiveness (70 points) and Safety Comprehensive Assessment[2)] (30 points)

Classification	Assessment Items	Conducting Departments
Safety Basics Evaluation	Six items related to occupational accident rates, the safety and health management system, safety and health management regulations, and completion of executive safety and health training	SHE Division (Regularly/On-demand), Equipment Procurement Team (New)
Safety Performance Evaluation	Items related to operational safety evaluations, including risk assessments, compliance with work procedures, and health certification	Requesting Department
	Items related to safety and health technical capabilities and safety and health training	Safety & Health Management Team of Each Works·Business Unit
On-site Quality Evaluation	Items related to operational quality, including project completion, schedule management capabilities, and construction documentation	Requesting 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%) → Safety and Price Evaluation Bidding System Scores

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Risk Management

3.3.9 Occupational Safety and Health Diagnosis and Process

3.3.9.1 Risk Diagnosis and Improvement Process

Diagnosis and Improvement of Health and Safety System

○ Discussing Health and Safety System Diagnosis and Safety Culture Improvement Measures

- Discussing health and safety system diagnosis and safety culture improvement measures in collaboration with external professional organizations to enhance company-wide risk assessment and accident prevention safety and health management systems

○ Conducting Evaluations and Applying Improvements

- Conducting evaluations that incorporate key elements of the Serious Accident Reduction Roadmap
- Monitoring on-site where severe injuries may occur and applying improvements

○ Checking the Implementation Level of the Safety System

- Checking the implementation level of our internal safety system annually based on the opinions of experts
- Promoting the enhancement of safety management standards, including occupational health and work environment improvement and the advancement of safety observation practices, by utilizing safety and health expertise in areas such as risk assessment consulting to minimize legal risks and workplace accidents

Executing Company-wide Risk Assessment

○ Discovering Hazardous and Risk Factors

- Conducting company-wide risk assessments to discover hazardous and risk factors on-site

○ Establishing and Implementing Risk Mitigation Measures

- Estimating the likelihood (frequency) and severity (intensity) of injuries or illnesses caused by hazardous and risk factors, and establishing and implementing risk mitigation measures
- Determining the acceptable range of risks estimated for each hazardous and risk factor, and establishing and executing measures to reduce unacceptable risks to the lowest possible level when unacceptable risks are identified

○ Performing New and Regular Risk Assessments

- Conducting a new risk assessment in the event of any significant reasons for risk assessment, such as the formation of a new team, establishment of work standards, or introduction of new tasks
- Conducting regular assessments every year (once a year) after the initial assessment

○ Performing On-going Assessments and Sharing Best Practices

- Performing on-going assessments within 14 days of the occurrence in the event of specific reasons such as the construction, relocation, modification, or dismantling of structures at business sites
- Sharing best practices for improving risk assessment and utilizing risk assessment materials during Regular Safety Education to raise safety awareness among employees

○ Running a Company-wide Risk Assessment Contest

- Running a contest to derive and reinforce the improvement of on-site hazardous and risk factors, as well as to increase the interest of technical positions in risk assessment

<table>
<tr><th>Category</th><th>Content</th></tr>
<tr><td>Contest Category</td><td>• A total of 4 categories: ① Jigs & Fixtures ② Automation ③ Safety Facilities ④ Work Methods</td></tr>
<tr><td>Target</td><td>• Employees / Subsidiaries / Contractors (On-site, Off-site)</td></tr>
<tr><td>Evaluation Method</td><td>• Forming an evaluation team: Safety & Health Management Teams at Works and Business Divisions, SHE Division, Labor Union of each Works, Technical Position Evaluation Group
<table>
<tr><th colspan="2">Category</th><th>Judges</th><th>Evaluation Results</th></tr>
<tr><td>1st Round</td><td>Document Evaluation</td><td>Safety & Health Management Teams at Works and Business Divisions + SHE Division</td><td>Selected a total of 80 cases (double the target amount)</td></tr>
<tr><td>2nd Round</td><td>On-site Evaluation</td><td>Labor union technical position evaluation group of each Works (autonomous safety consultative body)</td><td>Selected the final 40 cases</td></tr>
</table>
※ Details on Strengthening Evaluation in 2026
① Expanding interviews on on-site participation/satisfaction to evaluate improvement effectiveness
② Granting additional points when attaching and utilizing risk assessment QR codes (2nd round on-site screening)</td></tr>
</table>

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3.3 Occupational Safety and Health

Risk Management

3.3.9 Occupational Safety and Health Diagnosis and Process

3.3.9.1 Risk Diagnosis and Improvement Process

Safety Culture Diagnosis

○ Setting Safety Management Goals and Activity Directions

- Conducting a safety culture diagnosis for all employees, including subsidiaries and suppliers, to assess safety awareness levels and establish safety management goals and strategic directions accordingly

○ Conducting Individual Surveys

- Conducting an individual survey tailored to the duties of managers and practitioners to collect valid and effective information
- Utilizing the survey results as the foundation for conducting safety workshops and evaluating safety and health activities

○ Holding Safety Workshops

- Holding safety workshops for safety culture organizations within each business division and for organizations selected by leaders of business divisions
- Holding small group discussions and safety coaching on serious accident cases based on the results of the safety culture survey

○ Implementing Safety Improvement Activities

- Developing plans to reinforce safety management based on the workshop outcomes and implementing safety improvement activities accordingly by each business division
- Conducting customized safety culture interviews to provide accurate safety counseling and reflecting the results into the improvement plans

Establishing of a Rapid Safety Improvement Process

○ Establishing the Improvement Process

- Immediately mitigating any hazards discovered under the Rapid Safety Improvement Process to ensure the safety of all employees working at business sites

○ Regular Inspections

- Regularly engaging specialized companies to inspect gas facilities and all hazardous machines and equipment
- Promptly responding if any signs of danger, such as gas leaks, are detected during these inspections

○ Reviewing the Necessity of Safety Investments and Promoting Improvements

- Registering suggestions through the Emergency Safety Investment System if potential risks to equipment or safety facilities are identified and safety investments are required

○ Follow-up Actions

- Reviewing the issues and taking follow-up actions by the maintenance department to ensure the registered suggestions are immediately addressed

3.3.9.2 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.

- Swiftly forming an Accident Investigation Committee along with the initial accident investigation immediately upon an accident occurrence
- Identifying the root cause and developing countermeasures along with implementation plans, and sharing them with related employees
- Maintaining continuous monitoring of the implementation of recurrence prevention measures and making efforts to effectively eliminate the underlying causes of accidents



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3.3 Occupational Safety and Health

Metrics and Targets

3.3.10 Occupational Injury Rate Management Status and Plans

LTIFR (Lost-Time Injury Frequency Rate)[1)]

Hyundai Steel strictly abides by the safety and health guidelines across all business sites and promotes proactive accident prevention to achieve "Zero Serious Injuries and Fatal Accidents".

- Quantifying the LTIFR[1)] for both direct employees and suppliers, and setting an annual reduction target of 5% compared to the previous year
- Strengthening management efforts across multiple areas based on the four key priority initiatives identified through safety and health performance evaluations to improve performance that fell slightly short of the 2025 target

Category		Unit	Performance	Target		
			2025	2026	2027	2028
LTIFR[1)]	Employees	Cases/ million working hours	2.52	2.39	2.27	2.16
	Cotractors		2.28	2.17	2.06	1.95
	Total		2.41	2.29	2.18	2.07

1) Lost-Time Injury Frequency Rate (LTIFR): an indicator of the frequency of occupational injuries, calculated based on the number of accident-related injuries resulting in lost time per one million working hours

Managing Safety Leading Indicators (Safety and Health Performance Evaluation)

To achieve the goal of a company-wide zero-accident workplace, Hyundai Steel sets safety management indicators and evaluation criteria tailored to organizational characteristics, and manages activities that require proactive execution for accident prevention as leading indicators.

- Including safety inspections, on-site risk mitigation, safety awareness activities, risk assessment, and completion of safety training within the leading indicator items
- Rewarding organizations and individuals who excel in safety management based on the implementation performance of leading indicators at the end of every year to support employees in proactively preventing safety accidents

Overview of 2026 Safety and Health Performance Evaluation		
Purpose		• Cultivating voluntary safety knowledge and executing safety behaviors by assigning safety duties and responsibilities
Target		• Employees: 1,859 people including relevant departments and technical position supervisors • Contractors: 114 companies including subsidiaries, internal/external suppliers, logistics companies, etc.
Cycle		• 3 times a year: First half (July), Annual (October), Second half (January)
Priority Areas	**Key Initiatives**	**Operating Criteria**
	I Expand Weight of On-site Evaluation	• Operating an evaluation system centered on on-site execution capabilities (reflecting evaluations of differences in on-site management levels) ① Expanding the weight of on-site evaluation (5% → 30%) ② Reflecting team-level law/system diagnosis results
	II Strength High-Risk Management	• Reflecting the execution rate of high-risk triple checks (maintaining safety inspections/ leaders' contacts) • Reflecting the compliance rate of sanctions against violators of the 10 Safety Core Rules (SCR) • Establishing a new evaluation standard for the gas concentration measurement log management section
	III Expanding Support for Contractors	• Expanding the scope of managing the implementation of workers' suggestions and improvement actions - Management scope: Safety Suggestion System and worker agenda items from consultative body meetings • Monitoring the provision of risk factors and sharing of risk assessment results whether - Reflecting whether contractors have work risk assessments in place
	IV Introduce New Evaluation for Safety & Health Management Team	• Conducting evaluations for the plant/business division Safety & Health Management Team - Selecting items hosted or supported (managed) by the Safety & Health Management Team within the OCCUPATIONAL SAFETY AND HEALTH ACT/internal regulations

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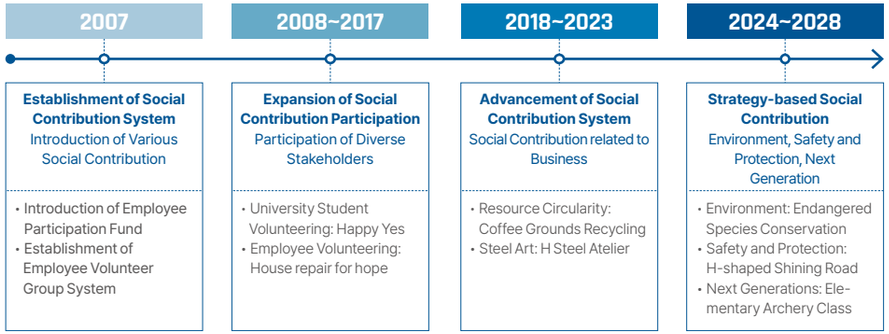
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3.4 Local Community Engagement

Hyundai Steel has established a social contribution strategy system aligned with its management vision and sustainability strategy, focusing on three key areas: Environment, Safety & Protection, and Next Generations. Additionally, based on a local community engagement framework, we are strengthening stakeholder communication and fulfilling our social responsibility through community engagement activities that reflect local needs and expectations.

3.4.1 Social Contribution Implementation Roadmap



3.4.2 Social Contribution Strategy System



3.4.3 Mid- to Long-term Strategy

Key Areas	Targets	Key Activities	Goals by Activity
Environment	• Conservation activities for endangered species at business sites → Execute more than 10 cases cumulatively (~2027)	Endangered Species Protection	• 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 Generations	• 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 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 entities in India → Support 10 schools cumulatively (2023 ~ 2026)

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3.4.4 Social Contribution Activities

3.4.4.1 Environment

Marine Waste Reduction Activities

Hyundai Steel is participating in the conservation of the local marine ecosystem through regular marine cleanup activities in cooperation with the public, private, and corporate sectors along the coast near the Dangjin Integrated Steelworks.

- Conducting 4 times a year, including Fisheries Day, Ocean Day, International Coastal Cleanup Day, and World Water Day
- Collected approximately 10 tonnes of marine waste, such as discarded fishing gear, waste styrofoam, and waste plastic, with around 400 cumulative participants in 2025



3.4.4.2 Safety & 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.

- Contributing to traffic accident prevention by providing psychological reassurance to pedestrians and improving drivers' recognition of crosswalks
- Expanding and operating the program to Incheon, Pohang, and Suncheon areas since 2024, after verifying its effectiveness since implementation in the Dangjin area in 2021



Bench for Everyone Main

Hyundai Steel has been conducting the "Bench for Everyone" project since 2023 to expand convenient facilities usable by both disabled and non-disabled individuals.

- Designing user-friendly bench models in collaboration with architect Professor Hyun-Jun Yoo, and manufacturing and installing them together with the Purme Foundation using the company's steel materials
- Completed installation at 26 locations in Seoul in 2024 and 33 locations in Incheon and Dangjin in 2025



3.4.4.3 Next Generations

Elementary Archery Class Main

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 activate archery as a leisure sport.

- Establishing a foundational model for elementary archery classes, and developing and distributing teaching materials and equipment
- Dispatching professional archery instructors to regular classes, after-school programs, and school sports clubs to conduct lessons



Dream School

Hyundai Steel is carrying out the "Dream School" project, targeting schools in the regions near the Chennai and Anantapur subsidiaries of Hyundai Steel in India.

- Supporting Indian children to focus on learning in safe and comfortable environments by expanding school buildings, renovating facilities, and constructing drainage systems and restrooms
- Contributing to energy efficiency by installing solar streetlights and distributing high-efficiency stoves



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3.4.5 Social Contribution Strategy and Representative Program Achievements

Classification		[Safety] H-shaped Shining Road	[Protection] Bench for Everyone	[Next Generations] Elementary Archery Class
Goal		• Contributing towards UN SDGs: Good Health and Well-being (3), Sustainable Cities and Communities (11) • Installing traffic safety prevention infrastructure near business sites (2021~2027, 7 years) - 2021: Project planning/initiation → 2024: Cumulative 60 locations installed/regional expansion → 2027: Cumulative 110 locations installed	• Contributing towards UN SDGs: Good Health and Well-being (3), Sustainable Cities and Communities (11) • Designing and installing infrastructure for vulnerable social groups utilizing steel (2023~2026, 4 years) - 2023: Bench design layout → 2024~2026: Cumulative 90 locations installed → 2027: Business expansion	• Contributing towards UN SDGs: Quality Education (4) • Providing archery participation opportunities for elementary students nationwide and establishing archery as a school sport (2024~2028, 5 years) - 2024: 33 schools → 2026: 60 schools → 2028: 66 schools/Entering Ministry of Education system as an official school sports
Input		• Investing in employee participation funds - 2025: 3,593 cumulative participants, creating a total fund of KRW 252.71 million • Establishing local cooperative networks - Multiple relevant organizations including local governments, police stations, and civic groups at business sites	• Establishing partnerships with accessibility and architectural design institutions - Participation of an architect specializing in universal design: HYUNJOON YOO + PARTNER (Architects) - Collaboration with a non-profit organization specializing in welfare for the disabled: Purme Foundation • Designing barrier-free benches considering safety and durability by utilizing steel materials produced by Hyundai Steel	• Investing professional human and material resources through a partnership with the Korea Archery Association - Instructors: Professional instructors such as retired athletes and professional coaches, regular/physical education school teachers - Equipment: Archery equipment exclusively for elementary students (lightweight targets, safety arrows, nets) - Content: Official textbooks, digital teaching materials, and step-by-step curriculums
Activity		• Installing LED auxiliary signals at pedestrian crossings near business sites - Locations: Nighttime accident-prone zones, concentrated freight vehicle areas, school zones, and traditional markets - Types: Ground-recessed/stud signals, countdown timers, luminous signs, single-line signal bars, and road floodlights • Conducting traffic safety campaigns with the participation of employees and local police stations (once a year per business site)	• Designing/manufacturing universal design benches usable by both disabled and non-disabled individuals • Installing them in daily life spaces such as parks, welfare centers, public offices, and medical/sports facilities • Collecting user feedback through bench QR surveys → Reflecting feedback in design and functional improvements for the following year • Conducting donation ceremonies/campaigns linked with Disabled Person's Day and managing external communication such as media and SNS promotion	• Conducting archery lessons utilizing regular classes, after-school Neulbom classes, and school sports clubs • Dispatching professional instructors and operating in cooperation with teachers (15–25 students per class, around 3 hours per week) • Operating teacher training workshops and providing differentiated annual support → Transitioning step-by-step to independent operation by school teachers • Providing opportunities for archery field invitation events and participation in youth tournaments in connection with the Hyundai Steel Men's Archery Team
Output		• Installed at a cumulative total of 104 locations across all business site areas (~2025) - Incheon: 8 locations, Dangjin: 90 locations, Suncheon: 6 locations - Ground-recessed: 22, Studs: 43, Countdown timers: 17, Luminous signs: 15, Others: 7 • Conducted traffic safety campaigns: Once a year per business site, with an annual average of 250 participants	• Installed at a cumulative total of 59 locations in Seoul and business site areas (~2025) - Seoul: 43 locations, Incheon: 6 locations, Dangjin: 10 locations → Planned to expand to Pohang and Suncheon areas in 2026 • Advanced safety and convenience functions such as expanding wheelchair spaces, slip prevention, cup holders, and luminous paint • Produced and distributed YouTube content: 6 cases on the Purme Foundation channel, 1 case on the Sherlock Hyunjoon channel (110,000 views)	• Operated at 50 schools across 10 regions nationwide (33 schools in 2024 → 50 schools in 2025) • Recorded participation of 8,049 cumulative elementary students and 30 cumulative professional instructors • Achieved 84–89 student satisfaction and 85+ teacher satisfaction • Developed and distributed 2,000 copies of official elementary archery textbooks, and transitioned 10 schools to independent operation by school teachers
Outcome		• Laid the foundation for improving traffic safety in Dangjin → Expanded to nationwide business site areas in 2024 (Incheon, Dangjin, Suncheon) - 596 cases in 2021 → 350 cases in 2023, Dangjin ranked first nationwide in traffic safety index improvement rate • Enhanced pedestrian visibility at crosswalks and intersections, and mitigated risk factors for nighttime pedestrian accidents	• Installed primarily in constantly open public and welfare facilities considering accessibility and safety for the disabled - Outdoor parks: 49%, Public institutions/facilities: 23%, Welfare institutions/facilities: 16%, Others: 9% • Continued design improvements reflecting actual user experiences: Received a cumulative total of 16 VOCs	• Expanded school sports diversity and established a leisure sport archery education model - Archery interest: 87%, Increase in archery preference: 75%, Intention for continuous participation: 80% (as of 2025) • Established a sustainable operation system by gradually expanding the independent operation ratio (20% in 2025 → 32% in 2028)
Impact	Social Impact	• Protecting lives and raising safety levels by expanding pedestrian-centered traffic safety infrastructure • Contributing to the prevention of major disasters in local communities through proactive traffic accident prevention	• Promoting the spread of universal design across all public facilities beyond benches • Establishing a culture of coexistence between disabled and non-disabled, and realizing social integration at everyday touchpoints • Possessing potential for expansion into standard designs for local government public facilities	• Building an archery talent pool connected to community sports • Providing equal experiential opportunities to children in both metropolitan and non-metropolitan areas • Increasing the possibility of adoption as an official school sports subject by expanding schools operating archery lessons
	Business Impact	• Enhancing the corporate image as a leader in traffic safety and creating a favorable business environment within local communities • Securing a strategic foundation capable of mid-to long-term expansion, such as public safety infrastructure and local government cooperation • Internalizing social responsibility and raising employees' awareness of the importance of traffic safety	• Expanding the value of iron by redefining steel not just as a simple material but as an "infrastructure of safety and consideration" • Building a long-term foundation for cooperation and enhancing credibility by establishing infrastructure within local governments and public facilities • Strengthening public communication regarding the project's purpose through linkage with external expert content	• Building a sports social contribution brand in connection with the Korea Archery Association and the Hyundai Steel Men's Archery Team • Strengthening local community relations through nationwide operations including business sites (Incheon, Pohang, Dangjin, Seongnam) • Spreading a positive corporate image by providing opportunities for archery field invitation events and participation in youth tournaments

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3.4.6 Employee Participation in Social Contribution

3.4.6.1 Employee Fund Participation

Employee Participation Fund

- Creating and operating the Employee Participation Fund since 2005 based on the voluntary participation of employees
  - Recorded participation of 3,593 employees in 2025 (approximately 31% of the total workforce), raising a total fund of KRW 252.71 million
- Raising the fund through a fixed monthly deduction from employees' salaries and utilizing it for social contribution activities in the regions where the business sites are situated

○ Representative Programs Utilizing the Fund by Year

Area	~2020	2021	2022	2023	2024~
Seoul/ Gyeonggi	House Repair for Hope	Building Han-river Forest for citiznes	Establishment of traffic-safety Yellow Carpet	Bench for Everyone	H-shaped Shining Road
Incheon			Green Dong-gu Project		
Pohang		Zero-waste campaign	Volunteer activities for disabled and social partnership	Bench for Everyone	
Dangjin			H-shaped Shining Road		
Suncheon		Culture sharing concerts		Fire safety equipment support for vulnerable groups	

Employee-Exclusive Donation Kiosk

- Operating donation kiosks since 2024 to expand donation channels that allow employees to directly support underserved populations
  - Donated wheelchairs for Korean War veterans, summer goods for children awaiting adoption, medical expenses for children with rare diseases, and vacation meal boxes for undernourished children
- Offering transparency and convenience as a new donation model, enhancing trust in the donation process through blockchain technology

3.4.6.2 Employee Volunteer Activities

Dream Volunteer Group

- Conducting local community volunteer activities centered on the Dream Volunteer Group, an autonomous employee volunteer group
  - Promoting various activities such as preserving local cultural heritage, environmental cleanup, maintaining electrical facilities at welfare institutions, donating lectures by master craftsmen, music and art volunteering, and distributing gifts during holidays and year-end
- Operating a Family Volunteer Group composed of employees and their families

Dream Challenge Volunteer Group

- Dispatching the employee overseas volunteer group in connection with the "Dream School" project aimed at improving the educational environments of schools near local subsidiaries in India
  - Dispatched around 10 volunteers annually to schools in Chennai and Anantapur in India for three years from 2023 to 2025
- Expanding cultural exchange and contributing to the formation of friendly relationships with local students and residents

3.4.6.3 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.

- Converting activities such as volunteering, fund participation, knowledge sharing, and blood donation into a single indicator, and providing benefits to individuals and groups that exceed a specific number of hours
  - Issuing certificates of outstanding volunteer work under the name of the CEO (for individuals) and providing additional activity financial support for volunteer groups (for groups)
- Utilizing the system as a minimum requirement in the selection process for the Dream Challenge Volunteer Group

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3.4.7 Local Community Support Activities

3.4.7.1 Local Community Donations and Support Activities

Hyundai Steel strives to improve the quality of life for local residents, including vulnerable social groups, by supporting regional festivals, cultural and sports activities, and educational environment enhancements, thereby contributing to local community development.

Annual Local Community Donation Support Status

(Unit: KRW Million)

Area	2024		2025		Main Supports
	Amount	Proportion	Amount	Proportion	
Welfare	3,047	37%	2,995	49%	Hygiene, safety and welfare support on vulnerable social groups near business area
Culture & Sports	3,905	47%	1,553	26%	Creating cultural capital in the local community through support for cultural and sports events and artistic activities
Education	1,325	16%	1,533	25%	Investments in local educational environment development and scholarships for academic achievers, etc.
Total	8,277	100%	6,081	100%	27% decreased compared to 2024

3.4.7.2 Local Community Employment Provision

Hyundai Steel strives to provide employment opportunities to local communities both domestically and internationally. As of the end of 2025, we operate 16 overseas subsidiaries and employ local residents.

- Having local employees complete relevant job training and work in both office and on-site positions at the subsidiaries

Number of Local Employees by Overseas Region

Area	Unit	2024	2025
Asia	Persons	408	325
Americas	Persons	289	279
Europe	Persons	238	232

3.4.7.3 Local Community Communication Channels

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

Operation Status of Local Community Councils by Region

Site	Name of Council	Year of Establishment	Core Agendas	Frequency
Dangjin	Hyundai Steel Environmental Improvement Council	2019	• Management status of air and water pollutants in steelworks • Air pollutant reduction performance of steelworks and environmental issues	Once every quarter
	H-shaped Shining Road Social Safety Net Stakeholder Council	2020	• Detailed consultation on H-shaped Shining Road installation • Employee and citizen participation road traffic safety campaigns	4-5 times per year
	Child Protection Social Security Network Working Group	2021	• Participation in child abuse prevention meetings and campaigns	2-3 times per year
	Working Group for Safety Empathy Education Donation	2023	• Supporting on-site safety empathy education donations • Consulting on educational programs and campaigns	4-5 times per year
Sun cheon	Sinsung-ri Development Council	1996	• Consultation on 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 of side dish delivery support to 30 households of elderly living alone	Once every quarter
	Administrative Council of H-shaped Shining Road	2024	• Detailed consultation on 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	2025
Total Number of Production Assets	18 (4 Domestic, 14 Overseas)	19 (4 Domestic, 15 Overseas)
Number of Production Assets Requiring Local Community Consultation[1]	18	19
Percentage of Production Assets Requiring Local Community Consultation[1]	100%	100%
Total Number of Development Projects	0	1
Number of Development Projects Requiring Local Community Consultation	0	1[2]
Percentage of Development Projects Requiring Local Community Consultation	0%	100%

1) Hyundai Steel consults with surrounding communities at all of our business sites on a variety of issues, and discloses major consultations with local communities in our Sustainability Report.
2) HPLS (HYUNDAI-POSCO Louisiana Steel) is constructing an electric arc furnace steel mill with an investment of approximately USD 5.8 billion to secure future growth engines and transition to a mid-to long-term carbon reduction system.

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ADVANCING INDEPENDENCE, EXPERTISE AND DIVERSITY

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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4.1 Ethics and Compliance Management

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

Governance

4.1.1 Compliance Management System

Hyundai Steel manages key risks related to fair trade and trade secrets through the Board of Directors, the highest decision-making body, and preliminary consultative bodies such as the Compliance Management Committee and the CP Council.

- The Board of Directors serves as the compliance control supervision and final decision-making body, reviewing and supervising the Compliance Officer, verifying results of 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 are appointed in each department to operate a Compliance Control System that extends from the field (on-site) to management. Discussion and improvement results of the CP Council are reported to the CEO, who chairs the Compliance Management Committee, and to the Board of Directors
- CP Council: Reviews improvement measures and implementation levels for key risks identified through compliance control activities, including fair trade and trade secrets
- Compliance PIC: Conducts compliance control activities such as investigating, inspecting, and improving illegal risk factors on-site

Compliance Control System



4.1.2 Ethics and Compliance Management Policy

Based on international human rights norms and related laws, such as the UDHR (Universal Declaration of Human Rights) and the OECD (Organization for Economic Co-operation and Development) Guidelines for Multinational Enterprises, Hyundai Steel has established policies and standards related to Ethics and Compliance Management and applies them to all members, including domestic and overseas employees, subsidiaries, and suppliers.

Ethics Charter and Code of Conduct ›
Anti-Corruption & Bribery Policy ›
Supplier Code of Conduct ›

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4.1 Ethics and Compliance Management

Strategy

4.1.3 Operational Directions of Ethics and Compliance Management

To strengthen Ethics and Compliance Management, Hyundai Steel is promoting policy establishment, ethical management risk inspection activities, and employee awareness raising activities to spread a compliance culture.

Establishing Ethical Management Policies	Conducting Pre-Risk Inspections	Improving Employee Awareness
• Establishing the Ethics Charter and Code of Conduct • Establishing ethics regulations	• Executing ethics inspections • Operating reporting channels (Cyber Audit)	• Conducting customized ethics training • Ethics and Compliance Management Pledge

4.1.3.1 Whistleblowing System

Hyundai Steel identifies illegal and unethical acts occurring within the company through the operation of the Cyber Audit.

Cyber Audit ›

Types and Methods of Reporting

- Reporting violations of the Code of Ethics—such as abuse of employees' positions, fraud and corruption, unfair trade, offering and receiving money or entertainment, abuse of authority, and solicitation—as well as illegal acts like collusion and unfair support, and submitting suggestions for improving unreasonable practices and ethical management
- Allowing anonymous reporting by both internal employees and external stakeholders, including suppliers and customers
- Receiving reports through various channels such as the internet, phone, fax, and mail, with all procedures operated confidentially
- Checking report processing results through the Cyber Audit website
- Conducting education and public relations for internal and external audiences regarding reporting channels and methods (Internal: explaining channels and processes during the 2026 compliance training for new leaders and subcontracting law training; External: providing guidance on channels during the 2025 compliance awareness survey for stakeholders, etc.)

Ethics and Compliance Management Report Processing Procedure

Receiving Reports	Processing Reports	Verifying Facts	Completing Process
• Submitting reports anonymously or under real names with evidence and detailed descriptions of the reported content	• Proceeding with receipt processing and reviewing reported content within the Management Improvement Group • Transferring to relevant divisions or conducting direct investigations by the Management Improvement Group depending on the nature of the report	• Selecting priorities by comprehensively considering the order of receipt and urgency of the received reports, followed by conducting fact-checking ※ Action schedules vary depending on the reported content and verification procedures	• Replying with processing results via email and checking processing details through the website

Whistleblower Protection

- Prohibiting any disclosure or implication of a whistleblower's identity without their consent, and operating principles of confidentiality, identity protection, and relief from liability
- Strictly prohibiting retaliation and discrimination against whistleblowers and applying a zero-tolerance policy to any related violations

4.1.3.2 Internalization of Ethics and Compliance Management

Raising Ethical and Compliance Awareness and Providing Information

- Disseminating the CEO's compliance message company-wide twice a year via the website and intranet
- Conducting annual Ethics & Compliance Pledge (100% participation of general & research employees in 2025)
- Operating a reporting system for pre- and post-contact with competitors and rules prohibiting information exchange.
- Conducting employee compliance surveys to check compliance levels, degrees of improvement, and understanding of laws and regulations, and reflecting the results in compliance support activities
- Providing monthly compliance news (enactment and revision of laws and regulations related to fair trade, environment, safety, HR & labor, precedents and decisions, key issues, etc.) and case-oriented fair trade text message services; conducting compliance news a total of 12 times and text message services a total of 15 times in 2025
- Revising the Fair Trade Compliance handbook in December 2025 and distributing it to all employees

Ethics and Compliance Education

- Conducting ethics and compliance education for all employees
  - Providing online lectures accessible at all times for employees; including the meaning and necessity of ethical management, the company's promotional efforts, anti-corruption topics such as the prohibition of receiving money and entertainment, and the prevention of workplace harassment and sexual harassment
  - Conducting ethics and compliance education to 3,810 general and research employees in 2025 through a CEO video message encouraging the practice of ethics and compliance management
- Conducting fair trade education for related departments such as purchasing, sales, and finance, and subcontracting law education for departments involved in subcontracting transactions
- Conducting FOREIGN CORRUPT PRACTICES ACT training for new expatriates and overseas heads

○ Compliance Education Contents and Achievements

Category	Training Period	Training Achievements	Remarks
Employee Ethics Education	Once a Year	All Employees (100%)	Conducting 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 and experienced hires in 2025	Included within the new hire orientation program
New Team Leader Fair Trade Education	February	All new team leaders and promoted executives in 2025	
Fair Trade Job Group Training	April–November	Related departments in Purchasing, Sales, Finance, Planning, and Support: 285 employees	Training by small-scale organizations
Employee Ethics and Compliance Management Training	August–September	All Employees (100%)	
Compliance Management Training	October	General manager level and above: 109 employees	
Ethics and Patent Education	October	Related departments in North American steel business: 80 employees	
Basic Fair Trade Training	November	New general and research position hires and experienced hires in 2025: 99 employees	
Subcontracting Act Training	December	Related departments in Operations, Maintenance, and Purchasing: 92 employees	
Subsidiary Fair Trade Job Group Training	December	Related departments in subsidiaries: 50 employees	
Foreign Corrupt Practices Act Training	First/Second Half	Newly appointed overseas expatriates and corporate heads: 26 employees	

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4.1 Ethics and Compliance Management

Strategy

4.1.4 Establishment and Operation of Compliance Principles

To prevent legal violation risks and strengthen the compliance management system, Hyundai Steel establishes and operates compliance principles. Departments related to compliance management have KPIs (Key Performance Indicators) set based on compliance activities.

- The "Three Principles of Fair Trade at Hyundai Steel" were developed based on relevant laws concerning fair trade, HR & labor, safety, environment, personal data, and trade secrets, as well as interviews with related department personnel
- Eight business principles to prevent collusion, unfair support acts, and unfair trade practices have been developed and operated along with manuals, behavioral guidelines, and checklists detailing regulatory areas
- Furthermore, to raise employees' compliance awareness, recent compliance issues and trends, related manual contents, and guidelines are distributed via mobile and email

Compliance Regulation Development and Revision

- Revising the "Compliance Control Standards" through Board of Directors' resolution in 2023
- Revising the "Fair Trade Compliance Program Regulations" through CEO approval in 2025

Compliance Regulations	Major Contents
Ethics Charter and Code of Conduct	General Ethical Management
Compliance Control Standards	Organization, roles, authority, duties, operation of training programs, inspections, internal reports, handling of violations, restriction standards, awards, etc.
Compliance Support Regulations	
Fair Trade Compliance Program Regulation	

4.1.4.1 Fair Trade Compliance Program

Since 2002, Hyundai Steel has introduced and implemented the Fair Trade Compliance Program (CP) and fulfills the seven key components.

Fair Trade Compliance System

Commitment	Formation of Organization	Implementation Plan	Monitoring
• Expressing the CEO's commitment to fair trade compliance	• Securing the independence of the compliance department • Forming and operating a company-wide compliance operation organization	• Distributing training and compliance handbooks, restricting employees who violate regulations, and rewarding voluntary compliance	• Operating an internal reporting channel • Detecting threats, vindicating, and handling them through a computerized monitoring system

3 Principles of Fair Trade and 7 Key Components

3 Principles

- **01** We do not contact competitors' executives and employees.
- **02** We do not discriminate between affiliates and non-affiliates.
- **03** We do not engage in unilateral declarations or trade practices without justifiable reasons or rational grounds.

7 Key Components

Introduction of CP and establishment of operational policies 01
- 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 (9th Revision in December 2025)

Executive Support 02
- Declaration of CEO compliance message to affirm commitment to fair trade (twice a year)
- Signing of Ethics and Compliance Management Pledge by all employees (once a year)
- Incorporating compliance management activity indicators into leaders' business goals (KPIs)
- Appointing the compliance manager (Head of Legal & Compliance Group)

Publishing and utilizing compliance handbook 03
- Revising the compliance handbook and distributing it to all employees (2025)

Sustainable and systematic compliance training 04
- Conducting customized fair trade training by departments and positions

Establishment of pre-monitoring system 05
- Operating the pre-task briefing system at all times
- Operating an internal whistleblowing system at all times (Cyber Audit)
- Direct reporting to the Board of Directors on CP operation plans and performance
- Operating administrative councils such as the Compliance Management Committee and the CP Council
- Execution of self-inspection and risk assessment

Restriction and incentive system 06
- Establishment of restriction standards according to the intentionality and significance of legal violations
- Incentivizing top performance and whistleblowers

Effectiveness assessment and improvement measures 07
- Quarterly CP operation effectiveness assessment and improvement measures

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4.1 Ethics and Compliance Management

Risk Management

4.1.5 Legal Violation Risk Investigation Process

Establishment of Compliance Control System

Hyundai Steel supports securing the sustainability and effectiveness of compliance management directly by practical organizations through the establishment of a Compliance Control System.

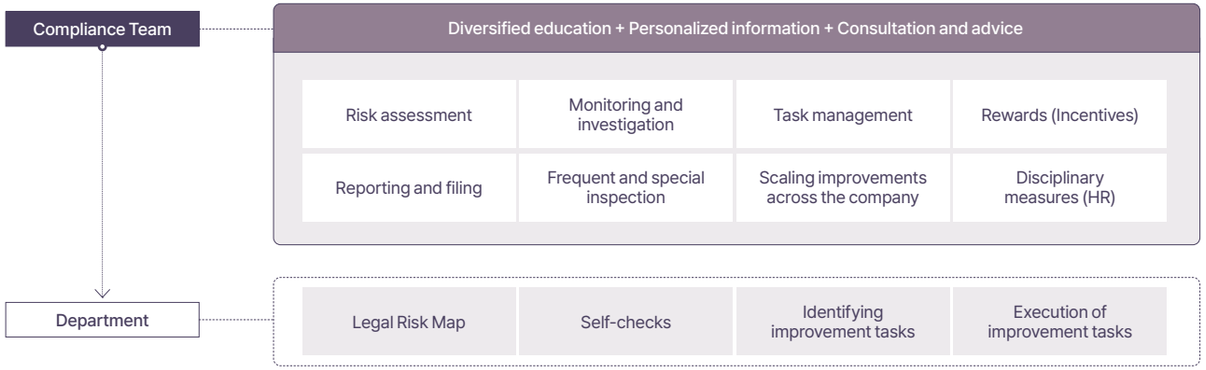
- The Compliance Team prepares and distributes common tasks and legal violation risk-related checklists to all departments within domestic sites[1)]
- Based on this, the Compliance PICs in each department conduct self-assessments based on the checklists, and identify and implement improvement tasks
- Subsequently, the implementation status of improvement tasks is reported to the Compliance Management Committee through the Compliance Team

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

Compliance Management Campaigns and Monitoring

Hyundai Steel conducts various campaigns and inspection activities to manage legal violation risks.

- Conducted a company-wide focused training by department linking "interview-monitoring-education" in 2025
- Pursued an on-site inspection visit to secure information legality company-wide and to enhance operational legal violation risk management capabilities
- Conducted programs such as on-site visit campaigns and job-specific tailored training to raise employees' awareness of Ethics and Compliance Management



Evaluate effectiveness (quaterly) → Improve compliance controls and activities

4.1.6 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, which are verified annually by a third-party external auditor (accounting firm).

Metrics and Targets

4.1.7 Ethics and Compliance Management Targets

Hyundai Steel is advancing its Ethics and Compliance Management by establishing targets related to building an Ethics Management System, expanding its culture, and providing education.

Building an Ethics Management System

- Developing and revising ethical policies (Ethics Charter, Code of Conduct, Regulations)
- Acquiring ISO 37301 Certification (2027)

Expanding the Ethical Management Culture

- Having all employees sign the Ethical Management Pledge
- Maintaining a 100% Ethics and Compliance Management Pledge signing rate (2026)

Providing Education for Corporate Ethics Expansion

- Achieving a 100% attendance rate for Ethics and Compliance Management Education (2026)

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4.2 Corporate Governance

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 report, annual report, and official website

4.2.1 Composition of Board of Directors

As the highest decision-making body, Hyundai Steel's Board of Directors prioritizes sustainable growth by enhancing corporate value.

- Maintaining the independence of the Board of Directors as of June 2026 by composing it with 10 directors (four executive directors and six independent directors), ensuring the ratio of independent directors remains at 60% or higher
- Operating specialized subcommittees within the Board of Directors, including the Audit Committee, Transparent Management Committee, Independent Director Candidate Nomination Committee, and Compensation Committee, to secure expertise in decision-making
  - Composing at least half of the members of these subcommittees within the Board of Directors with independent directors to reinforce the Board's management supervisory function
  - Appointing independent directors as the chairs of all subcommittees within the Board of Directors to systematically ensure the independence and participation opportunities of independent directors
  - Composing the Audit Committee, Transparent Management Committee, and Compensation Committee entirely of independent directors
- Prohibiting independent directors 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

4.2.1.1 Positions and Roles of Directors

● Chairperson ○ Members (As of June 2026)

Category	Name	Gender	Experience	Board of Directors	Audit Committee	Transparent Management Committee	Independent Director Candidate Nomination Committee	Compensation Committee	Verification of the independence and diversity of independent directors
Executive director	Bo-ryong Lee	Male	President & CEO of Hyundai Steel	●			○		
	Kwang-pyung Kim	Male	Executive Vice President of Hyundai Steel (Head of Planning & Financial Management Division)	○					
	Heung-seok Ko[1]	Male	Senior Vice President of Hyundai Steel (Head of SHE Division)	○					
	Sung-min Kim[1]	Male	Senior Vice President of Hyundai Steel (Head of Sales Division)	○					
independent director	Jung-han Yoo	Male	Professor in the Department of Architecture, Seoul National University of Science and Technology (Production/R&D)	○	○	●	○		Verified
	Geum-joo Jahng	Female	Professor in the Department of Business Administration, the University of Seoul (Finance/Accounting)	○	●	○		○	Verified
	Ji-soon Park	Male	Professor at Korea University School of Law (Laws/Regulations)	○	○	○	●		Verified
	Seung-ah Cho	Female	Professor at the College of Business Administration, Seoul National University (Business/Economics)	○		○		●	Verified
	Young-kook Lee	Male	Professor in Materials Science & Engineering, Yonsei University (Production/R&D)	○	○	○		○	Verified
	Yoon-nam Cho[1]	Male	CEO of CORE16 (Finance/Accounting)	○	○	○			Verified

1) Newly appointed at the general meeting in March 2026

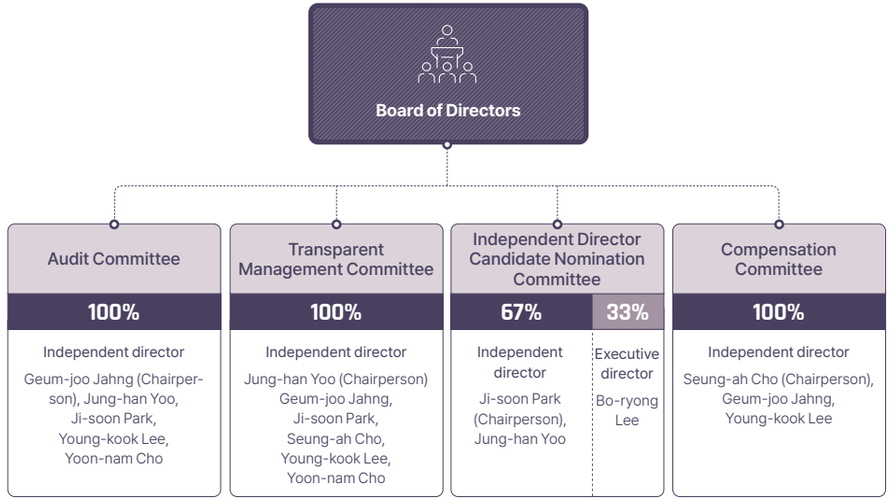
4.2.1.2 Transparency of Board of Directors

Hyundai Steel provides transparent information on its overall governance structures, establishing step-by-step tasks to respond to mid-to-long-term agendas and systematize governance performance assessment.

- Expanding the disclosure of Board of Directors information, including securing board diversity by appointing female directors, extending the notice period of general shareholder meetings and granting greater convening authority, and disclosing annual compensation for all directors, compliance status, and the fulfillment of independence requirements for independent directors
- Providing information on ESG management activities through quarterly investor relations (IR) sessions, including Non-Deal Roadshows (NDRs)
- Disclosing the Charter of Corporate Governance on the website, which outlines general principles regarding our commitment to a sound governance structure and specific execution practices
  - Amending the Charter of Corporate Governance through a Board resolution to enhance governance transparency, thereby codifying a minimum attendance rate (75%) and specific diversity requirements for director appointments
- Granting equal authority to each director in convening the Board through the amendment of the Articles of Association in 2021 to improve the flexibility and independence of Board operations

4.2.1.3 Subcommittees within the Board of Directors

(As of June 2026)



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4.2.1 Composition of Board of Directors

4.2.1.3 Committees within the Board of Directors

Audit Committee

- Composing entirely of five independent directors
- 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
- Holding 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
- Reviewing the feasibility of changes to important accounting standards or accounting estimates, appointing, dismissing, and evaluates external auditors, and assessing control systems such as the Internal Accounting Control System
- Holding a total of five meetings in 2025, deliberating on matters such as the operation of the Internal Accounting Control System and the reporting of quarterly business performance
- Conducting quarterly meetings with external auditors without the presence of management

Training Date	Training Content
October 28, 2025	New Evaluation and Reporting Standards for Internal Accounting Control System and Application Cases

Transparent Management Committee

- Composing entirely of six independent directors, and appointing one member responsible for shareholder communication to enhance engagement with domestic and international shareholders and strengthen activities such as identifying policies that promote their rights and interests
- Reviewing of the transparency of internal transactions, promoting ethical management, and protecting shareholders' rights and interests to build an ethical corporate culture and support sustainable management
- Deliberating and discussing major agenda items regarding overall ESG management, including reviewing and approving the company's safety and health management plan
- Holding a total of five meetings in 2025, deliberating on matters such as social contribution activities, the Fair Trade Compliance Program, activities of the compliance officer, approval of large-scale internal transactions, and the results of the ESG materiality assessment and the management status of core issues

Independent Director Candidate Nomination Committee

- Consisting 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
- Appointing independent director Ji-soon Park as the chairperson, and newly appointing one independent director in 2026
- Nominating independent director candidates who align with the interests of the Company and its shareholders through fair and transparent procedures to ensure the transparent and sound operation of the Board of Directors, and verifying that the candidates meet the legal requirements for independence and expertise

Compensation Committee

- Consisting entirely of three independent directors, with independent director Seung-ah Cho appointed as the chairperson
- Operating to enhance transparency and improve governance, and reviewing the remuneration limit for directors and the executive director compensation system at least once a year
- Holding meetings annually prior to the Board meeting resolving to convene the general meeting of shareholders each February

4.2.2 Considerations for Appointment and Composition of Board of Directors

In accordance with the Commercial Act and the Articles of Association, Hyundai Steel elects all directors during the general meeting of shareholders. We reinforce a responsible governance structure and sustainable management foundation through a balanced composition of the Board of Directors that considers expertise, diversity, and independence.

Board of Directors Appointment Process

- Selecting qualified independent director candidates by the Independent Director Candidate Nomination Committee, considering expertise and independence
- Finalizing independent director candidates and executive director candidates as nominees at the board meeting convened to call the general meeting of shareholders
- Presenting these candidates as individual agenda items at the general meeting of shareholders for appointment as directors
- Electing the chair of the Board through a resolution passed at an extraordinary board meeting following the annual regular general meeting of shareholders
  - Leading the convening of the Board and the deliberation of agenda items as the chair, which requires the capability to provide sufficient explanations and information based on a thorough understanding of all issues brought to the Board
  - Electing President and CEO Bo-ryong Lee, an expert in the steel industry with a thorough understanding of overall business, as chair of the Board in March 2026

4.2.2.1 Expertise of Board of Directors

As the changing business environment requires strategic judgment by the Board, Hyundai Steel appoints independent directors from diverse fields to enhance the Board's expertise, while executive directors are selected from among senior managers across our business divisions.

- Facilitating objective decision and execution of important matters related to management supervision and the fundamental policies, and providing diverse insights and perspectives based on their respective areas of expertise by having experts from different fields participate in the Board
- Composing the current Board of experts from various fields (finance/accounting, business management/economics, law/regulation, production/R&D, etc.)
  - Possessing prior work experience by independent directors Jung-han Yoo and Young-kook Lee as experts in the construction and steel industry fields, having worked at a construction company (LH Corporation in South Korea) and a steel company (Bethlehem Steel in the United States), respectively

Board Skills Matrix (BSM)

(As of June 2026)

Category	Bo-ryong Lee	Kwang-pyung Kim	Heug-seok Ko	Sung-min Kim	Jung-han Yoo	Geum-joo Jahng	Ji-soon Park	Seung-ah Cho	Young-kook Lee	Yoon-nam Cho	Ratio
Leadership	●	●	●	●	●	●	●	●	●	●	100%
CEO experience	●									●	20%
CFO experience		●									10%
Finance / Accounting		●				●				●	30%
Business management/ Economics	●	●	●	●				●		●	60%
Production / R&D	●		●		●				●		40%
Law / Regulation							●				10%
Year of first appointment	2025	2024	2026	2026	2021	2021	2022	2024	2025	2026	
Age	60	57	57	53	56	54	58	58	62	57	
Gender	Male	Male	Male	Male	Male	Female	Male	Female	Male	Male	

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4.2.2 Considerations for Appointment and Composition of Board of Directors

4.2.2.1 Expertise of BOD

Independent Director Training

Hyundai Steel provides regular training to support the enhancement of members' expertise. We 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 conduct training annually using external experts and internal instructors.

- Visiting domestic and overseas business sites to improve understanding of the company (domestic and international operations) and the steel industry
- Providing external expert training on law and regulation trends (including the details and implications of the 1st and 2nd amendments to the Commercial Act in 2025, and ESG policy and regulatory trends)
- Conducting external expert training for Audit Committee members on the new evaluation and reporting standards for the Internal Accounting Control System and its application cases

○ 2025 Training Status of Independent Directors

Training Date	Training Entity	Attending Independent Directors	Main Training Content
April 20, 2025	Hyundai Steel	One new independent director	• Provision of video content on basic company knowledge - Company history, business locations status - Understanding of the steel industry and future outlook, etc.
April 29, 2025	Hyundai Steel	One new independent director	• Visit to Dangjin Integrated Steelworks - Enhancing Board expertise by improving company understanding
May 30, 2025	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 - Explanation of key matters for year-end audit preparation - Inspection of current issues related to listed companies and seeking corporate response strategies
July 24, 2025	Hyundai Steel	All five directors	• ESG policy and regulatory trends
August 18, 2025	Hyundai Steel	All five directors	• Visit to overseas business sites - Enhancing understanding of overseas business and checking local steel market conditions
October 28, 2025	Shin & Kim LLC	All five directors	• Amendments to the Commercial Act, its contents and implications

4.2.2.2 Diversity of Board of Directors

Based on the standards specified in the "Guideline upon Independence and Diversity of Independent Directors" and the "Charter of Corporate Governance," Hyundai Steel is dedicated to ensuring that the Board of Directors consists of directors from diverse backgrounds and experiences, considering shareholders, customers, and all stakeholders. The current average tenure of our directors is approximately 2.3 years.

- Guideline upon Independence and Diversity of Independent Directors: Specifying the expertise required of independent director candidates and outlining 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: Stipulating that directors shall be persons from diverse backgrounds who have sufficient professional knowledge and/or practical experience in related fields, such as finance, economics, management, law, and accounting, and can make substantial contributions to corporate management
- Article 2-4 (Election of Directors and Recommendation of Candidates) of the Charter of Corporate Governance: Stating that candidates shall not be discriminated against 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, and that we shall strive to promote diversity on our Board by considering various stakeholders, including shareholders

Background of Board Appointment

(As of June 2026)

Category	Name	Evaluation of Expertise and Diversity	Reappointment	Number of Reappointments	Tenure (years)	Concurrent Position Status
Executive director	Bo-ryong Lee	To ensure reliable management of overall business activities, such as enhancing company-wide competitiveness and securing sustainable growth engines as CEO and the President of the Company	×	-	1.3 years	-
	Kwang-pyung Kim	As the head of the Planning & Financial Management Division, to ensure reliable management of overall business activities	×	-	2.3 years	○
	Heung-seok Ko	As the head of the SHE Division, to ensure reliable management of overall business activities including safety management and risk management	×	-	0.3 years	-
	Sung-min Kim	As the head of the Sales Division, to ensure reliable execution of stable sales strategies amidst market volatility	×	-	0.3 years	-
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	○	1	5.3 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	○	1	5.3 years	○
	Ji-soon Park	As an expert in labor laws, to ensure reliable management of overall business activities necessary for building a sound labor-management relationship	○	1	4.3 years	○
	Seung-ah Cho	As an expert in global management strategy, to ensure reliable management of overall business activities necessary for establishing management strategies	×	-	2.3 years	-
	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	×	-	1.3 years	-
	Yoon-nam Cho	As an expert in finance/investment and ESG, to ensure reliable management of overall business activities necessary for securing future growth engines and managing ESG risks	×	-	0.3 years	-

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4.2.2 Considerations for Appointment and Composition of Board of Directors

4.2.2.3 Independence of the Board of Directors

The Hyundai Steel Independent Director Candidate Nomination 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 a fair nomination process.
In addition, we clearly stipulate the importance of director independence in our "Charter of Corporate Governance".

- Guideline upon Independence of Independent Directors: Outlining the Committee's responsibilities to comprehensively consider any significant relationship between an independent director and the Company, including the domestic and international environment and all circumstances around the candidate and the Company
- Article 2-2 (1) (Composition and Operation of the Board of Directors) of the Charter of Corporate Governance: Stating 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) of the Charter of Corporate Governance: Regulating 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 the Company and be able to make decisions independently from the management and the controlling shareholders
- Verifying the legal qualifications and in-house independence requirements, explicitly stating this information in the notice of the general meeting of shareholders, and submitting a "Certificate of Independent Director Qualifications" to the Korea Exchange to confirm the validation of the independence from the Company and the legal qualifications of independent directors

Introduction of Lead Independent Director System and Establishment of Independent Directors' Council

- Introducing the Lead Independent director system in October 2025 to reinforce the independence and accountability of the independent directors' role within the Board of Directors
  - Representing independent directors as the Lead Independent director, and performing roles to facilitate smooth communication among shareholders, the Board, and management, including convening and presiding over independent director meetings, collecting independent directors' opinions, and delivering them to the Board and management
  - Appointing director Jung-han Yoo as the Company's inaugural Lead Independent director

- Establishing the "Independent Directors' Council," a meeting body attended exclusively by independent directors, to ensure the effectiveness of the Lead Independent Director system
  - Holding meetings of the Independent Directors' Council three days prior to Board meetings, and performing the function of delivering review opinions to the Board after conducting preliminary reviews on Board agenda items and stakeholder interests
  - Disclosing the operational records of the Independent Directors' Council through the Annual Report

Independence Requirements of Board of Directors

Independence Requirements of Board of Directors	Jung-han Yoo	Geum-joo Jahng	Ji-soon Park	Seung-ah Cho	Young-kook Lee	Yoon-nam Cho
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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4.2.3 Operation of the Board of Directors

Hyundai Steel has systematically established Board of Directors operational procedures, and the Board performs major management decision-making and supervisory functions through regular and extraordinary Board meetings.

Board of Directors Operation Procedures and Methods

- Notifying each director of the meeting time, location, and agenda items at least seven days in advance in writing, verbally, or via electronic documents by the Chair, after listening to the proposals and reasons from the directors
- Allowing directors to participate virtually (such as via video conferencing) and requesting the attendance of employees and external personnel to verify opinions for agenda deliberation
- Dividing operations into regular Board meetings (once a quarter) and extraordinary Board meetings (when necessary) in accordance with the Articles of Association

Board of Directors Operational Performance and Key Activities

- In 2025, holding a total of nine Board meetings (four regular and five extraordinary meetings) and deliberating on 41 agenda items (including business plans and budgets, corporate bond issuance, and approval of management performance)
  - Reviewing both financial and non-financial business performance through reports on the operational status of the Internal Accounting Control System, the Fair Trade Compliance Program, and the activities of the Compliance Officer
- Recording a 99% attendance rate for both executive and independent directors at the Board of Directors in 2025, and disclosing individual attendance and voting results (pros and cons) on agenda items in the Annual Report

Main Agenda Items of the General Meeting of Shareholders (March 2026 Regular General Meeting)

Number	Item	Details
Agenda Item 1	Approval of the 61st financial statements (FY 2025)	※ Profit distribution (planned): Dividend KRW 500 per share
Agenda Item 2	Amendment of the Articles of Association	• Item 2-1: Amendment following revisions to the Commercial Act • Item 2-2: Amendment regarding the exclusion of cumulative voting system • Item 2-3: Addition of business purposes • Item 2-4: Abolition of the closing procedure of the register of shareholders
Agenda Item 3	Election of directors	• Item 3-1: Election of Heung-seok Ko as executive director • Item 3-2: Election of Sung-min Kim as executive director
Agenda Item 4	Election of Independent Director to Serve as an Audit Committee Member	• Independent director candidate: Yoon-nam Cho
Agenda Item 5	Approval of the limit of remuneration for directors	• KRW 5 billion

Adoption Status of Model Standard Recommendations (Feedback of the third-party institution on the Board of Directors evaluation)

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

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4.2 Corporate Governance

4.2.4 Board of Directors Assessment and Remuneration

Board of Directors Assessment

Hyundai Steel operates the Board of Directors assessment system from December 2022 to enhance management responsibility and operational efficiency of the Board of Directors members.

- Restricting the assessment entity to independent directors to ensure the objectivity of the Board of Directors assessment, conducting anonymous online self-assessments annually (once a year)
- Recording an average score of 4.6 out of 5 in the 2025 assessment results (comprising 30 questions in 4 items)
- Reporting the assessment results and core improvement measures to the Board of Directors convened on January 30, 2026
  - Listing major improvements: operating meetings to expand exchanges among independent directors, and expanding reports and training on key corporate issues
- Undergoing an annual year-end evaluation by a third-party institution covering overall governance including Board activities, and continuously improving the Board of Directors operation by reflecting the assessment opinions and feedback

○ 2025 Assessment Results

(Unit: points)

Item	Details	Result
Role and responsibilities of the Board of Directors	Evaluation of the roles and responsibilities to be performed by the Board of Directors	4.9
Board of Directors composition	Evaluation of the appropriateness and diversity of the Board of Directors composition	4.5
Board of Directors operation	Evaluation of the operational efficiency and procedural appropriateness of the Board of Directors	4.3
Subcommittees within the Board of Directors	Evaluation of the appropriateness of committee composition and operation	4.5
Average Score		4.6/5.0

Board of Directors Remuneration

In accordance with Article 388 of the Commercial Act and the Articles of Association of the 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.

- Obtaining approval for the 2025 director remuneration limit at KRW 5 billion at the regular general meeting of shareholders in March 2025, and actually paying approximately KRW 3.8 billion in 2025
- Excluding the provision for executive retirement payments from the limit because it receives separate approval at the general meeting of shareholders
- Freezing the director remuneration limit for 2026 at KRW 5 billion in accordance with the resolution of the 61st regular general meeting of shareholders

Evaluation and Remuneration of CEO and Management

The CEO's compensation varies annually based on performance. Performance evaluations for executives, including the CEO, are conducted on a yearly basis, and all performance-related bonuses are determined in connection with these evaluations.

Category	Main Evaluation Items
Performance Evaluation of CEO and Management	• Tenure, leadership, expertise, contribution to the Company, human resources development, etc. • Financial performance (ROE, ROI, sales, operating income, etc.) • Comparative indicators (e.g., stock price variation vs. steel industry peers, competitiveness evaluation, ESG evaluation ratings) • Executive's performance and contribution • Internal and external business environment

Shareholding Status of Majority Shareholders and Related Parties

(As of December 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: Mong-koo, Chung - 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	Man-gon Lee and 28 others	13,564 shares	
Pension Fund (e.g., operated by government institutions)	National Pension Fund (NPF)	12,331,738 shares	
Total		60,334,930 shares	

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4.2.5 CEO Candidate Management

Hyundai Steel secures stable succession of management and continuity of strategies through the preparation of a CEO succession plan. We annually verify the qualifications required of executives, identify potential successors for each business division, and develop and implement a Succession Plan that includes strategies for their future development and utilization.

- Defining the qualification criteria for potential successors considering the recent business environment and mid-to-long-term strategic plans, and comprehensively evaluating candidates based on their recent performance, experience, capabilities, and leadership through an internal review committee
- Establishing career development plans for these candidates and incorporating them into regular executive appointments
- Supporting their development through internal and external training programs focused on enhancing business insights and leadership skills

Training Status of Major Candidates in 2025

	Category	Purpose	Target	Training Method
Internal Courses	[Interpreneur-HUB] - CVC	Deepening and expanding the perspective of next-generation business leaders by comprehensively studying knowledge from various fields, and strengthening the ability to gain insights into organizations and markets alongside multi-faceted decision-making capabilities	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 candidates	Off-line (5 times)
	HMG Future Insight Forum	Sensing future changes for leaders, and providing opportunities for management-level insights to establish a sense of direction in an era of uncertainty	24 general manager-level and above executives	Off-line (1 time)
External Courses	CEO Training Course	Acquiring professional management knowledge required of leaders and enhancing leadership and external communication capabilities	1 department head candidates	Off-line training at Korean Universities and Institutions

Succession Process

- Appointing the CEO as a Board of Directors responsibility as outlined in Article 30 of the Articles of Association and board regulations

01	The Succession Committee recommends the most qualified candidate among the CEO candidate pool as an Executive director candidate, based on comprehensive considerations of the business status and strategic directions.
02	The Board of Directors verifies whether the candidate is capable of managing the company in a direction that aligns with the company's and shareholders' interests and possesses the capabilities to efficiently execute core values and vision, and finalizes the Executive director candidate.
03	The confirmed Executive director candidate is appointed as an Executive director at the shareholders' meeting according to the shareholders' will, and is subsequently appointed as the CEO through a resolution of the Board of Directors.

- Operating an acting CEO system where the director designated by the CEO acts as an acting CEO when the CEO cannot perform their duties due to personal reasons, and in the absence of a designation, the responsibilities are assumed in the following order: President-Vice President-Executive Director-Managing Director
- Appointing the former CEO as an advisor in accordance with advisor management regulations to ensure a smooth subsequent succession proces

4.2.6 Protection of Shareholder Rights and Interests and IR Activities

4.2.6.1 Reinforcing Protection of Shareholder Rights and Interests

Hyundai Steel is committed to establishing a transparent and shareholder-friendly corporate governance structure and is actively pursuing various activities to reinforce the protection of shareholder rights and interests.

- Disclosing the agenda four weeks before the general meeting, which is well ahead of the legally stipulated duration (two weeks before the general meeting), ensuring shareholders have ample time for review
- Holding meetings with major institutional investors before the general meeting to thoroughly explain our agenda and actively collect the opinions of shareholders
- Implementing an electronic voting system to enhance the convenience of voting rights execution and general meeting participation for minority shareholders
- Operating a "conversation with shareholders" session at the 2026 annual regular general meeting where executive directors directly answer various questions from shareholders
- Actively reviewing measures to improve mid-to-long-term shareholder returns, such as dividends

4.2.6.2 IR (Investor Relations) Activities

Hyundai Steel transparently communicates its key management performance and current status to strengthen trust with investors and stakeholders, including analysts, institutional investors, credit rating agencies, and the media.

Time	Detail
Quarterly	• Conducting quarterly, semi-annual, and annual conference calls where executives, including the Chief Financial Officer (CFO), explain the company's performance and key management issues, and engage in related Q&As • Conducting quarterly non-deal roadshows (NDRs) for major institutional investors and shareholders to broaden our engagement with domestic and international investors
On-going	• Holding analyst visits and conference calls for investors who are unable to visit us in person • Participating in major investment conferences and proactively responding to investor inquiries through the consultation and inquiry page on our website • Promptly providing information through disclosures and other means in the event of market events

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4.3 Risk Management

Hyundai Steel proactively identifies potential risks in various areas that may impact management activities according to the company-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

4.3.1 Risk Management System

Hyundai Steel has established a risk management system to identify, prevent, and manage potential risks across all management areas, including business, social, environmental, and compliance aspects. The Board of Directors serves as the highest decision-making body for enterprise-wide business strategies established to respond to future risks and opportunities, and holds the roles and responsibilities to oversee and manage future risk factors. An independent audit organization monitors and supervises the risk management process.

- Managing individual risks directly by each business department and function-specific department (First line)
- Performing enterprise risk management and supervision across headquarters and function-specific organizations by the Chief Executive Officer through management meetings, and overseeing company-wide risk management, including managing the status of key risks by division, by the Business Management Group under the Planning & Financial Management Division (Second line)
  - Reporting on an ad-hoc basis to the Board of Directors when major risks occur
  - Reporting regularly to the Transparent Management Committee regarding issues and management status within the ESG and ethical compliance areas
- Monitoring and supervising risks by an independent audit organization (Third line)
  - Audit Committee: Conducting oversight and supervision of executive duty performance
  - Management Improvement Group: Managing and overseeing independent internal audit functions regarding the effectiveness of risk management and compliance processes



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4.3.2 Risk Management Council

Hyundai Steel reviews management issues, including internal and external management environments and key potential risks, through monthly management strategy meetings, and establishes response measures to enhance the competitiveness of the steel business.

Risk Identification and Response System

- Selecting core risks based on priority driven by decision-making methodologies among potential risks derived through objective evaluations, such as materiality assessments including expert group surveys
- Responding to the changing management environment under the responsibility of each headquarter through monitoring division-specific risks, deriving and implementing improvement tasks, and operating regular sector-specific meeting bodies, such as Safety Management Supervision Meetings, Company-wide Environment Energy Meetings, and New Technology Strategy Meetings
- Managing implementation status systematically through the Instruction Management System for CEO directives derived from each meeting body
- Separating and operating the roles between support organizations and on-site organizations to respond more effectively to risks
  - Strategy Planning Sub-Division: Comprehensively collecting, managing, monitoring, and assessing risk factors at the enterprise level
  - On-site organizations: Responding immediately to incidental risks arising during business operations

Linking Risk Management to Performance Evaluation

- Reflecting risk-related factors in employee performance evaluations, with security and ethics-related evaluations specifically exerting a direct impact on promotions
- Accounting for risk management tasks as at least 10% of individual performance evaluations for personnel in charge of risk management departments

Strategy

4.3.3 Key Tasks of Company-wide Risk Mitigation

Category	Target Risk	Impact[1]	Urgency[1]	Significance[2]	Task Name	Detail	Organization in Charge
Planning	Market growth slowdown and profitability deterioration risk	H	H	●	Mid-to long-term business strategy management (establishment)	Implementing company-wide sales and profitability expansion for steel sheets and long products	Business Strategy Planning Group
Planning	Productivity decline and cost competitiveness weakening risk	H	H	●	Structural improvement of long products business	Reducing production capacity and improving cost competitiveness	Business Strategy Planning Group
Sales	Revenue decline risk due to intensifying competition in global markets	H	M	●	Strengthening global sales competitiveness	Developing new customers and establishing offices	Products Marketing Group
Production	Quality degradation and supply instability risk	M	M	●	Stable advancement of blast furnace renovation	Establishing and approving investment plans	Ironmaking Production Group
North America	Business competitiveness decline risk due to lack of responsiveness to North American market	H	H	●	North America electric arc furnace steelworks construction	Localizing production bases and establishing supply chains	North America Steel Business Strategy Planning Group
Carbon Neutrality	Cost increase and market competitiveness decline risk due to tightening carbon regulations	M	M	●	Stabilizing carbon-reduced production systems and expanding product sales	Stabilizing the operation of hybrid processes, expanding product certification and mass production	Production Management Group/Application Engineering Group
Carbon Neutrality	Cost increase risk due to raw material supply instability and price volatility	M	M	●	Implementing optimal operation plans for carbon-reduced raw materials	Expanding steel scrap processing and sorting infrastructure and diversifying direct reduced iron procurement	Steel Scrap Procurement Group
Local Community	Operational risk due to local community conflicts and reputational damage	M	L	●	Communication with local community stakeholders	Implementing social contribution activities by business locations	Business Support Group
R&D	Productivity and competitiveness decline risk due to delayed digital transformation	M	M	●	Developing process-applied DX technologies	Advancing platform operations and developing robotics application technologies	DX R&D Group
Safety	Operational suspension and cost increase risk due to occupational accidents	H	M	●	Strengthening safety execution capabilities	Implementing accident reduction activities and strengthening management	Safety and Health Planning Group

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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4.3.4 Emerging Risks and Responses

Hyundai Steel identifies emerging risks anticipated to have significant impacts on management through potential cause prioritization evaluations, and specifically derives and monitors core key factors utilizing various analytical techniques such as Pareto analysis.

Increased Instability in Global Supply Chains Due to Geopolitical Issues

- Risk Definition and Background
  - Accelerating the fragmentation of the global trading system and the realignment toward "friend-shoring" supply chains as a result of the ongoing U.S.–China trade conflict and prolonged localized conflicts such as the Russia–Ukraine war
  - Emerging as a macroeconomic risk where the fragmentation of supply chains due to geopolitical hegemony competition directly threatens the stability of raw material procurement for Hyundai Steel, given its high reliance on foreign steel raw materials and international logistics-based procurement structures
- Uncertainty and Mid- to Long-Term Impact
  - Presenting extreme uncertainty (High Volatility) regarding predicting the onset, duration, and level of sanctions of geopolitical conflicts, with expectations that the supply chain paradigm shifting from efficiency-centered to security/stability-centered will become entrenched in the long term for over 10 years
  - Forcing structural changes on corporate profit structures and business continuity beyond temporary operational risks due to the tightening of protectionism and the potential physical blockade of major logistics routes
- Impact on Business Model
  - Increasing logistics costs and cost burdens: Directly leading to an increase in overall logistics spending and cost pressures due to securing alternative routes, which raises transportation costs by up to 30 to 50 percent if key logistics routes through conflict zones are blocked, according to a study by the Korea International Trade Association
  - Deteriorating profitability: Presenting a potential financial threat where annual profitability could decline by approximately 5 to 15 percent due to the combined effects of increased raw material price volatility and logistics cost burdens
- Risk Management and Response Measures
  - Optimizing logistics: Seeking solutions to minimize delivery delays and reduce related costs by up to 10 to 20 percent by establishing preemptive alternative routes and operational procedures in preparation for situations requiring route changes, in compliance with the guidebook of the International Maritime Organization (IMO)
  - Diversifying supply chains: Securing the stability and continuity of procurement by establishing diverse regions and sourcing channels to reduce excessive reliance on specific countries or suppliers
  - Analyzing risks and responding to scenarios: Conducting systematic analyses to respond to geopolitical risks and establishing response strategies by preparing various scenarios to address potential logistics route blockades and raw material supply disruptions

Tightening Global Nature-Related Capital Regulations and Biodiversity Loss

- Risk Definition and Background
  - Increasing demands for disclosure of nature-related information following the adoption of the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations and the introduction of global disclosure standards (such as ESRS, European Sustainability Reporting Standards)
  - Combining the risks of high dependence on ecosystem services (such as freshwater and climate regulation) and biodiversity impacts (such as deforestation and habitat fragmentation) arising from Hyundai Steel's business site operations and raw material extraction processes
  - Acting as a macro factor that hinders business continuity due to biodiversity loss being linked to climate change
- Uncertainty and Mid- to Long-Term Impact
  - Possessing measurement uncertainty due to incomplete international standardization regarding the timing of nature-related loss transitioning into financial loss and nature valuation methodologies
  - Leading to irreversible physical risks if ecosystem degradation crosses tipping points, potentially impacting the company's license to operate and asset values in the long term over the next 5 to 10 years
- Impact on Business Model
  - Demanding strategic changes: Requiring fundamental revisions of the business model's environmental strategy, such as restricting business operations within nature-protected areas and mandating biodiversity due diligence across the entire supply chain
- Risk Management and Response Measures
  - Assessing and monitoring: Analyzing biodiversity sensitivity, dependence, and impact near business sites utilizing the LEAP (Locate, Evaluate, Assess, Prepare) methodology, and establishing a continuous monitoring system through tools such as the IBAT (Integrated Biodiversity Assessment Tool)
  - Restoring and conserving: Contributing to achieving "Nature Positive" goals by promoting endangered species habitat conservation projects and marine ecosystem restoration activities (such as forest creation)
  - Managing supply chains: Conducting Biodiversity Policy evaluations for raw material suppliers and strengthening management at the upstream stage, which carries a high risk of nature-related capital loss

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4.3.5 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.

- Selecting core risks among company-wide risks through annual materiality assessments, and discussing response methods under each division's accountable management system
- Monitoring monthly and establishing response plans for key risks significantly impacting business activities and financial performance at management meetings composed of executives including the CEO
- Managing core risks as division KPIs and key tasks to focus capabilities on prevention and mitigation activities, since inadequate responses to key risks may lead to operational constraints or financial losses
- Conducting audits on risk factors and management processes according to internal guidelines
- Ensuring the soundness of the company-wide risk management approach and internal controls through external third-party verification, such as obtaining the ISO 22301 (Business Continuity Management System) certification, an international risk management certification, in 2024
- Reflecting factors related to establishing and operating the risk management system into the KPIs for heads of business departments and general managers
- Operating a phased risk management process consisting of "Pre-identification – Expert Review – Decision-making – Post-management" when pursuing new businesses
  - Pre-identification: Preemptively deriving financial and non-financial factors through multi-faceted analyses including external environments, internal capabilities, and scenario-specific risks based on standardized checklists
  - Expert Review: Conducting independent, precise reviews by specialized departments regarding ESG factors (environmental constraints, safety/health, supply chain, shareholder value) in addition to technical and economic viability
  - Decision-making: Determining the final investment after management deliberations based on the review results of each department and reflecting risk response plans into business plans
  - Post-management: Managing potential issues at all times through regular monitoring after business initiation

4.3.6 Risk Management Training

Hyundai Steel conducts regular risk management training annually for all members of the Audit Committee, covering topics such as "Cases of Financial Incidents and Internal Accounting Control System Countermeasures" and "ESG Policies and Regulatory Trends".

- Conducting "ESG Policies and Regulatory Trends" training targeted at all independent directors (including various potential risks faced by Hyundai Steel and response measures based on domestic and international policies and regulations)
- Providing risk-related education to employees at all times via the online education platform e-Campus
- Holding annual ethical management training to establish a risk management culture throughout the organization

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4.4 Supply Chain Management

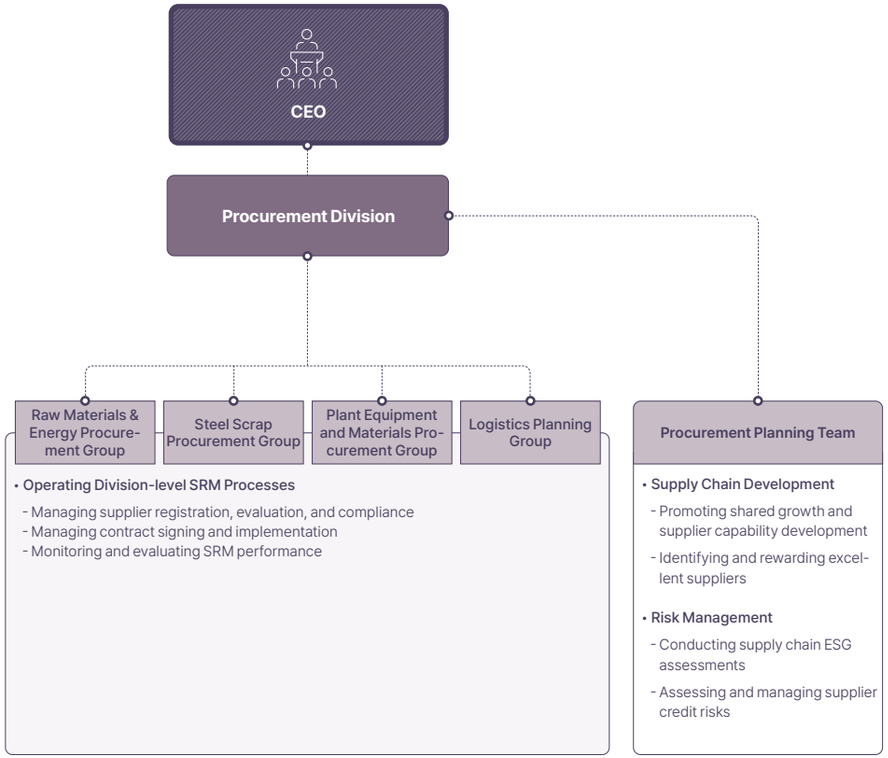
Hyundai Steel has established a Supply Chain ESG Management Policy to strengthen the sustainability of the supply chain and identifies potential risks through annual ESG assessments. In 2025, ESG due diligence was conducted for 480 suppliers, supporting the development and implementation of risk improvement plans for high-risk suppliers. Through various win-win programs and shared growth support activities, we help enhance suppliers' competitiveness.

Governance

4.4.1 Supply Chain Management Governance Framework

Hyundai Steel has systematized the operation of sourcing groups by classifying procurement items and supplier relationship types within the Procurement Division, ensuring competitive raw material sourcing and strengthening supply chain management.

- Operating division-level Supplier Relationship Management (SRM) processes to professionally manage suppliers
- Performing shared growth support and risk management tasks considering supplier characteristics by the Procurement Planning Team, which is responsible for supply chain management



Strategy

4.4.2 Supply Chain Management Strategy

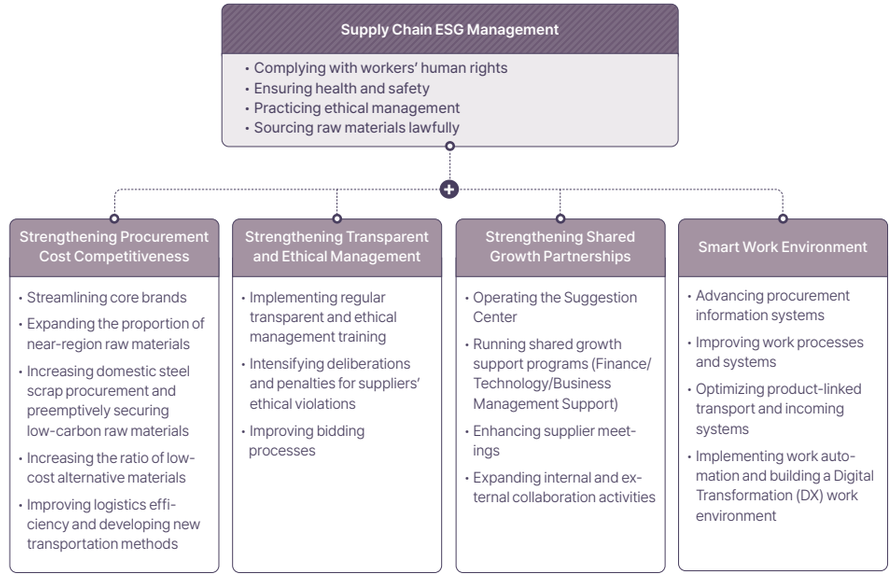
Hyundai Steel has established Supply Chain ESG Management Policy and Conflict Minerals (Responsible Minerals) Policy to create a sustainable steel ecosystem, and is strengthening transparent and ethical management of suppliers based on an integrated supply chain management system.

- Systematizing fundamental principles for suppliers to adhere to through the enactment and amendment of the Supplier Code of Conduct
- Applying the requirement to adhere to the Supplier Code of Conduct partially to current procurement contracts, with plans to expand its application to all procurement contracts within 2026 following internal reviews
- Promoting the strengthening of suppliers' ethical management based on the integrated supply chain management system to form healthy partnerships with suppliers
- Conducting annual supply chain ESG due diligence and risk improvement support activities to identify potential risks and promote improvement activities among suppliers

Conflict Minerals (Responsible Minerals) Policy ›

Supply Chain ESG Management Policy ›

Integrated Supply Chain Management System



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4.4.2 Supply Chain Management Strategy

Building a Sustainable Supply Chain

- Conducting annual supply chain ESG assessments and due diligence on suppliers, and utilizing evaluation results as reference materials to enhance suppliers' ESG management levels and mitigate risks
- Managing trading relationships by comprehensively reviewing the implementation level of key ESG requirements and whether potential risks identified through supply chain ESG assessments have been resolved
- Providing training on supply chain ESG management to internal stakeholders such as purchasing organizations and supplier employees to expand awareness of sustainable supply chains
- Operating various support programs to improve suppliers' ESG management levels and support risk mitigation
- Reporting major supply chain ESG issues to the Board of Directors through ESG Governance when they occur

Building a Sustainable Supply Chain

ESG Assessment	Advancing Procurement Policies	Improving ESG Performance
• Conducting regular assessments of trading suppliers • Performing on-site due diligence for high-risk suppliers	• Aligning procurement policies with ESG risk levels and differentiating business relationships • Excluding suppliers from transactions if they fail to meet ESG requirements and levels • Supporting shared growth to advance ESG capabilities	• Enhancing human rights and labor standards • Improving environmental performance • Strengthening ethics and governance capabilities • Providing internal training for procurement personnel

4.4.3 Suppliers Code of Conduct

Hyundai Steel outlines the fundamental expectations for suppliers providing products and services to the company through the Supplier Code of Conduct, requiring them to create a safe workplace, respect workers' human rights, and fulfill their environmental and ethical responsibilities.

- Requiring all suppliers to adhere to laws and regulations applicable to their business activities and to maintain sound operating practices across all fields, including ethics, environment, labor and human rights, and safety and health management systems

Supplier Code of Conduct ›

4.4.4 Supply Chain ESG Due Diligence Implementation

Hyundai Steel conducts annual supply chain ESG due diligence to identify and assess ESG risks. To strengthen risk management, the Company continuously incorporates the latest global standards and stakeholder requirements into its due diligence framework.

2025 Supply Chain ESG Due Diligence

- Comprising 10 areas and 88 evaluation indicators
  - Including areas such as labor and human rights, supply chain, ethics and governance, safety and health, and environment
  - Reflecting major global ESG standards and regulatory requirements, such as RBA (Responsible Business Alliance), DfS (Drive Sustainability Initiative), EU CSDDD (Corporate Sustainability Due Diligence Directive), OECD MNE (Multinational Enterprise) Guidelines, ILO (International Labour Organization) Fundamental Conventions, ISO 26000, UNGPs (United Nations Guiding Principles on Business and Human Rights), and TCFD (Task Force on Climate-related Financial Disclosures)
- Conducting the Hyundai Motor Group integrated due diligence through the K-Mobility Bridge Foundation (formerly the Foundation for Automotive Parts Industry Promotion) for a joint response to strengthening global regulations in 2025
- Completing risk assessments and corrective action plans for 100% of high-risk suppliers
  - Identifying key improvement areas: establishing key policies and procedures, and performing human rights and environmental impact assessments and management activities (monitoring and verifying suppliers' corrective action plans and implementation results for identified negative impacts, such as greenhouse gas emissions reduction, energy reduction, and enhanced hazardous substance management)

Category	No. of Suppliers	Remarks
Supply Chain ESG Due Diligence (Desk assessments and on-site due diligence)		
Number of suppliers undergoing due diligence	480	
Significant suppliers[1]	96	• 50% of significant suppliers (191 companies) as of 2025
Non-significant suppliers	384	
Number of suppliers classified as high-risk groups	50	• Classified the bottom 10% of suppliers by industry as high-risk groups • Conducted on-site and remote due diligence
Significant suppliers[1]	10	
Non-significant suppliers	40	
Supplier's corrective action and capacity building		
Suppliers that established and fully implemented corrective action plans	50	• Completed risk assessments and corrective action plans for 100% of high-risk suppliers
Suppliers supported in corrective action plan implementation	50	
High-risk suppliers suspended due to failure to meet ESG requirements	0	• Suspended transactions with 2 companies in 2023

1) Significant suppliers are selected by comprehensively evaluating transaction size, item materiality, and substitutability, including suppliers of major raw materials such as iron ore and steel scrap, as well as equipment and logistics suppliers, and subsidiary goods suppliers.

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4.4.5 Support for Strengthening Suppliers' ESG Capabilities

Hyundai Steel selects management targets focusing on suppliers with high risk levels through supply chain ESG due diligence to systematically enhance suppliers' ESG management levels, and deeply inspects vulnerability factors in each ESG area through on-site due diligence.

- Establishing and implementing customized corrective action plans for each supplier through collaboration with a third-party specialized institution based on inspection results
- Supporting the capacity building of high-risk suppliers' ESG capabilities by effectively concentrating management resources

4.4.6 Shared Growth Support

Hyundai Steel operates various programs centered on three core values under the shared growth vision to promote the reinforcement of supplier competitiveness and publicly demonstrate its commitment to shared growth both internally and externally.



Core Value	Category	Description	
Fair Trade Compliance	Ethical management, procurement policy	• Compliance with the Four Key Practices of Fair Trade • Establishment of Transparent Procurement Processes	• Operation of the Fair Trade Compliance Program
Strengthened Foundation of Partnership	Financial support	• Shared Growth Fund • Shared Payment System	• Steel ESG Shared Growth Fund • Early Payment for Goods
	Technical Support	• Performance Sharing System • Non-exclusive License • Technology & Product Development Cooperation	• Suggestion Platform • Technology Data Escrow System
	Business Management Support	• Shared Growth Investment Resource Projects (Environment/Energy Improvement Consulting, etc.) • Agricultural and Fishing Villages Collaborative Cooperation Fund	• Market Expansion Support through Procurement Meetings • Operation of the Foundation for Industrial Safety Partnership • Suppliers Personnel Recruitment Support
Communication with Suppliers	Communication Channel Operation	• E-Procurement System • Procurement Cooperation Council and Subcommittees • On-site Visit Meetings	• Procurement Information Sharing Portal • Suppliers Grievance Feedback Activities

4.4.6 Shared Growth Support

4.4.6.1 Fair Trade Compliance

Hyundai Steel complies with the "Four Key Practices" stipulated by the Fair Trade Commission to realize 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.

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4.4.6 Shared Growth Support

4.4.6.2 Strengthened Foundation of Partnership

Organizing the Steel ESG Shared Growth Fund

- Signing a business agreement to establish a fund worth KRW 200 billion in collaboration with the Korea Iron & Steel Association, POSCO, and IBK Industrial Bank to improve the Steel ESG management level
- Supporting middle-market enterprises and SMEs suffering from business difficulties to borrow at lower interest rates
- Targeting suppliers that hold ESG-related certifications or those that need funds to improve their ESG management environment

Operating the Shared Growth Fund

- Establishing and operating a Shared Growth Fund totaling KRW 80 billion in cooperation with financial institutions
- Supporting loan interest payments for small and medium-sized partner companies we transact with
- Supporting stable business management of suppliers by reducing financial costs and smoothing the procurement of operating funds

Supporting Suppliers' Energy Management Projects

- Supporting the establishment of energy-saving equipment systems (such as solar power generation facilities and air compressors) to mitigate environmental risks for suppliers
- Providing comprehensive specialized consulting, including energy consumption pattern analysis, derivation of reduction solutions, and training for relevant personnel
- Providing approximately KRW 240 million to four suppliers in 2025, creating an annual energy cost saving effect of about KRW 65 million
- Supporting the installation of energy-saving equipment and systems worth KRW 3.0 billion at a total of 68 suppliers from the start of the project in 2014 to the present
- Enabling suppliers to save approximately KRW 750 million annually in electricity costs through energy-saving equipment and systems

Implementing the Soil Scrap and Incineration Waste Disposal Support System

- Introducing the "soil scrap and incineration waste disposal support system"
- Contributing to strengthening supply chain competitiveness by providing free disposal of soil scrap generated at steel scrap suppliers' yards since 2012
- Expecting positive effects such as improving steel scrap incoming quality and reducing fugitive dust generated during the distribution process, thereby mitigating environmental risks
- Paying disposal costs for approximately 50,000 tonnes of soil scrap annually and supporting soil scrap disposal at 142 yards in 2025

Supporting Suppliers' Talent Acquisition and Employment Matching

- Operating an employment matching support program for suppliers in cooperation with IBK Industrial Bank to ease the burden of labor supply and demand for suppliers and build a sustainable employment foundation
- Systematically supporting the entire process from registering suppliers' job openings to matching job seekers based on a dedicated online recruiting platform for suppliers to enhance the recruitment accessibility and efficiency of small and medium-sized partner companies
- Matching new talent recruitment to 24 suppliers through a total of 67 job openings in 2025, thereby supporting the hiring of a total of 332 personnel

Foundation for Industrial Safety Partnership

- In 2022, Hyundai Steel established the non-profit public benefit subsidiaries Foundation for Industrial Safety Partnership together with Hyundai Motor Group affiliates to support suppliers in generating a safe workplace environment and establishing systematic safety management
- Promoting safety management system inspections, safety gear support, training, AI-based safety technology development, and scholarship projects for bereaved families to contribute to improving suppliers' safety and health capabilities

Project	Description
Safety Management System Inspection and Technical Support	• Support the establishment and fulfillment of Health & Safety management systems • Provide safety inspections and improvement plans to prevent serious accidents • Offer consulting to improve safety management levels
Education and Training Support	• Provide specialized education to cultivate professionals and enhance qualifications • Conduct overseas visits to leading companies to advance safety management techniques
Safety Information and Material Support	• Distribute industry-specific accident case studies, safety regulations, and promotional posters • Host seminars and forums to share best practices in safety management
Smart Safety Management and AI Integration	• Support small and medium enterprises (SMEs) in adopting advanced smart safety technologies • Invest in the research and development of innovative safety technologies
Awards for Outstanding SMEs and Contributors	• Recognize and reward outstanding SMEs and individual contributors through safety-related contests and award programs
Mutual Growth Fund Creation for Safety Management	• Subsidize credit insurance premiums for SMEs securing loans dedicated to safety improvement investments
Scholarships for Bereaved Families of Fatal Accident Victims	• Provide educational scholarships to support the bereaved families of workers who died in serious industrial accidents at SMEs
Other Projects Aligned with Corporate Objectives	• Execute other related initiatives to improve overall safety levels across various industries

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4.4.6 Shared Growth Support

4.4.6.3 Communication with Suppliers

Hyundai Steel builds a collaborative business model based on various online and offline communication channels.

Operating Meetings and Cooperation Councils (Offline)

- Conducting direct face-to-face communication with suppliers annually through the Procurement cooperation council, subcommittees, and on-site visit meetings
  - Operating a total of 17 consultative bodies for 100 suppliers in 2025, and discussing policy revisions and item operation plans through the procurement improvement consultative body
  - Strengthening feedback management to achieve goals, deriving key tasks considering the characteristics of each subcommittee, and setting practical targets

Operating the Procurement Information Sharing Portal (Online)

- Newly launching the procurement information sharing portal in 2023 to guide suppliers on purchasing policies and procurement processes
  - Categorizing four frequently used areas (Key Basic Information, Procurement System, Suggestion Center, Supply Chain ESG Policy) for suppliers' convenience, and additionally guiding compliance requirements such as procurement ethics management
  - Linking with system access functions for transactions to enhance usability, and supporting tasks required by suppliers such as credit evaluation, tax invoice issuance, and official certificate issuance

Receiving and Responding to Suppliers' Grievances

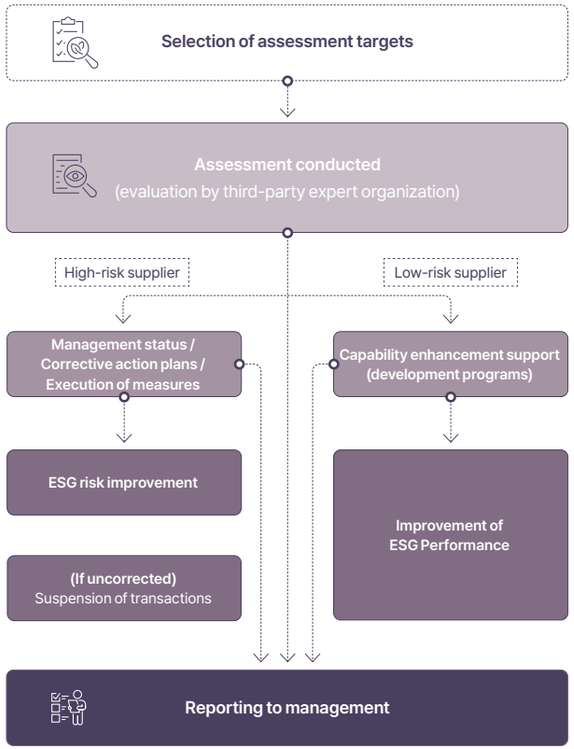
- Receiving grievances at all times through internal and external bulletin boards on the company website and the procurement information sharing portal to secure accessibility and transparency regarding suppliers' grievances
- Responding to received grievances through review and adjustment procedures by relevant departments
- Receiving a total of 353 grievances and resolving 337 grievances in 2025

Risk Management

4.4.7 Supply Chain ESG Risk Assessment and Monitoring Process

Hyundai Steel reviews supply chain management conditions including labor and human rights, environment, ethics and compliance, and safety and health to identify potential risks.

- Analyzing ESG management status for each supplier and providing customized improvement directions based on due diligence results
- Requiring high-risk suppliers to establish corrective action plans and monitoring improvement results



Metrics and Targets

4.4.8 Current Status and Plans for Supply Chain ESG Management

Hyundai Steel conducts ESG assessment checks, management improvement support, and supply chain due diligence for suppliers to enhance their understanding of suppliers' ESG management.

- Advancing due diligence items and management systems, and strengthening shared growth support activities to build a sustainable supply chain
- Enhancing management effectiveness through separate due diligence on high-risk (regulations, environment, safety, etc.) suppliers identified in risk monitoring

Management Metrics	2025 Performance	2026 Target
Supply Chain ESG Due Diligence	• Introducing the Hyundai Motor Group integrated due diligence (KMBrigde Foundation) - Target: Comprehensive management focused on coverage - Selection Criteria: All suppliers with a transaction amount of USD 1 million or more in the previous year (excluding non-supply chain transactions such as one-time or institutional transactions)	• Advancing the Hyundai Motor Group integrated due diligence (improving and supplementing customized indicators, evaluation items, etc.) - Target: Applying risk-based priority selection criteria - Selection Criteria: Comprehensive selection considering supply chain impact, such as transaction size and item importance based on SRM evaluation
Progress of Supply Chain Risk Identification (Including supply chain due diligence)	• 50 companies (100%)[1]	• All high-risk suppliers
ESG Management Improvement Support	• 16 companies (2.7%)[2]	• Expanding to over 3% compared to total suppliers

1) Conducting on-site due diligence
2) 2025 Management Improvement Support: Steel ESG Win-Win Fund (12 companies), investment resource projects (4 companies)

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4.5 Customer Management

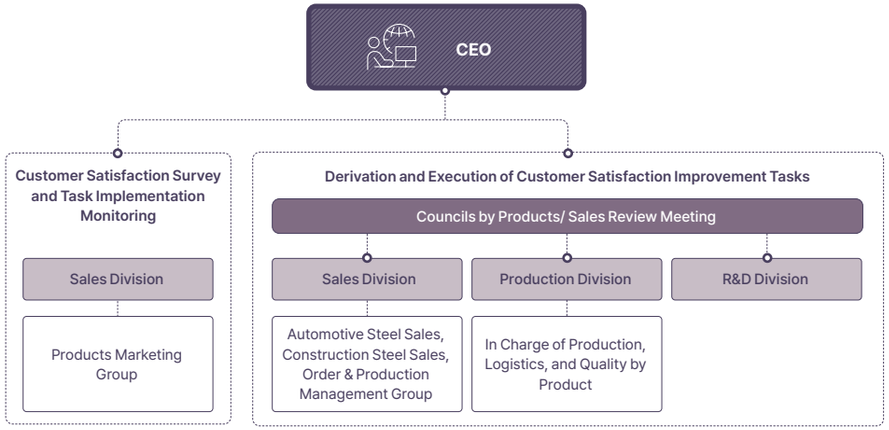
To meet the diversifying needs of our customers, Hyundai Steel is continuously carrying out improvement activities to enhance customer satisfaction based on three customer management directions. Alongside strengthening cooperative relationships with our customers through various customer support activities, we are also dedicated to achieving sustainable growth with our customers by operating regular exchange channels.

Governance

4.5.1 Customer Management System

Under the core value of "Customer First," Hyundai Steel operates a customer management system centered on the Sales Division to provide high-quality products and differentiated services.

- Transitioning from a divisional system to the Sales Division in July 2025, thereby strengthening company-wide customer management functions
- Reviewing the status of customer satisfaction annually, led by the Products Marketing Group within the Sales Division
- Operating the Councils by products and conducting monthly review meetings in collaboration with the production, logistics, quality, and R&D departments to improve customer satisfaction, and reporting to the CEO twice a year



4.5.2 Customer Management Policy

Hyundai Steel pursues customer value innovation based on three strategic 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.



Strategy

4.5.3 Customer Satisfaction Survey Implementation

Hyundai Steel conducts an annual customer satisfaction survey with the aim of minimizing customer attrition by "diagnosing satisfaction levels, analyzing customers' needs, and implementing measures for improvement".

- Conducted a satisfaction survey over approximately 11 weeks (July 2025 to September 2025) targeting domestic customers regarding transactions with Hyundai Steel
- Analyzed responses from 259 participating customers, which showed a satisfaction score of 76.5 points, an increase of 0.6 points compared to the previous evaluation
  - Attributing this increase in evaluation scores to the outcomes of customer support activities, quality improvement efforts, and the operation of a systematic customer management process
- Conducted in-depth interviews with 45 customers to listen to detailed VOC (Voice of Customer) for each customer company
- Derived improvement tasks to enhance customer satisfaction, and operating the Councils by Products to conduct monthly performance monitoring

4.5.4 Customer Support Activities

Hyundai Steel enhances mutual understanding and builds sustained trust relationships with customers through various customer support activities, such as customer meetings and quality exchange meetings.

Customer Engagement and Top Customer Management

- Providing communication opportunities for various customers, including elderly customers, to directly convey their opinions and difficulties to the company by operating visit-based business exchanges and roundtable discussions
- Sharing diverse information and listening to customer feedback through annual events such as customer invitation New Year gatherings, covering company business status and plans, progress on improvement activities responding to customer requests, and technology development status
- Designating dedicated personnel for each customer within detailed organizational units of each business division, with these dedicated individuals communicating directly and continuously through individual phone channels with their respective customers
- Continuing customer-centric support activities, such as celebrating customer companies' anniversaries

Hosting Customer Technology and Quality Exchange Meetings

- Conducting technology and quality exchange meetings, technical training, and pre-technical support for customers on an ongoing basis, while managing customer complaints and preventing issues
  - Identifying customer feedback by product category, such as Steel sheet, mobility parts, and long products, to provide necessary technical education, solution support, and improvement activities related to quality and requests
  - Providing key standard revisions, technology development status, and relevant issue information required by customer companies through newsletters and other media
- Sharing identified complaints and needs with relevant internal departments to reflect them in product development

Customer Technical Support Activities

- Supporting major parts processing customers through remote methods or direct on-site visits to analyze the root causes of forming issues, perform forming simulations, and provide solutions, thereby minimizing the occurrence of defective steel sheets and enhancing customers' parts processing capabilities

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4.5 Customer Management

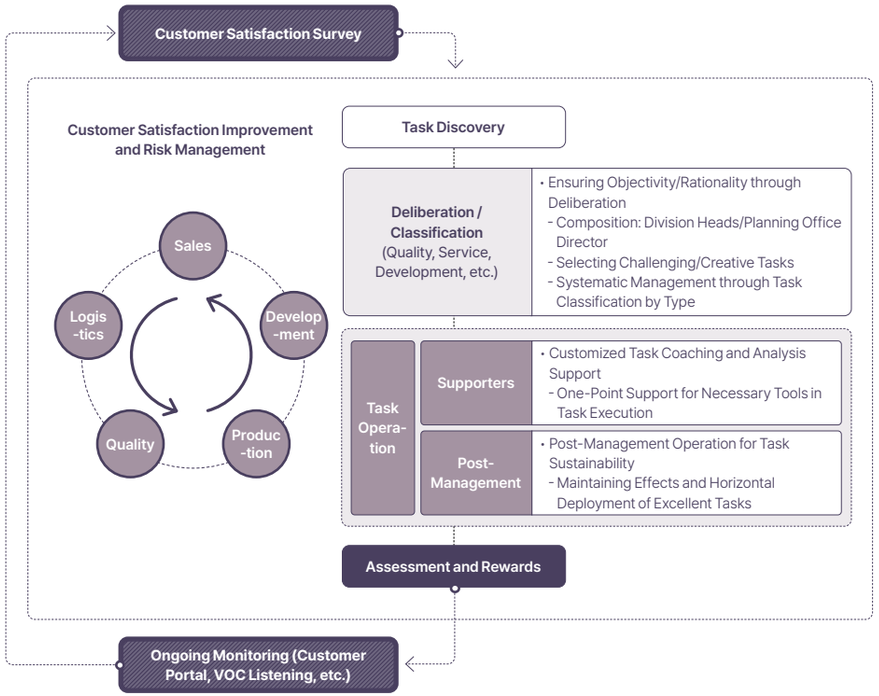
Risk Management

4.5.5 Customer Satisfaction Improvement and Risk Management System

Hyundai Steel continuously monitors customer complaints and demands through the Customer Portal System and interaction activities.

- Collaborating organically among quality, research and development, production, sales/service, and other departments to improve core issues identified through customer satisfaction surveys
- Managing improvement tasks systematically to enhance customer satisfaction through our company-wide performance innovation task management system
- Assigning a person in charge within 24 hours to process customer claims upon receipt, notifying relevant internal departments and customer companies via email, and subsequently conducting follow-up measures such as on-site visits to the customer company

Customer Satisfaction Improvement System



Metrics and Targets

4.5.6 Customer Satisfaction Management Status and Plans

In 2025, Hyundai Steel evaluated customer satisfaction across eight dimensions for a total of eight products, achieving a score of 76.5 points, which is an increase of 0.6 points compared to the previous year's evaluation of 75.9 points. For 2026, we aim to increase the score by 0.5 points compared to the previous year.

Customer Satisfaction Status and Targets

Category	2022	2023[1)]	2024	2025	2026[2)]
Goal (points)	74.0	n/a	71.0	76.0	77.0
Overall Satisfaction (points)	70.3	n/a	75.9	76.5	-

1) Not conducted in 2023 due to a change in the customer satisfaction survey timing
2) The 2026 customer satisfaction survey is scheduled for the second half of this year

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4.6 Tax Strategy

Hyundai Steel complies with the tax laws of each jurisdiction and the Organization for Economic Cooperation and Development (OECD) Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations in international transactions, faithfully fulfilling its tax filing and payment obligations in accordance with domestic and international laws. We continuously manage and monitor our tax governance and reporting system through clearly defined responsibilities and internal regulations, while maintaining a cooperative relationships with tax authorities through transparent disclosure of relevant information.

4.6.1 Tax Policy

Hyundai Steel has established its Tax Policy to faithfully comply with tax laws and regulations, transparently disclosing its major principles and implementation policies to stakeholders through publication on the official website.

Primary Principles and Implementation Policies

- Fulfilling tax filing and payment obligations diligently according to each country's laws and tax treaties
- Refraining from tax avoidance and complying with legitimate taxation principles
- Securing reliability and objectivity through external expert reviews of compliance with BEPS (Base Erosion and Profit Shifting) related regulations and tax-related information disclosures

Tax Policy ›

4.6.2 Tax Risk Management

Hyundai Steel manages its tax risk based on a principle of strict legal compliance. We maintain transparent relations with the tax authorities and faithfully provide supporting documentation and information upon request to clarify facts. We do not have subsidiaries located in tax haven jurisdictions, do not transfer income, and do not hold subsidiaries designed for the purpose of tax evasion. We recognize the risk of double taxation in transfer pricing transactions involving major overseas business sites, which can be caused by competition between tax authorities over taxation rights. To manage this issue and prevent related problems, we strictly abide by the principle of transacting within the "arm's length range".

4.6.3 Tax Reporting

Every year, Hyundai Steel faithfully pays corporate taxes in all countries where it operates, with no instances of unpaid taxes. As of 2025, we operate 20 overseas subsidiaries and 9 overseas branch offices across 14 countries, and disclose tax information on our major subsidiaries through our Annual Report.

Tax Reporting Status of Major Subsidiaries[1)]

(Unit: KRW million, 2025 K-IFRS basis)

Country	Name of Subsidiaries	Primary Activities	Number of Employees[2)] (persons)	Revenue	Profit before tax	Income Tax Payable	Income Tax Expense
Korea	Hyundai Steel Company	Manufacturing	11,698	17,800,126	-104,395	0	-63,479
United States	HSAL, Hyundai Steel America, Inc.	Overseas Steel Service Center	102	977,374	6,258	0	1,866
United States	HSPA Hyundai Steel Pipe America, Inc.[3)]	Steel Product Sales	11	494,906	16,711	0	3,774
China	HSTJ, Hyundai Steel Tianjin Co.,Ltd.	Overseas Steel Service Center	79	138,914	1,047	0	7,123
India	HSCH, Hyundai Steel India Private, Ltd.	Overseas Steel Service Center	83	723,499	11,911	2,264	6,920
Czech	HSCZ, Hyundai Steel Czech s.r.o.	Overseas Steel Service Center	70	446,282	3,170	59	1,579

1) This financial information is based on separate financial statements (before eliminating internal transactions) and includes major production subsidiaries worldwide (accounting for approximately 90.5% of revenue and 151.1% of profit before tax on a consolidated financial statement basis).
2) Hyundai Steel employee figures include executive directors, and overseas subsidiary employee figures include expatriate and locally hired employees.
3) Formerly Hyundai Steel USA, Inc.

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4.7 Information Security

To proactively respond to information security risks, the Audit Committee under the Board of Directors oversees security risks, while the Chief Information Security Officer (CISO) and Chief Information Officer (CIO) establish and implement information security strategies. Based on the information security management system (ISO/IEC 27001), we annually diagnose and improve security levels and policies while strengthening employee security awareness through in-house security training.

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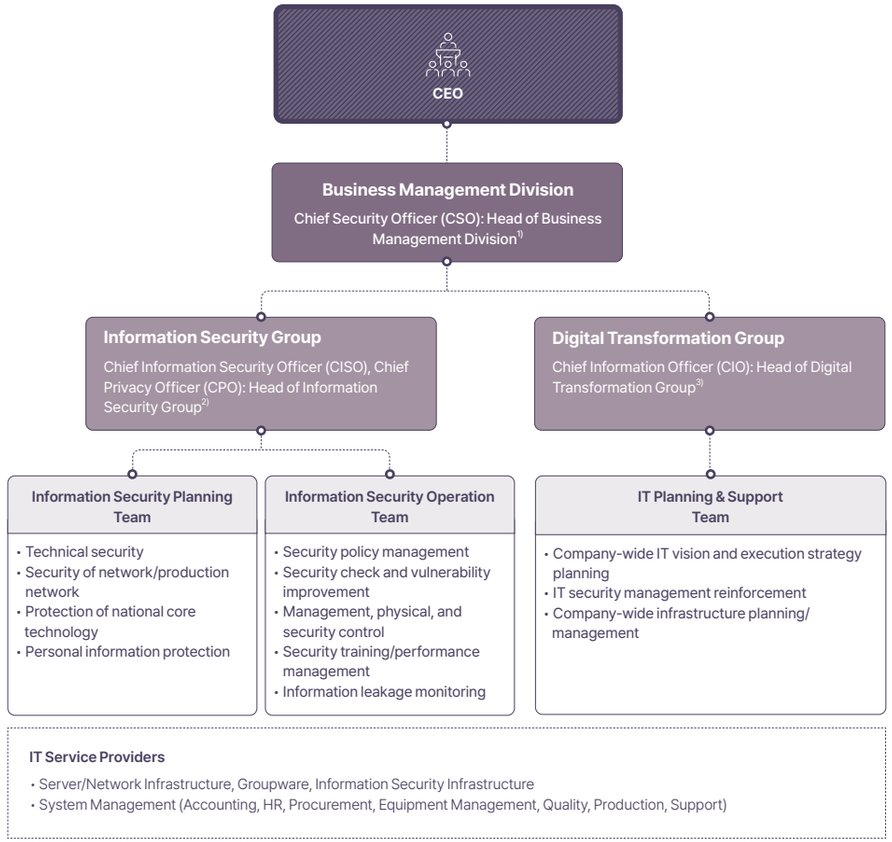
4.7.1 Information Security Policy

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".

- Including the continuous improvement of information security systems, real-time monitoring of security threats, and prompt response measures within the information security policy
- Posting the "Regulations on Security Management" on our in-house standards management system, allowing all employees to recognize rules on entry, everyday security rules, personal information protection, and supplier·cotractor security rules, and apply them to everyday work
- Guiding prompt response methods in the event of an emergency, such as information leakage and hacking attempts, within the "Regulations on Security Management"
- Conducting annual assessments of IT systems and infrastructure through hacking simulations to strengthen information protection capabilities, establishing and improving countermeasures tailored to each type of identified vulnerability, and raising the security level
- Enhancing crisis management capabilities by diagnosing security policies based on the security level assessment conducted annually by the Group and the ISO/IEC 27001 standard certification audit
- Operating a company-wide security KPI (Key Performance Indicator) evaluation, and conducting assessment, notification, and improvement activities for a total of 41 items based on the Regulations on Security Management
- Preparing and distributing company-wide guidelines for recent personal information management and PC malware infection prevention to guide employees to prevent personal information leakage incidents and damage from malware infections
- Distributing AI security guidelines to prohibit the manual entry of company information, including reports and meeting details, and customer information when using generative AI

Information Security Policy ›

4.7.2 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) and 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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4.7.3 Personal Information Protection

Hyundai Steel operates a personal information protection management system to safeguard the personal information of employees and customers.

- Conducting systematic personal information protection activities based on establishing personal information processing rules and designating managers responsible for personal information management, technology, and protection
- Managing 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
- Guaranteeing the rights of personal information subjects by notifying processing status based on the personal information processing policies and providing guidance on viewing personal information and measures in case of breach incidents
- Performing technical activities concurrently, including encrypting unique identification information, access control, and malware prevention
- Preventing misuse and leakage of personal information and ensuring proper destruction management by combining preemptive management through regular inspections with technical controls based on the "Personal Information Detection Solution"

4.7.4 Strengthening the National Core Technology Protection System

In accordance with the ACT ON PREVENTION OF DIVULGENCE AND PROTECTION OF INDUSTRIAL TECHNOLOGY, Hyundai Steel has organized a special protection organization and established a security management system for the national core technologies[1] it owns.

- Defining, identifying, and continuously managing core technologies, and operating 12 specialized security areas
- Operating and checking based on a file centralization system to completely block data leakage of core technologies
- Complying with regulations and compliance related to national core technology protection through field-oriented, practical protection activities
- Performing protection system reinforcement activities, including revising the Regulations on Security Management and rules, collecting security pledges, conducting security education, performing self-inspections, and responding to management status checks of national core technologies

Core Technology Protection System

Management Security	Technical Security	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

4.7.5 Cyber Security

Hyundai Steel has implemented and operates 25 types of security solutions across company-wide key systems and information assets to prevent external intrusions such as hacking, and strictly controls the external leakage of in-house confidential information by establishing response processes from a business continuity perspective.

- Conducting continuous 24/7 monitoring through an integrated security control center to respond to advancing cyberattacks and personal information breach incidents
- Performing continuous detection and analysis of abnormal behaviors, such as various network packets and logs, malware within systems and user PCs, and information leakage
- Collecting and analyzing domestic and international hacking trend information continuously to identify, block, and mitigate potential cyber threats

4.7.5.1 Cyberattack Prevention Training

- Conducting preventive training activities against cyberattacks for all employees to enhance security awareness
  - Conducting quarterly simulated phishing training sessions reflecting recent attack types (phishing websites and attachment of malicious files) as part of a prompt response to cyber emergencies and business continuity planning
- Conducting additional, in-depth training for employees classified as vulnerable to phishing based on the exercise results, thereby securing capabilities to take prompt action in the event of an actual cyberattack through continuous and systematic training
- Strengthening cyberattack response capabilities by extending these exercises to overseas entities since 2023

4.7.5.2 Operation of Reward System on Phishing Reporting

- Introducing a phishing reporting reward system in 2023 to incentivize employee voluntary participation in prevention activities and increase awareness
  - Verifying and analyzing reported phishing emails and attacks and providing feedback on the results to the reporters
  - Providing rewards to employees who contribute to preventing damage from actual external attacks and improving security vulnerabilities to encourage reporting
- Raising employee awareness about phishing attacks, preventing damage to individuals and the company, and enhancing capabilities for early detection and swift first response against external attacks such as phishing and ransomware

4.7.5.3 Cyberattack Reporting and Response

- Maintaining an agile reporting system to minimize security damage from cyberattacks and ensure quick recovery
  - Guiding employees to immediately report any suspected or actual cyberattacks to the security organization and the security control department
  - Blocking the source of the attack immediately upon receiving the case by the security officer
  - Taking prompt damage restoration and follow-up measures, such as backing up the infected person's data and initializing the PC
  - Conducting strict monitoring by the security control staff to prevent further damage from occurring and to prevent it from escalating to a critical stage

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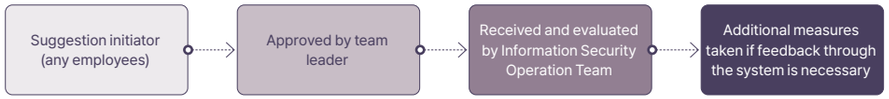
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4.7.6 Suggestion and Reporting System for Security Control

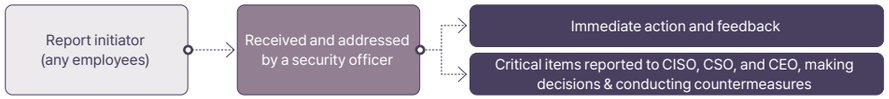
Hyundai Steel operates a security suggestion and reporting system that allows all employees to report and suggest opinions on information protection-related threats and improvement factors.

- Reporting to top management and performing necessary actions and improvements depending on the priority and nature of the suggestion
- Responding quickly to security incidents, threats, etc., through multi-channel communication channels and providing feedback on the results

MY Security System Suggestion



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



4.7.7 Security Awareness Training

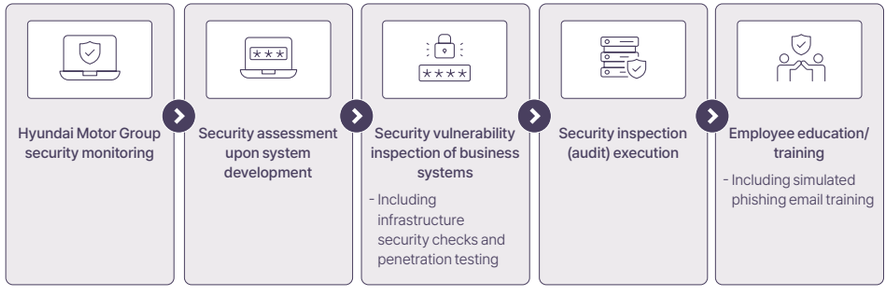
Hyundai Steel conducts annual security training and campaigns to prevent various threats and incidents.

Category	Content
Security Training	• Utilize video content on ransomware prevention and information leakage prevention to enhance training comprehension • Improve content continuously based on training satisfaction survey results • Conducted online training for employees in 2025 on malware infection and trade secret leakage incident cases, and security management guidelines • Conducted training for new security officers, overseas expatriates, company-wide team leaders, executives' aides, and information education for overseas entities and affiliates • Plan to utilize new channels such as SNS and mobile to improve training accessibility and timeliness going forward
Security Briefings	• Hold annual security briefings for employees • Discuss security issue trends and policies, security knowledge, privacy, and trade secret protection
Security Day Campaign	• Check the status of basic life security inspections by department and share important security issues through "Security Day" every month
Security Quiz Event	• Operate a monthly "Security Quiz Event" • Foster all employees' interest and participation in security issues, trends, and regulations

Risk Management

4.7.8 Security Breach Response Process

Security Breach Prevention



Security Breach Response Procedure



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4.7.9 Information Security Certification

ISO/IEC 27001 (Information Security Management System) Certification

- Maintaining the ISO/IEC 27001 certification through post-certification assessments conducted every half year
- Passed the post-certification assessments and maintained the certification in the first and second halves of 2025
- Maintaining the international security standard certification and continuously strengthening the security system through proactive responses such as document and on-site audits

Conducting Regular Information System Security Inspections (Audits)

- Performing regular security inspections based on regulations to proactively address emerging security threats
  - Conducting internal infrastructure inspections, penetration testing, and network scans on operating systems to detect and eliminate vulnerabilities
  - Reviewing the stability of information systems proactively before construction through infrastructure inspections, penetration testing, and source code reviews to securely protect customer data and enterprise assets
  - Improving policies and systems continuously based on the results of security inspections

○ Security Review Process

Requesting Security Review	Applying Security Requirements	Completed Security Review
• Request security review when executing projects such as building new systems	• Infrastructure vulnerability diagnosis • Penetration testing • Source code review • Security checklist • Other security requirements	• Verify vulnerability diagnosis results and actions • Confirm reflection of security requirements

○ Regular Vulnerability Assessment

Performing Asset Identification and Vulnerability Assessment	Remediating Vulnerabilities	Conducting Follow-up Inspections
• Infrastructure vulnerability Assessment and penetration testing • Critical systems: At least once a year • General systems: Once every two years	• Verify and address identified vulnerabilities • Identify and manage items requiring exception handling	• Perform follow-up inspection to verify vulnerability remediation

4.7.10 Information Security Investment and Education Status

Category	Unit	2023	2024	2025
Investment ratio for information security[1]	%	6.7	6.4	6.4
Information security training completion rate[2]	%	99.7	100	100

1) Investment ratio for information security relative to total IT budget
2) Information security training completion rate (attendance rate) for employees

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PROVING PERFORMANCE & TRANSPARENCY

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

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5.1.1 Environmental Targets[1)]

Classification	Unit	2022	2023	2024	2025
Greenhouse gas emissions (Scope 1 & 2)	$ktCO_2e$	29,268	29,162	28,661	27,926
Energy consumption	TJ	168,840	167,200	165,360	160,770
Water withdrawal	million m^3	63.2	62.6	61.9	60.7
By-products generation	kt	10,424	10,491	10,208	9,998
Recycling amount[2]	kt	10,162	10,231	10,175	10,053
Recycling rate	%	97.5	97.5	99.7	100.6

1) Greenhouse gas emissions and energy consumption targets are established for domestic sites (separate) based on compliance with the annual emissions allowance under the Emissions Trading Scheme
2) As the recycled amount includes recycling of waste untreated from the previous year, the 2025 recycling target exceeds the by-products generation target for the year

5.1.2 Greenhouse Gas Emissions Scope 1 & 2[1)2)3)4)5)]

Classification		Unit	2022	2023	2024	2025
Scope 1	Domestic (separate)	$ktCO_2e$	25,907	26,679	26,580	25,959
	Subsidiaries		n/a	177	166	159
	Total		n/a	26,856	26,746	26,118
Scope 2 (location-based)	Domestic (separate)		2,594	2,590	2,238	2,052
	Subsidiaries		n/a	220	240	235
	Total		n/a	2,810	2,478	2,288
Total (Scope 1 + Scope 2)	Domestic (separate)		28,501	29,269	28,818	28,012
	Subsidiaries		n/a	396	406	394
	Total		n/a	29,665	29,224	28,406

1) Includes carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and other greenhouse gases pursuant to Article 2, Subparagraph 5 of the FRAMEWORK ACT ON CARBON NEUTRALITY AND GREEN GROWTH FOR COPING WITH CLIMATE CRISIS
2) Greenhouse gas emissions were calculated in accordance with the Guidance for Reporting and Certifying Emissions from GHG emissions trading scheme, and represent figures approved through the government's conformity assessment by the Ministry of Climate, Energy and Environment
3) Since 2021, the benchmark method, which provides incentives to companies with higher emissions efficiency, has been applied
4) Total annual greenhouse gas emissions may differ from the sum of Scope 1 and Scope 2 emissions, as total emissions are calculated by aggregating emissions rounded down at the site level
5) Subsidiary emissions represent the total emissions of 8 domestic and 15 overseas subsidiaries, excluding HSRU and sub-subsidiaries

5.1.3 Greenhouse Gas Emissions Scope 3[1)2)]

Classification	Unit	2022	2023	2024	2025
Purchased goods and services[3)]	$ktCO_2e$	655.82	764.83	3,310.10	3,321.33
Capital goods[4)]		n/a	2.39	3.61	3.66
Fuel- and energy-related activities not included in Scope 1 or Scope 2[5)]		277.83	279.26	444.52	440.40
Upstream transportation and distribution[6)]		589.41	1,339.78	1,321.86	1,304.10
Waste generated in operations[7)]		31.55	99.65	91.67	65.05
Business travel[8)]		2.60	4.08	4.89	4.62
Employee commuting[9)]		22.93	9.71	8.39	14.79
Upstream leased assets[10)]		n/a	0.82	0.84	0.85
Downstream transportation and distribution[11)]		n/a	14.67	23.71	38.68
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)]		177.59	222.68	241.10	215.60
Downstream leased assets[13)]		n/a	0.14	0.24	0.27
Franchises[14)]		n/a	n/a	n/a	n/a
Investments[15)]		733.64	749.36	472.93	464.33
Total (Scope 3)		2,491.36	3,487.37	5,923.86	5,873.67

1) Disclosed only for items subject to external third-party verification
2) Calculated based on internal calculation standards established with reference to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (GHG Protocol) and the Scope 3 greenhouse gas emissions calculation and reporting guidelines of the National Institute of Environmental Research
3) Purchased Goods and Services: calculated for purchases of major raw and auxiliary materials (e.g., iron ore and coal) and water, using weighted-average database values reflecting import regions
4) Capital Goods: calculated using newly acquired production facilities disclosed in the Annual Report (spend-based method)
5) Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2: calculated for upstream impacts of electricity, LNG, steam, propane, and mobile combustion, using weighted-average database values reflecting import regions
6) Upstream Transportation and Distribution: calculated for the transportation of purchased raw and auxiliary materials and sold products, using a distance-based method and reflecting Category 1 items
7) Waste Generated in Operations: calculated for impacts by external treatment method for waste generated at domestic sites (waste-type-based method). Figures have been restated to reflect omitted 2024 data for Yesan Works
8) Business Travel: calculated for domestic and international business travel by employees at domestic sites using a distance-based method. Figures have been restated due to double counting of 2024 travel data
9) Employee Commuting: calculated by estimating commuting methods for all employees based on a survey of commuting methods among employees at domestic sites (distance-based method)
10) Upstream Leased Assets: calculated using energy consumption statistical data for domestic leased buildings (average-value-based method)
11) Downstream Transportation and Distribution: calculated for unpaid transportation of sold products using a distance-based method. Figures have been restated to reflect omissions caused by formula errors in certain 2024 data
12) End-of-Life Treatment of Sold Products: calculated using waste treatment statistical data for sold products (average-value-based method)
13) Downstream Leased Assets: calculated using energy consumption data for domestic leased buildings (average-value-based method)
14) Franchises: not applicable
15) Investments: calculated for associates, including joint ventures and financial assets, identified in the Annual Report and subject to the Emissions Trading Scheme (emissions-based method)

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5.1.4 Energy Consumption[1)2)]

Classification		Unit	2022	2023	2024	2025
Fuel		TJ	110,226	113,673	112,933	110,177
Electricity			54,118	54,066	46,645	42,730
Steam			132	75	88	115
Total			164,466	167,803	159,662	153,016

1) Energy consumption was calculated in accordance with the Guidance for Reporting and Certifying Emissions from GHG emissions trading scheme, and represents figures approved through the government's conformity assessment by the Ministry of Climate, Energy and Environment
2) Total annual energy consumption may differ from the sum of fuel, electricity, and steam consumption, as total consumption is calculated by aggregating consumption rounded down at the site level

5.1.5 Greenhouse Gas and Energy Intensity[1)2)]

Classification	Unit	2022	2023	2024	2025
Greenhouse gas intensity	tCO_2e/t	1.56	1.54	1.57	1.59
Energy intensity	GJ/t	8.98	8.82	8.72	8.68

1) Intensity: greenhouse gas emissions and energy consumption per unit of product volume (domestic separate basis)
2) Figures for 2022–2024 have been restated due to calculation errors

Crude Steel and Product Volume

Classification		Unit	2022	2023	2024	2025
Crude steel production	Blast furnace/converter	kt	11,828	12,396	12,449	12,224
	Electric arc furnace (EAF)		6,699	6,556	5,645	5,458
	Total crude steel production		18,528	18,952	18,094	17,682
	Blast furnace/converter ratio	%	64	65	69	69
	Electric arc furnace (EAF) ratio		36	35	31	31
Product volume	Total production volume	kt	18,309	19,023	18,314	17,621

5.1.6 Water Use

Classification		Unit	2022	2023	2024	2025
Water withdrawal	Third-party water supply (municipal water)[1)]	1,000 m³	54,143	55,468	52,485	53,073
	Surface water		0	0	0	0
	Groundwater		0	0	0	0
	Produced water		0	0	0	0
	Reclaimed wastewater[2)]		2,739	2,793	2,365	2,766
	Other water (seawater)		0	0	0	0
	Total		56,882	58,261	54,850	55,839
Water consumption[3)]			49,174	50,401	49,051	47,666
Water reuse[4)]			10,584	12,814	12,655	10,294
Wastewater discharge[5)]			21,740	21,426	18,778	20,379

1) Based on government-issued water bills
2) Incheon Works uses reclaimed wastewater for all industrial water
3) For Dangjin Integrated Steelworks, where actual consumption is measured, those values are applied. For other Works, water consumption is calculated as water withdrawal minus discharge, corresponding to net consumption
4) Includes water reused in production processes after treatment at unit plants and water reused after final treatment at wastewater treatment facilities
5) Includes discharge released outside the organization through direct discharge and third parties, such as industrial complex wastewater treatment facilities

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5.1.7 Waste Treatment[1)2)3)]

Classification			Unit	2022	2023	2024	2025
Waste generation	General		kt	9,828	10,029	9,820	10,008
	Hazardous			124	133	106	158
	Construction			n/a	n/a	n/a	87
	Total			9,952	10,162	9,926	10,253
Waste treatment	General	Recycling	kt	9,601	9,954	9,719	9,879
		Landfill		63	69	96	122
		Incineration		6	6	5	7
		Others		158	0	0	0
	Hazardous	Recycling		120	125	100	90
		Landfill		0	3	0	62
		Incineration		4	5	6	5
		Others		0	0	0	0
	Construction	Recycling		n/a	n/a	n/a	87
		Landfill		n/a	n/a	n/a	0.3
		Incineration		n/a	n/a	n/a	0
		Others		n/a	n/a	n/a	0
	Total			9,952	10,162	9,926	10,253
Waste recycled			kt	9,721	10,079	9,819	10,057
Waste recycling rate			%	97.7	99.2	98.9	98.1

1) Based on reports on workplace waste generation and treatment performance
2) Construction waste performance has been added as a separate indicator from 2025
3) Includes on-site internal recycling volumes in addition to reported treatment performance

5.1.8 Air Pollutant Emissions[1)2)]

Classification	Unit	2022	2023	2024	2025
Dust (TSP)	t	285	329	280	292
Nitrogen oxides (NO_x)		8,760	8,646	8,438	8,523
Sulfur oxides (SO_x)		5,507	5,877	5,465	5,749

1) Dust: based on the Tele Monitoring System (TMS)
2) NO_x and SO_x: based on the total emission allowance system under the SPECIAL ACT ON THE IMPROVEMENT OF AIR QUALITY IN AIR CONTROL ZONES

5.1.9 Air Pollutant Intensity[1)2)]

Classification	Unit	2022	2023	2024	2025
Dust (TSP)	kg/t	0.016	0.017	0.015	0.017
Nitrogen oxides (NO_x)		0.478	0.455	0.461	0.484
Sulfur oxides (SO_x)		0.301	0.309	0.298	0.326

1) Intensity: air pollutant emissions per unit of product production
2) Figures for 2022–2024 have been restated due to calculation errors

5.1.10 Water Pollutant Discharge[1)]

Classification	Unit	2022	2023	2024	2025
Suspended solids (SS)	t	36	29	19	20
Total organic carbon (TOC)		80	90	80	95
Biochemical oxygen demand (BOD)		117	118	36	117

1) Based on the water quality Tele Monitoring System (TMS) and self-measurement data

5.1.11 Water Pollutant Intensity[1)2)]

Classification	Unit	2022	2023	2024	2025
Suspended solids (SS)	kg/t	0.002	0.002	0.001	0.001
Total organic carbon (TOC)		0.004	0.005	0.004	0.005
Biochemical oxygen demand (BOD)		0.006	0.006	0.002	0.007

1) Intensity: water pollutant discharge per unit of product production
2) Figures for 2022–2024 have been restated due to calculation errors

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5.1.12 Chemical Substance Emissions[1)]

Classification	Unit	2022	2023	2024	2025
Chemical substance emissions	t	49.9	59.6	50.6	89.4

1) Based on the chemical substance emissions survey

5.1.13 Hazardous Chemical Substance Use[1)]

Classification	Unit	2022	2023	2024	2025
Hazardous chemical substance use	kt	25,006	25,914	26,271	26,115

1) Based on the hazardous chemical substance use survey, excluding sales

5.1.14 Environmental Regulation Violations[1)2)]

Classification	Unit	2022	2023	2024	2025
Number of environmental regulation violations	cases	0	0	0	0
Amount of fines	KRW 100 million	0	0	0	0
Environment-related liabilities		0	0	0	0

1) Environmental regulation violations: based on cases involving payments of KRW 10 million or more per case
2) Environmental regulation violations and fines are applied retroactively upon final confirmation of payment

5.1.15 Eco-friendly (Sustainable Products/Services) Purchasing[1)2)]

Classification	Unit	2022	2023	2024	2025
Contract value of environmentally certified products	KRW million	3,177	3,179	2,281	2,493

1) Eco-friendly (Sustainable Products/Services) products include GR (Good Recycled Product) certified products, Environmental Label-certified products, and low-carbon certified products
2) Figures for 2023-2024 have been restated due to errors in performance aggregation

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

Classification	Unit	2022	2023	2024	2025
Sales of eco-friendly goods and services	KRW million	4,537,419	5,511,008	4,211,585	3,919,184

1) Eco-friendly (Sustainable Products/Services) products include GR-certified products, Environmental Label-certified products, and low-carbon products

5.1.17 Use of Recycled Materials[1)]

Classification	Unit	2022	2023	2024	2025
Use of key raw materials[2)]	kt	33,924	34,718	33,915	33,048
Use of recycled materials[3)]		7,549	6,677	6,118	5,783

1) Figures for 2022–2024 have been restated due to a change in the aggregation basis for recycled materials (steel scrap) used
2) Key raw materials: iron ore, coal, and steel scrap
3) Recycled materials: steel scrap, excluding internally generated scrap

5.1.18 Environmental Investment Recovery

Classification	Unit	2022	2023	2024	2025
Environmental operating expenses[1)]	KRW 100 million	3,752	4,198	4,349	4,509
Environmental investments		937	1,261	903	1,374
Environmental recovery (benefits)[2)]		2,463	2,211	2,362	2,502

1) Environmental operating expenses: expenses incurred for the operation of facilities to prevent environmental pollutant emissions, including electricity, labor, maintenance costs
2) Environmental Recovery (benefits): includes cost savings, revenue generated from the external sale of by-products, and tax benefits

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5.2.1 Employee Demographics

Classification		Unit	2022	2023	2024	2025
Total employees	Total	persons	11,623	11,835	11,806	11,698
Gender	Male	persons	11,185	11,358	11,303	11,121
	Female		438	477	503	577
Job category	General/Research		3,535	3,722	3,707	3,705
	Technical		7,892	7,927	7,912	7,754
	Others		196	186	187	239
Employment type	Executives		66	69	59	66
	Male		66	69	59	66
	Female		0	0	0	0
	Permanent employees		11,172	11,375	11,305	11,004
	Male		10,866	11,025	10,926	10,614
	Female		306	350	379	390
	Contract employees		385	391	442	628
	Male		253	264	318	441
	Female		132	127	124	187
	Non-regular employees		0	0	0	0
	Male		0	0	0	0
	Female		0	0	0	0
Age group[1]	Under 30		1,201	1,320	1,243	1,125
	30 to under 50		7,661	7,737	7,773	7,766
	50 and over		2,761	2,778	2,790	2,807
Diversity	Employees with disabilities[2]	persons	205	197	187	190
	Employment rate of persons with disabilities[3]	%	1.9	1.8	1.7	1.9
	Foreign employees[4]	persons	8	8	6	6
	Employees of national merit		383	376	368	367
Non-employee workers	Total	persons	10,098	9,408	8,305	7,992
	Male		8,949	8,321	7,340	7,131
	Female		1,149	1,087	965	861

Classification		Unit	2022	2023	2024	2025
Newly hired employees	Total	persons	754	731	616	425
Gender	Male		640	606	510	275
	Female		114	125	106	150
Age group	Under 30		563	540	352	304
	30 to under 50		132	127	136	63
	50 and over		59	64	128	58
Internal recruitment rate		%	58.5	57.4	67.5	72.7
Turnover rate		%	5.5	5.0	4.8	5.6
Voluntary turnover rate[5]			2.1	1.1	1.3	2.0

1), 5) Figures for 2022–2024 have been restated due to data calculation errors
2) Employees with disabilities are defined in accordance with the ACT ON WELFARE OF PERSONS WITH DISABILITIES and the ACT ON THE HONORABLE TREATMENT OF AND SUPPORT FOR PERSONS OF DISTINGUISHED SERVICES TO THE STATE. Based on domestic employees, the figures for 2022–2024 were changed from the number of recognized employees with disabilities to the actual number of employees with disabilities registered with the Korea Employment Agency for Persons with Disabilities (figures differ from those disclosed in the previous report). From 2025, indirect employment through a subsidiary-type standard workplace for persons with disabilities is included
3) Based on domestic employees, the figures for 2022–2024 were changed to the disability employment rate reported to the Korea Employment Agency for Persons with Disabilities (figures differ from those disclosed in the previous report). From 2025, indirect employment through a subsidiary-type standard workplace for persons with disabilities is included
4) New hires of foreign employees by year
2022: Japan (female, 1 / male, 1), Kenya (female, 1)
2023: Côte d'Ivoire (female, 1)
2024: Not applicable
2025: Japan (female, 2), U.S. (male, 2)

Female Management by Job Level[1]

Classification	Unit	Management[1]	Junior Management[2]	Top Management[3]	Sales Department[4]	STEM Department[5]
2025 Performance	%	10.8	25.4	22.2	18.5	15.9
2026 Target		11.3	26.7	22.2	19.4	16.7

1) Permanent general/research employees
2) Permanent general/research employees at G2/R2 or below
3) Registered directors based on the 2025 Annual Report
4) General/research employees in sales functions
5) Research positions in science, technology, engineering, and mathematics

Non-Korean Employees by Nationality (Domestic Operations)

Classification	Unit	U.S.	China	Japan
2025 Performance	persons	2	2	2

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5.2.2 Talent Development

Classification			Unit	2022	2023	2024	2025
Total training hours[1]			hours	512,988	530,431	446,890	578,803
Average training hours per employee			hours	44	45	38	49
Total training investment[2]			KRW million	5,939	6,496	4,976	3,963
Gender	Male	Total training hours	hours	486,731	498,900	417,914	546,002
		No. of employees	persons	11,185	11,358	11,303	11,121
		Average training hours	hours	44	44	37	49
	Female	Total training hours	hours	26,257	31,531	28,976	32,801
		No. of employees	persons	438	477	503	577
		Average training hours	hours	60	66	58	57
Age group[3]	Under 30	Total training hours	hours	63,611	74,205	63,123	66,173
		No. of employees	persons	1,201	1,320	1,243	1,125
		Average training hours	hours	53	56	51	59
	30 to under 50	Total training hours	hours	360,489	355,397	299,562	379,010
		No. of employees	persons	7,661	7,737	7,773	7,766
		Average training hours	hours	47	46	39	49
	50 and over	Total training hours	hours	88,888	100,829	84,206	133,620
		No. of employees	persons	2,761	2,778	2,790	2,807
		Average training hours	hours	32	36	30	48
Job level	Senior managers	Total training hours	hours	7,262	5,288	4,602	4,606
		No. of employees	persons	113	112	108	110
		Average training hours	hours	64	47	43	42
	Middle managers	Total training hours	hours	30,051	20,951	16,006	23,843
		No. of employees	persons	343	357	350	342
		Average training hours	hours	88	59	46	70
	Non-managers	Total training hours	hours	475,675	504,192	426,282	550,354
		No. of employees	persons	11,167	11,366	11,348	11,246
		Average training hours	hours	43	44	38	49

1) Includes all training, including job/industry training and legally required mandatory training (sexual harassment prevention, anti-discrimination, safety, security, etc.)
2) The 2024 figure has been restated due to a data calculation error
3) Figures for 2022–2024 have been restated due to data calculation errors

5.2.3 Social Contribution Performance

Classification	Unit	2022	2023	2024	2025
Social contribution investment[1]	KRW million	14,065	15,157	16,698	13,212
Volunteer input cost[2]		179	274	310	354
Employee participation fund		317	29	269	252
Volunteer participation rate[3]	%	47	39	40	36
Volunteer participation hours[4]	hours	6,701	9,732	9,992	10,836

1) Includes company-wide donations and public-interest budget expenditures
2) Volunteer input cost: volunteer hours × average employee hourly wage (excluding weekend input costs)
3) Ratio of employees participating in volunteer activities and fundraising activities to total employees
4) Excludes weekend volunteer hours

5.2.4 Employee Engagement

Classification	Unit	2022	2023	2024	2025
Engagement[1]	points	64.8	65.4	69.4	72.1
Survey response rate[2][3]	%	72.8	81.9	84.1	90.5

1) Engagement: relevant scores extracted from the engagement section (purpose, organization structure, systems, job experience, company satisfaction) of the organizational culture diagnosis conducted annually across Hyundai Motor Group
2) Based on general/research employees, including executives
3) Figures for 2022–2024 were recalculated based on the actual participation rate rather than the application rate

5.2.5 Retirement Pension (Defined Benefit, DB)

Classification	Unit	2022	2023	2024	2025
Pension fund	KRW million	845,860	956,112	1,005,383	1,097,076
Pension holders	persons	10,549	11,846	11,610	11,445

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5.2.6 Parental Leave[1)]

Classification		Unit	2022	2023	2024	2025
Employees on parental leave	Total	persons	222	204	235	346
	Male		187	175	209	314
	Female		35	29	26	32
Employees returning from parental leave	Total		178	161	193	260
	Male		157	135	174	238
	Female		21	26	19	22
Employees working 12 months after returning	Total		64	101	99	125
	Male		53	92	80	116
	Female		11	9	19	9
Employees working shortened hours			11	10	12	17

1) Includes family-related leave such as parental leave and family care leave

5.2.7 Collective Bargaining Agreement[1)]

Classification	Unit	2022	2023	2024	2025
Employees covered by collective bargaining agreements	persons	11,511	11,725	11,701	11,506
Coverage rate of collective bargaining agreements	%	99.0	99.1	99.1	98.4

1) As of the end of the reporting period

5.2.8 Internal Policy Violations and Disciplinary Actions

Classification		Unit	2022	2023	2024	2025
Anti-corruption/Bribery	Minor disciplinary action	persons	1	0	0	0
	Major disciplinary action[1)]		2	3	4	3
Discrimination/Harassment	Minor disciplinary action		0	4	4	1
	Major disciplinary action		5	7	9	2
Customer privacy data	Minor disciplinary action		0	0	0	0
	Major disciplinary action		0	0	0	0
Conflict of interest	Minor disciplinary action		0	0	0	0
	Major disciplinary action		0	0	0	0
Money laundering/Insider trading	Minor disciplinary action		0	0	0	0
	Major disciplinary action		0	0	0	0
Information security	Minor disciplinary action		0	6	1	4
	Major disciplinary action		2	0	0	1
Code of Conduct	Minor disciplinary action		31	32	35	22
	Major disciplinary action[2)]		25	30	26	35

1) Includes three dismissals (one in 2022 and two in 2023)
2) Includes ten dismissals (five in 2022, three in 2023, and two in 2025)

5.2.9 Occupational Injury Rate

Classification			Unit	2022	2023	2024	2025
No. of fatalities[1)]	Injury	Employees	persons	1	0	1	1
		Contractors[2)]		1	1	1	0
	Total			2	1	2	1
	Disease	Employees		4	1	0	1
		Contractors[2)]		0	0	0	0
	Total			4	1	0	1
Lost-Time Injury Frequency Rate (LTIFR)[3)]	Employees		cases/million working hours	3.78	3.08	2.82	2.52
	Contractors			3.80	3.00	1.87	2.28
	Total			3.79	3.04	2.39	2.41

1) From 2025, fatalities from occupational injuries and diseases are disclosed separately
2) In-house contractors
3) Lost-Time Injury Frequency Rate (LTIFR): An indicator of the frequency of occupational injuries, calculated based on the number of accident-related injuries resulting in lost time per one million working hours

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5.3 Economic Performance

5.3.1 Board of Directors Composition and Remuneration[1)]

Classification		Unit	2022	2023	2024	2025
Executive directors	Total	persons	4	5	4	4
	Male		4	5	4	4
	Female		0	0	0	0
	Total remuneration	KRW million	3,701	3,302	2,335	3,349
Independent directors	Total	persons	5	5	5	5
	Male		4	4	3	3
	Female		1	1	2	2
	Total remuneration	KRW million	403	437	436	518
Ratio of independent directors		%	56	50	56	56
Ratio of female on the Board		%	11	10	22	22
Employee remuneration	Median	KRW million	107	89	92	115
	Average		107	90	93	115
CEO[2)]	Remuneration		1,647	1,510	1,055	1,243
Highest remuneration[2)]	Remuneration received		1,647	1,510	1,055	1,243

1) As of the end of the reporting period, including retired executive directors. The number of directors in 2023 was five due to a CEO change.
2) Excludes retirement income, as well as any amount exceeding the statutory limit for retirement income included in other employment income

5.3.2 Financial Performance

Classification	Unit	2022	2023	2024	2025
Revenue	KRW million	27,340,601	25,914,760	23,226,141	22,733,237
Total assets		36,800,956	35,218,842	34,743,788	34,442,305

5.3.3 Total Economic Value Distributed

Classification	Unit	2022	2023	2024	2025
Employee wages and benefits	KRW 100 million	18,180	20,363	21,044	21,456
Corporate operating expenses[1)]		239,061	230,801	209,623	203,684
Dividend payments to shareholders/ investors		1,315	1,315	987	658
Interest payments to shareholders/ investors		3,564	4,139	4,207	3,628
Corporate income taxes paid to Governments[2)]		3,104	891	-683	-446
Community donations		61	72	91	76
Total distributed amount		**265,286**	**257,582**	**235,269**	**229,056**

1) Corporate operating expenses represent total operating expenses excluding employee wages and benefits
2) Negative amounts (-) represent income tax benefits for accounting purposes

5.3.4 Donations/Contributions[1)]

Classification	Unit	2022	2023	2024	2025
Associations and tax-exempt organizations	KRW 100 million	42	40	40	36
Lobbying and interest groups		0	0	0	0
Political donations and campaigns		0	0	0	0
Others		0	0	0	0
Total donations/contributions		**42**	**40**	**40**	**36**

1) Donations/contributions: in accordance with the POLITICAL FUNDS ACT of Korea and Hyundai Steel's Code of Ethics, the Company strictly prohibits donations, sponsorships, or other contributions for political purposes using Company assets, budgets, or other resources. In addition, Hyundai Steel does not provide lobbying support or financial assistance to organizations that oppose climate-related policies and regulations.

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5.3 Economic Performance

5.3.5 Association Membership Fees

Classification	Unit	2022	2023	2024	2025
Korea Iron & Steel Association	KRW 100 million	11	12	13	12
World Steel Association		5	5	5	6
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		21	18	17	13
Total payments		**42**	**40**	**40**	**36**

5.3.6 R&D Investment

Classification	Unit	2022	2023	2024	2025
Investment cost	KRW million	245,572	253,966	261,306	280,274
Ratio of R&D budget to revenue	%	0.90	0.98	1.13	1.23

5.3.7 Supplier Status

Classification	Unit	2022	2023	2024	2025
Total number of Tier 1 suppliers[1]	companies	715	539	597	481
Total procurement amount from Tier 1 suppliers	KRW 100 million	172,866	141,239	132,300	108,647
Share of procurement from Tier 1 suppliers	%	100	100	100	100
Number of key Tier 1 suppliers[2]	companies	177	155	191	163
Procurement amount from key Tier 1 suppliers	KRW 100 million	112,058	95,772	95,774	86,761
Share of procurement from key Tier 1 suppliers	%	65	68	72	80

1) Refers to all suppliers managed as part of the supply chain, excluding suppliers below a certain scale and one-time transaction suppliers
2) Criteria for classifying key suppliers (core supply chain)
- Based on a comprehensive assessment of transaction volume, materiality of supplied items, and substitutability, etc.
- Includes suppliers of key raw materials, such as iron ore and steel scrap, as well as equipment, logistics, and subsidiary material suppliers

5.3.8 Procurement from Suppliers

Classification		Unit	2022	2023	2024	2025
Key raw materials[1]	Amount	KRW 100 million	138,373	106,772	103,585	88,375
	Ratio	%	80	76	78	81
Others	Amount	KRW 100 million	34,493	34,467	28,716	20,272
	Ratio	%	20	24	22	19
Total	Amount	KRW 100 million	**172,866**	**141,239**	**132,300**	**108,647**
	Ratio	%	**100**	**100**	**100**	**100**

1) Iron ore, coal, subsidiary raw materials such as ferroalloys, and steel scrap

5.3.9 Support for Shared Growth

Classification		Unit	2022	2023	2024	2025
Direct support	Management funding	KRW 100 million	254	218	255	290
Indirect support	Network loans		66	55	57	19
Mixed support	Shared Growth Fund & Steel ESG Shared Growth Fund		600	600	603	603
Special support	Contribution of investment resources		14	12	9	9
Total			**934**	**885**	**924**	**921**

5.3.10 Customer Satisfaction[1]

Classification	Unit	2022	2023	2024	2025
Customer satisfaction score	points	70.3	n/a	75.9	76.5

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

5.3.11 Anti-Corruption and Anti-Competitive Violations[1]

Classification	Unit	2022	2023	2024	2025
Anti-competition fines/penalties[2]	KRW 100 million	866	2	0	0
Anti-corruption and bribery cases	cases	0	0	0	0

1) Applied retroactively based on the payment date after final determination
2) The 2022 figure restated after recalculation including fines and penalties

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POLICIES LINK

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02 Biodiversity Policy →

03 No Deforestation Policy →

04 Human Rights Policy →

05 Diversity and Inclusion Policy →

06 Anti-Discrimination and Harassment Policy →

07 Health and Safety Policy →

08 Anti-Corruption & Bribery Policy →

09 Community Engagement Policy →

10 Ethics Charter & Code of Conduct →

11 Supply Chain ESG Management Policy →

12 Conflict Minerals (Responsible Minerals) Policy →

13 Supplier Code of Conduct →

14 Guideline upon Independence and Diversity of Independent Directors →

15 Tax Policy →

16 Information Security 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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6.2 International Standards and Initiatives

6.2.1 GRI CONTENT INDEX

Statement of use	Hyundai Steel reports its sustainability-related information for the period from January 1, 2025 to December 31, 2025 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.

Topic	Index	Report Page	Note
GRI 2: General Disclosures 2021	2-1 Organizational details	p. 4, 7	Annual Report p. 291-294
	2-2 Entities included in the organization's sustainability reporting	p. 4, 7	
	2-3 Reporting period, frequency and contact point	p. 4	
	2-4 Restatements of information	p. 115, 118-120, 123	
	2-5 External assurance	p. 137-143	
	2-6 Activities, value chain and other business relationships	p. 8	
	2-7 Employees	p. 119	
	2-8 Workers who are not employees	p. 119	
	2-9 Governance structure and composition	p. 91	
	2-10 Nomination and selection of the highest governance body	p. 92-94	
	2-11 Chair of the highest governance body	p. 91-92, 94	
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 10	
	2-13 Delegation of responsibility for managing impacts	p. 10, 91	
	2-14 Role of the highest governance body in sustainability reporting	p. 10, 11, 91-92	
	2-15 Conflicts of interest	p. 94	
	2-16 Communication of critical concerns	-	Annual Report p. 291-294
	2-17 Collective knowledge of the highest governance body	p. 93	
	2-18 Evaluation of the performance of the highest governance body	p. 96	
	2-19 Remuneration policies	p. 96	
	2-20 Process to determine remuneration	p. 96	
	2-21 Annual total compensation ratio	p. 122	
	2-22 Statement on sustainable development strategy	p. 6	
	2-23 Policy commitments	p. 125	
	2-24 Embedding policy commitments	p. 18, 24, 34, 36, 42, 47, 57, 63, 73, 81, 87, 98, 102, 107, 109, 110	

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6.2.1 GRI CONTENT INDEX

Topic	Index	Report Page	Note
General Disclosures			
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	p. 58, 88, 98-101	
	2-26 Mechanisms for seeking advice and raising concerns	p. 58, 88	
	2-27 Compliance with laws and regulations	p. 118, 123	
	2-28 Membership associations	p. 123	
	2-29 Approach to stakeholder engagement	p. 12, 16	
	2-30 Collective bargaining agreements	p. 70, 121	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 11	
	3-2 List of material topics	p. 12-15	
Material Topic 1	Climate change response		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 13-15, 24-35	
GRI 302: Energy	302-1 Energy consumption within the organization	p. 116	
	302-2 Energy consumption outside of the organization	p. 116	
	302-3 Energy intensity	p. 116	
	302-4 Reduction of energy consumption	p. 34-35, 116	
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	p. 33, 115	
	305-2 Energy indirect (Scope 2) GHG emissions	p. 33, 115	
	305-3 Other indirect (Scope 3) GHG emissions	p. 115	
	305-4 GHG emissions intensity	p. 116	
	305-5 Reduction of GHG emissions	p. 29-33, 115	
Material Topic 2	Resource circulation and waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 13-15, 47-53	
GRI 301: Materials	301-1 Materials used by weight or volume	p. 118	
	301-2 Recycled input materials used	p. 53, 118	
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	p. 47-53	
	306-2 Management of significant waste-related impacts	p. 47-53	
	306-3 Waste generated	p. 117	
	306-4 Waste diverted from disposal	p. 117	
	306-5 Waste directed to disposal	p. 117	

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Topic	Index	Report Page	Note
Material Topic 3	Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 13-15, 73-80	
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	p. 73-74	
	403-2 Hazard identification, risk assessment, and incident investigation	p. 75-76, 78-80	
	403-3 Occupational health services	p. 75-79	
	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 75-79	
	403-5 Worker training on occupational health and safety	p. 75, 77	
	403-6 Promotion of worker health	p. 77	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 75-77, 79	
	403-8 Workers covered by an occupational health and safety management system	p. 73-74, 77	
	403-9 Work-related injuries	p. 121	
	403-10 Work-related ill health	p. 121	
Material Topic 4	Working conditions for own workforce		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 13-15, 57-72	
GRI 401: Employment	401-1 New employee hires and employee turnover	p. 119	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 71	
	401-3 Parental leave	p. 121	
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	p. 61-62	
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 61-62	
Material Topic 5	Ethics and compliance management		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 13-15, 87-90, 109	
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	p. 89-90	
	205-2 Communication and training about anti-corruption policies and procedures	p. 87-90	
	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 practices	p. 123	
GRI 207: Tax	207-1 Approach to tax	p. 109	
	207-2 Tax governance, control, and risk management	p. 109	
	207-3 Stakeholder engagement and management of concerns related to tax	p. 109	
	207-4 Country-by-country reporting	p. 109	

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Topic	Index	Report Page	Note
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GRI 101: Biodiversity	101-2 Management of biodiversity impacts	p. 45	
	101-4 Identification of biodiversity impacts	p. 42-44	
	101-5 Locations with biodiversity impacts	p. 42, 44	
	101-6 Direct drivers of biodiversity loss	p. 43-44	
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	p. 122	
	201-2 Financial implications and other risks and opportunities due to climate change	p. 26-28	
	201-3 Defined benefit plan obligations and other retirement plans	p. 120	
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	p. 81-85	
	203-2 Significant indirect economic impacts	p. 81-85	
GRI 303: Water and Effluents	303-2 Management of water discharge-related impacts	p. 38, 41	
	303-3 Water withdrawal	p. 116	
	303-4 Water discharge	p. 116	
	303-5 Water consumption	p. 116	
GRI 305: Emissions	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	p. 38, 41, 117	
GRI 308: Supplier Environmental Assessment	308-2 Negative environmental impacts in the supply chain and actions taken	p. 103	
GRI 404: Training and Education	404-1 Average hours of training per year per employee	p. 120	
	404-2 Programs for upgrading employee skills and transition assistance programs	p. 64-67	
	404-3 Percentage of employees receiving regular performance and career development reviews	p. 68	
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	p. 119	
	405-2 Ratio of basic salary and remuneration of women to men	p. 68	
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	p. 121	
GRI 414: Supplier Social Assessment	414-2 Negative social impacts in the supply chain and actions taken	p. 103	
GRI 415: Public Policy	415-1 Political contributions	p. 122	

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6.2.2 ESRS

European Sustainability Reporting Standards (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 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. 11
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	p. 10
ESRS 2 GOV-4	Statement on due diligence	p. 98-101
ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting	p. 11-15
ESRS 2 SBM-1	Strategy, business model and value chain	p. 8
ESRS 2 SBM-2	Interests and views of stakeholders	p. 16
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	p. 14
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	p. 11
ESRS 2 IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	p. 131

ESRS E1. Climate Change

Topic	Title	Report Page
ESRS E1-1	Transition plan for climate change mitigation	p. 26-32
ESRS E1-2	Policies related to climate change mitigation and adaptation	p. 24
ESRS E1-3	Actions and resources in relation to climate change policies	p. 26-32
ESRS E1-4	Targets related to climate change mitigation and adaptation	p. 33
ESRS E1-5	Energy consumption and mix	p. 35
ESRS E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	p. 115
ESRS E1-7	GHG removals and GHG mitigation projects financed through carbon credits	N/A
ESRS E1-7	Avoided GHG emissions from products and services	p. 53
ESRS E1-8	Internal carbon pricing	p. 31
ESRS E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	p. 27

ESRS E2. Pollution

Topic	Title	Report Page
ESRS E2-1	Policies related to pollution	p. 36
ESRS E2-2	Actions and resources related to pollution	p. 36-41
ESRS E2-3	Targets related to pollution	p. 41
ESRS E2-4	Pollution of air, water and soil	p. 117
ESRS E2-5	Substances of concern and substances of very high concern	p. 118
ESRS E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	p. 37

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ESRS E3. Water and Marine Resources

Topic	Title	Report Page
ESRS E3-1	Policies related to water and marine resources	p. 42
ESRS E3-2	Actions and resources related to water and marine resources	p. 43-45
ESRS E3-3	Targets related to water and marine resources	N/A
ESRS E3-4	Water consumption	p. 116
ESRS E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	p. 22-23, 43

ESRS E4. Biodiversity and Ecosystems

Topic	Title	Report Page
ESRS E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	N/A
ESRS E4-2	Policies related to biodiversity and ecosystems	p. 42
ESRS E4-3	Actions and resources related to biodiversity and ecosystems	p. 43-45
ESRS E4-4	Targets related to biodiversity and ecosystems	N/A
ESRS E4-5	Impact metrics related to biodiversity and ecosystems change	p. 45
ESRS E4-6	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	p. 43

ESRS E5. Resource Use and Circular Economy

Topic	Title	Report Page
ESRS E5-1	Policies related to resource use and circular economy	p. 47
ESRS E5-2	Actions and resources related to resource use and circular economy	p. 49-51
ESRS E5-3	Targets related to resource use and circular economy	p. 53
ESRS E5-4	Resource inflows	p. 118
ESRS E5-5	Resource outflows	p. 117
ESRS E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	p. 49

ESRS S1. Own Workforce

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ESRS S1-1	Policies related to own workforce	p. 73, 57
ESRS S1-2	Processes for engaging with own workers and workers' representatives about impacts	p. 58
ESRS S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	p. 58, 76
ESRS S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	p. 59
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	p. 78-80
ESRS S1-6	Characteristics of the undertaking's employees	p. 119
ESRS S1-7	Characteristics of non-employees in the undertaking's own workforce	p. 119
ESRS S1-8	Collective bargaining coverage and social dialogue	p. 121
ESRS S1-9	Gender pay gap and the ratio of women's hourly pay to men's	p. 68
	Employees entitled to family-related leave (including maternity and childcare leave), employees taking leave, and retention rate after returning from leave	p. 121
ESRS S1-10	Adequate wages	p. 68
ESRS S1-11	Social protection	p. 68
ESRS S1-12	Persons with disabilities	p. 119
ESRS S1-13	Share of employees receiving regular performance and career development reviews	p. 68
	Average training hours and training costs per employee	p. 120
ESRS S1-14	Coverage of workers by the health and safety management system (internal, third-party reviewed, or third-party certified)	p. 73
	Number of work-related injuries and ill health cases, injury rate, ill health rate, and lost workdays	p. 121
ESRS S1-15	Work-life balance metrics	p. 71
ESRS S1-16	Compensation metrics (pay ratio between the highest-paid individual and median employee compensation)	N/A
ESRS S1-17	Number of cases and measures related to risks expected to adversely affect workers' labor and human rights	p. 59-60
	Number of reports received, investigated, addressed, and recurrence-prevention plans established related to workers' labor and human rights	p. 59-62

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ESRS S2. Workers in the Value Chain

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ESRS S2-1	Policies related to value chain workers	p. 102, 57
ESRS S2-2	Processes for engaging with value chain workers about impacts	p. 106
ESRS S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	p. 106
ESRS S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	p. 106
ESRS S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	p. 106

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 impacts	p. 85
ESRS S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	p. 85
ESRS S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	N/A
ESRS S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	N/A

ESRS S4. Consumers and End-users

Topic	Title	Report Page
ESRS S4-1	Policies related to consumers and end-users	p. 107
ESRS S4-2	Processes for engaging with consumers and end-users about impacts	p. 107
ESRS S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	p. 107
ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	p. 108
ESRS S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	p. 108

ESRS G1. Business Conduct

Topic	Title	Report Page
ESRS G1-1	Business conduct policies and corporate culture	p. 87
	Requirements under the Code of Ethics, Code of Conduct, and similar policies	p. 87
ESRS G1-2	Management of relationships with suppliers	p. 88
	Supplier ESG risk assessment and due diligence, and reflection of assessment and due diligence results in supplier selection criteria	p. 103
ESRS G1-3	Prevention and detection of corruption and bribery, including investigation and internal reporting systems	p. 87
	Prevention and detection of anti-competitive practices, including investigation and internal reporting systems	p. 87
ESRS G1-4	Confirmed incidents of corruption or bribery, investigations by judicial authorities, and employees subject to disciplinary action	p. 121, 123
	Confirmed incidents of anti-competitive conduct, investigations by judicial authorities, and employees subject to disciplinary action	p. 121, 123
ESRS G1-5	Political influence and lobbying activities	p. 122
ESRS G1-6	Payment practices	p. 104

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6.2.3 SASB

Sustainability Accounting Standards Board (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

Topic	Code	Accounting Metric	Unit	Hyundai Steel Status
Greenhouse Gas Emissions	EM-IS-110a.1	Gross global Scope 1 emissions	$ktCO_2e$	25,959
		Percentage of Scope 1 emissions covered under emissions-limiting regulations (e.g., K-ETS)	%	100
	EM-IS-110a.2	Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	p. 26, 29-33
Air Emissions	EM-IS-120a.1	NOx emissions (excluding N_2O)	t	8,523
		SOx emissions	t	5,749
Energy Management	EM-IS-130a.1	Total energy consumed	TJ	153,016
		Percentage grid electricity	%	28
	EM-IS-130a.2	Total fuel consumed	TJ	110,177
Water Management	EM-IS-140a.1	Total water withdrawn	1,000 m^3	55,839
		Total water consumed (percentage in regions with High or Extremely High Baseline Water Stress)	1,000 m^3,%	47,666 (1.4)
Waste Management	EM-IS-150a.1	Amount of waste generated	kt	10,253
		Percentage hazardous	%	1.5
		Percentage recycled	%	98.1
Supply Chain Management	EM-IS-430a.1	Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	-	p.102-106

Activity Metrics

Code	Activity Metric	Unit	Hyundai Steel Status
EM-IS-000.A	Raw steel production	t	17,682
	Percentage of raw steel production by process		
	Basic oxygen furnace processes	%	69
	Electric arc furnace processes	%	31
EM-IS-000.B	Total iron ore production[1]	t	0
EM-IS-000.C	Total coking coal production[2]	t	0

1) Production includes iron ore consumed internally and made available for sale.
2) Production includes coking coal consumed internally and made available for sale.

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6.2.4 WEF (World Economic Forum)

Stakeholder Capitalism Metrics

Principles of Governance (6 metrics)

Theme	Metrics	Page	Note
Governing Purpose	Setting Purpose	p. 6, 8	
Quality of Governing Body	Governance Body Composition	p. 91	
Stakeholder Engagement	Material Issues Impacting Stakeholders	p. 13-16	
Ethical Behaviour	Anti-corruption	p. 87-90	
	Protected Ethics Advice and Reporting Mechanisms	p. 87	
Risk and Opportunity Oversight	Integrating Risk and Opportunity into Business Process	p. 98-99	

Planet (4 metrics)

Theme	Metrics	Page	Note
Climate Change	Greenhouse Gas (GHG) Emissions	p. 115	
	TCFD Implementation	p. 136	
Nature Loss	Land Use and Ecological Sensitivity	p. 42-43	
Freshwater Availability	Water Consumption and Withdrawal in Water-stressed Areas	p. 22	

People (6 metrics)

Theme	Metrics	Page	Note
Dignity and Equality	Diversity and Inclusion	p. 70-71	
	Pay Equality	p. 68	
	Wage Level	p. 68	
Health and Well-being	Risk for Incidents of Child, Forced or Compulsory Labour	p. 57, 59	
	Health and Safety	p. 73, 80	
Skills for the Future	Training Provided	p. 120	

Prosperity (5 metrics)

Theme	Metrics	Page	Note
Employment and Wealth Generation	Absolute Number and Rate of Employment	p. 119	
	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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6.2.5 TCFD

Task Force on Climate-related Financial Disclosures (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, the highest decision-making body, oversees carbon neutrality strategies and key issues. It reviews the "Status of Carbon Neutrality Strategy Implementation" once a year.
	Role and Responsibility of Executive Board	• Through the Carbon Neutrality Strategy Meeting, a council of division heads chaired by the CEO, Hyundai Steel shares global carbon neutrality trends and internal issues, reviews the direction and execution strategies for carbon neutrality, and makes decisions on key matters.
	Status of Dedicated Team Operations	• The Carbon Neutrality Execution Group within the Planning & Financial Management Division establishes and implements the direction for carbon neutrality. It convenes carbon neutrality issue meetings with heads of relevant departments, team leaders, and working-level staff to coordinate and resolve carbon neutrality agendas and issues.
Strategy	Roadmap for 2030 Reduction Targets	• Hyundai Steel is gradually pursuing innovation in its production system and a transition to clean energy to decarbonize products and reduce carbon emissions in production processes, with the goal of achieving carbon neutrality (Net-Zero) by 2050. By 2030, the company plans to produce low-emission products by establishing and operating an electric arc furnace-blast furnace combined process.
	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 emission rights price risk mitigation, and emission rights transactions.
	Analysis of Risks and Opportunities	• The Strategy departments establish an integrated strategy based on analyses of global trends. The operation departments at each business site set and implement individual targets, while reduction targets are established based on financial risk assessment criteria that consider reduction costs and average emission rights prices.
Risk Management	Investment and Expenses	• Invest approximately KRW 1.1 trillion over 10 years (2024–2033) to establish advanced environmental systems and facilities, including CDQ (Coke Dry Quenching) facilities, coke desulfurization facilities, and denitrification facilities, to improve the environment and reduce greenhouse gas emissions.
		• Operate a carbon footprint (CFP) calculation system using life cycle assessment (LCA) and obtain Environmental Product Declaration (EPD) certification.
	Specific Activities	• Develop and implement tasks for GHG reduction: advancement of 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. • Participate in "KEEP30," a Korean energy efficiency innovation partnership, to establish an 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 business 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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6.2.6 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. 57-59
	2. Businesses should make sure that they are not complicit in human rights abuses.	p. 57-59
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	p. 70
	4. Businesses should uphold the elimination of all forms of forced and compulsory labor	p. 57-59
	5. Businesses should uphold the effective abolition of child labor	p. 57-59
	6. Businesses should uphold the elimination of discrimination in respect of employment and occupation	p. 57-59
Environment	7. Businesses should support a precautionary approach to environmental challenges	p. 18-23
	8. Businesses should undertake initiatives to promote greater environmental responsibility	p. 18-23
	9. Businesses should encourage the development and diffusion of environmentally friendly technologies	p. 24-33
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery	p. 87-90

6.2.7 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. 81-85
Goal 3	Ensuring healthy lives and promoting well-being for all at all ages	p. 81-85
Goal 4	Ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all	p. 63-67
Goal 5	Achieving gender equality and empowering all women and girls	p. 57-62
Goal 6	Ensuring availability and sustainable management of water and sanitation for all	p. 22-23
Goal 7	Ensuring access to affordable, reliable, sustainable and modern energy for all	p. 34-35
Goal 11	Making cities and human settlements inclusive, safe, resilient, and sustainable	p. 81-85
Goal 12	Ensuring sustainable consumption and production patterns	p. 36-41, 47-53
Goal 13	Taking urgent action to combat climate change and its impacts	p. 24-33
Goal 17	Strengthening the means of implementation and revitalizing the global partnership for sustainable development	p. 4

6.2.8 EU TAXONOMY

Hyundai Steel is reviewing related regulations and detailed disclosure standards for the EU Taxonomy. While confirming the legal scope of the taxonomy, Hyundai Steel will proactively identify sales, capital expenditures, and 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 "Manufacturing 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 2025[1)]

Classification	Total Value	Eligible	%	Not Eligible	%
Sales	KRW 22,733,237.25 million	KRW 22,733,237.25 million	100	-	-

1) based on Bloomberg Terminal data

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6.3.1 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 2026 Integrated report (hereinafter referred to as the "Report"). The Assurer is independent of the HYUNDAI STEEL COMPANY and has no major operational financial interest other than assurance. This assurance opinion statement is intended to provide information related to the assurance of 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 2025 included in the report, some data included the first half of 2026.
- 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 and 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]

101-2, 101-4~6, 201-1~3, 203-1~2, 205-1~3, 206-1, 207-1~4, 301-1~2, 302-1~4, 303-2~5, 305-1~5, 305-7, 306-1~5, 308-2, 401-1~3, 403-1~10, 404-1~3, 405-1~2, 406-1, 408-1, 409-1, 414-2, 415-1

Methodology

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

- 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 staff on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the departments responsible.
- 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.

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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: Stakeholder Engagement and Opinion
HYUNDAI STEEL COMPANY defined customers, employees, suppliers, shareholders/investors, local communities and NGOs/government/media as Key Stakeholder Groups. To collect opinions by each stakeholder group in the context of sustainability, the stakeholder engagement process operated. HYUNDAI STEEL COMPANY conducted a review of the stakeholder engagement process at the governance level to reflect on 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: Identification and reporting of material sustainability topics
HYUNDAI STEEL COMPANY 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.

Responsiveness: Responding to material sustainability topics and related impacts
HYUNDAI STEEL COMPANY operated a management 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 according to the management methodology established to effectively reflect the expectations of key stakeholders. HYUNDAI STEEL COMPANY disclosed material topics achievements such as related performance and improvement measures in the Report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders
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 and performance indicators related energy consumption, quantity of waste treatment, quantity of water usage, supplier assessment/evaluation, and equivalent wages, rate of recordable work-related injuries and rate of fatal occupational injuries at Korea, 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: 101-2, 101-4~6, 201-2, 203-1~2, 205-1~3, 301-1~2, 302-1~4, 303-3~5, 305-1~5, 305-7, 306-3~5, 308-2, 401-1, 401-3, 403-1~10, 404-1, 404-3, 405-1~2, 406-1, 408-1, 409-1, 414-2

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Recommendations and Opportunity for improvement

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

- HYUNDAI STEEL COMPANY formalizes its sustainability performance indicator management system and discloses the relevant achievements in its reports. Reinforcing internal control procedures for these sustainability metrics will be highly effective in strengthening the reliability and completeness of its performance indicators.
- Furthermore, considering the distinct characteristics of the steel sector, establishing a structured framework to calculate and disclose the financial impacts of climate change response—aligned with key global mandates such as KSSB Standard No. 2, IFRS S2, and the EU CBAM—will significantly advance its sustainability management system.

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. 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: 24/06/2026

For and on behalf of BSI (British Standards Institution):

BSI representative



Jungwoo Lee, Lead Assurer, LCSAP



Seonghwan Lim, Managing Director of BSI Korea

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

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

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by Hyundai Steel Co., Ltd. (“Company”) to perform third party verification for the Company’s Greenhouse Gas Inventory Report for the calendar year 2025 (“the report”). Company is responsible for the preparation of the GHG emissions data on the basis set out within “the guidelines on the operation of GHG emission trading scheme (“ETS) (Notification No. 2025-64 of Ministry of Environment)” based on ISO14064-1. Our responsibility in performing this work is to the management of Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Objective and Scope of Verification

The purpose of this verification is to present an independent verification opinion on the company’s greenhouse gas emissions, and the scope of verification is as follows;

- Organizational Boundary : Domestic business sites of Company
- Reporting Boundary : Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting Period : 2025.01.01 ~ 2025.12.31

Verification Approach

The verification has been conducted in accordance with “Verification under the Korean Emissions Trading System (K-ETS), (Notification No. 2025-165, Korean Ministry of Environment)” based on ISO 14064-3, under a Reasonable Level of Assurance. DNV planned and conducted the verification to obtain all necessary information and explanations, ensuring sufficient evidence to support a verification opinion at a 5% materiality level. As part of the verification process, we have reviewed as follows;

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

Conclusions

Based on the verification conducted, the infomation related to the GHG statement has been properly calculated and reported.

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

(Unit: ton CO_2eq)

Company	Direct emissions(Scope 1)	Indirect emissions(Scope 2)	Total emissions
Hyundai Steel	25,959,439.896	2,052,461.213	28,011,895

※ Total emissions might be different from the sum of direct and indirect emissions by applying the rule that emissions should be summed after truncating decimal places at the business site level.



2026. 6. 12

Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

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

DNV Business Assurance Korea : 18F, 1, Jong-ro, Jongno-gu, Seoul, Rep. of Korea

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

Introduction

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

Objective and Scope of Verification

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

- Organizational Boundary : Hyundai Steel's domestic subsidiaries and overseas affiliates1
- Reporting Boundary : Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting Period : 2018, 2022, 2025

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019'. For HSAL and HSGA, the verification was performed under a Reasonable Level of assurance, while for all other entities, it was performed under a Limited Level of assurance. DNV planned and conducted the verification to obtain all necessary information and explanations, ensuring sufficient evidence to support a verification opinion at a 5% materiality level. As part of the verification process, we have reviewed as follows;

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

Conclusions

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

- DNV represents "unmodified" opinion on Greenhouse Gas Emissions. (Refer to the Annex)

Table 1. Summary of HYUNDAI STEEL's GHG Emissions Inventory for 2018

Company		Greenhouse Gas emissions (tCO_2-eq)		
		Scope 1	Scope 2	Total
USA	HSAL Hyundai Steel America, Inc.	342	2,129	2,472
	HSGA Hyundai Steel Georgia, Inc.	Not established		
	HYUNDAI-POSCO Louisiana Steel LLC	Not established		
Mexico	HSMX Hyundai Steel Mexico S de R. L. de C. V	39	598	637
Brazil	HSBR Hyundai Steel Industry and Trade Brazil LLC	18	43	61
Czech	HSCZ Hyundai Steel Czech s.r.o	120	1,164	1,284
Slovak	HSSK Hyundai Steel Slovakia s.r.o	161	324	485
Türkiye	HSTR Hyundai Steel TR Automotive Steel Parts Co.,Ltd.	143	678	821
India	HSCH	149	892	1,042
	HSAN Hyundai Steel Anantapur Private, Ltd.	Prior to normal operation		
China	HSMC Qingdao Hyundai Machinery Co., Ltd.	1,999	8,107	10,106
	HSJS Hyundai Steel Jiangsu Process Co., Ltd.	48	2,118	2,166
	HSSZ Hyundai Steel Suzhou Process Co., Ltd.	54	499	552
	HSTJ Hyundai Steel Tianjin Co., Ltd.	3,470	15,012	18,482
	HSCN Hyundai Steel Investment (China) Co., Ltd.	30	16	46
Korea	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		6,573	31,582	38,154

※ In order to report the GHG emissions as an integer, the rounded number might be different from the number on the calculation tool with ± 1 tCO_2e.



2026. 5. 28

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1) Subsidiaries (Hyundai Special Steel Co., Ltd., Hyundai BNG Steel Co., Ltd., Hyundai IFC Co., Ltd., and Hyundai Steel Pipe Co., Ltd.) that are subject to Korea's Emissions Trading Scheme (KETS) or Target Management System (TMS), as well as their subsidiaries (Hyundai Steel Pipe America, Inc. (HSPA), Hyundai Steel Pipe India Private Ltd. (HSPI), and Hyundai BNG Steel USA, Inc.), are excluded from the scope of verification.

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

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

Table 2. Summary of HYUNDAI STEEL's GHG Emissions Inventory for 2022

Company		Greenhouse Gas emissions (tCO_2-eq)		
		Scope 1	Scope 2	Total
USA	HSAL Hyundai Steel America, Inc.	239	1,931	2,170
	HSGA Hyundai Steel Georgia, Inc.	Not established		
	HYUNDAI-POSCO Louisiana Steel LLC	Not established		
Mexico	HSMX Hyundai Steel Mexico S de R. L. de C. V	38	709	747
Brazil	HSBR Hyundai Steel Industry and Trade Brazil LLC	19	29	48
Czech	HSCZ Hyundai Steel Czech s.r.o	96	859	684
Slovak	HSSK Hyundai Steel Slovakia s.r.o	147	165	312
Türkiye	HSTR Hyundai Steel TR Automotive Steel Parts Co.,Ltd.	236	541	777
India	HSCH Hyundai Steel India Private Ltd.	133	1,268	1,401
	HSAN Hyundai Steel Anantapur Private, Ltd.	345	927	1,271
China	HSMC Qingdao Hyundai Machinery Co., Ltd.	982	4,591	5,573
	HSJS Hyundai Steel Jiangsu Process Co., Ltd.	32	810	841
	HSSZ Hyundai Steel Suzhou Process Co., Ltd.	13	131	144
	HSTJ Hyundai Steel Tianjin Co., Ltd.	1,427	6,537	7,964
	HSCN Hyundai Steel Investment (China) Co., Ltd.	21	18	39
Korea	Hyundai ITC Co., Ltd.	412	49	462
	Hyundai ISC Co., Ltd.	73	14	88
	Hyundai IMC Co., Ltd.	20	11	31
	Hyundai IEC Co., Ltd.	Not established		
Total		4,233	18,319	22,552

※ In order to report the GHG emissions as an integer, the rounded number might be different from the number on the calculation tool with ± 1 tCO_2e.

Table 3. Summary of HYUNDAI STEEL's GHG Emissions Inventory for 2025

Company			Greenhouse Gas emissions (tCO_2-eq)		
			Scope 1	Scope 2	Total
USA	HSAL Hyundai Steel America, Inc.		372	1,258	1,630
	HSGA Hyundai Steel Georgia, Inc.	Location-based[1]	4	876	880
		Market-based [2]	4	-	4
	HYUNDAI-POSCO Louisiana Steel LLC		-	4	4
Mexico	HSMX Hyundai Steel Mexico S de R. L. de C. V		50	776	826
Brazil	HSBR Hyundai Steel Industry and Trade Brazil LLC		11	30	41
Czech	HSCZ Hyundai Steel Czech s.r.o		101	538	639
Slovak	HSSK Hyundai Steel Slovakia s.r.o		162	76	238
Türkiye	HSTR Hyundai Steel TR Automotive Steel Parts Co.,Ltd.		138	611	749
India	HSCH Hyundai Steel India Private Ltd.		293	1,526	1,819
	HSAN Hyundai Steel Anantapur Private, Ltd.		223	992	1,215
China	HSMC Qingdao Hyundai Machinery Co., Ltd.		258	2,527	2,785
	HSJS Hyundai Steel Jiangsu Process Co., Ltd.		29	990	1,019
	HSSZ Hyundai Steel Suzhou Process Co., Ltd.		10	284	294
	HSTJ Hyundai Steel Tianjin Co., Ltd.		862	4,612	5,474
	HSCN Hyundai Steel Investment (China) Co., Ltd.		-	6	6
Korea	Hyundai ITC Co., Ltd.		475	116	591
	Hyundai ISC Co., Ltd.		23	19	42
	Hyundai IMC Co., Ltd.		26	12	38
	Hyundai IEC Co., Ltd.		161	32	192
Total		Location-based	3,197	15,285	19,483
		Market-based	3,197	14,409	17,606

※ In order to report the GHG emissions as an integer, the rounded number might be different from the number on the calculation tool with ± 1 tCO_2e.

1) Location-based emissions are greenhouse gas (GHG) emissions reported as Scope 2, calculated using the average emissions intensity of the electricity grid where the energy is consumed, typically based on grid-average emission factor data.

2) The market-based method was applied in accordance with the GHG Protocol, incorporating the company's Scope 2 GHG emissions from renewable electricity purchased through the v-PPA. In the absence of a government-published residual mix emission factor, the country-specific grid electricity emission factor was used as a proxy for the remaining electricity consumption

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6.3.4 Other indirect GHG emissions (Scope 3)

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by HYUNDAI STEEL COMPANY ("Company") to perform thirdparty verification for the Company's Greenhouse Gas Statement. The Company is responsible for the preparation of the GHG statement on the basis set out within 'ISO 14064-1:2018' and 'The Corporate Value Chain (Scope 3) Accounting and Reporting Standard'. The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or responsibility for any decisions, based upon the verification opinion.

Objective and Scope of Verification

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

- Organizational Boundary : Head quarter and domestic worksites
- Reporting Boundary : Scope 3 (Other indirect emissions: Category 1, 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 15)
- Reporting Period : 2025.01.01 ~ 2025.12.31

Verification Approach

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

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

Conclusions

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

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

(Unit: ton CO_2eq)

Company	Upstream	Downstream	Total Emissions
HYUNDAI STEEL	5,154,795	718,878	5,873,674

※ In order to report the GHG emissions as an integer, the rounded number might be different from the number on the calculation tool with ± 1 tCO_2e.

HYUNDAI STEEL's Scope 3 emissions

(Unit: ton CO_2eq)

		Category	GHG emissions
Upstream	Category 1	Purchased goods and services[1]	3,321,328
	Category 2	Capital goods	3,655
	Category 3	Fuel- and energy related activities (not included in scope 1 or scope 2)	440,404
	Category 4	Upstream transportation and distribution[2]	1,304,104
	Category 5	Waste generated in operations	65,047
	Category 6	Business travel	4,620
	Category 7	Employee commuting	14,792
	Category 8	Upstream Leased Assets	845
Downstream	Category 9	Downstream transportation and distribution	38,683
	Category 12	End-of-Life Treatments of Sold Products	215,601
	Category 13	Downstream Leased Assets	269
	Category 15	Investments[3]	464,326

※ In order to report the GHG emissions as an integer, the rounded number might be different from the number on the calculation tool with ± 1 tCO_2e.

1) Includes emissions from the production of key raw materials (iron ore, iron ore pellets, PCI, anthracite, bituminous coal, petroleum coke, steel scrap, quicklime, limestone, dolomite, calcined dolomite, ferroalloys (Fe-Cr, Fe-Mn, Fe-Si, Si-Mn), and non-ferrous metals (aluminum, zinc)), as well as water usage.

2) Also includes emissions from the transportation of key raw materials calculated under Category 1 and the transportation of sold products.

3) For Category 15, data is included based on entities subject to the K-ETS.



2026. 6. 01

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

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