

WELDING THE FUTURE

Hyundai Welding Sustainability Report 2025



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Welding the Future

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ABOUT THIS REPORT

Report Overview

This report presents a comprehensive overview of Hyundai Welding's sustainability management activities and performance across the environmental, social, and governance (ESG) domains. Through this report, we aim to transparently share our sustainability strategies, progress, and future objectives to both internal and external stakeholders. By publishing this report on a biennial basis, Hyundai Welding aims to strengthen its commitment to responsible and sustainable business practices while fostering stronger engagement with all stakeholders.

Reporting Assurance

This report has been assured by Control Union, an independent third-party assurance provider, to guarantee the reliability and accuracy of disclosed information. The verification was conducted in accordance with the AA1000 Assurance Standard (AA1000AS). The assurance statement is provided on page 67-68. All financial data included in this report has been independently audited by Samil Accounting Corporation.

Reporting Principles

This report was prepared with reference to the Global Reporting Initiative (GRI) Standards 2021, global standard for sustainability reporting. Details of its application can be found in the GRI Standards Index provided in the Appendix. Certain industry standards required by ISO 26000 have been incorporated, and the principles of the UN SDGs have also been applied. Financial information was prepared in accordance with K-IFRS (Korean International Financial Reporting Standards) on a consolidated basis.

Contact Information

For inquiries regarding this report, please refer to the contact information below.

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Reporting Period and Scope

This report covers Hyundai Welding's ESG (Environmental, Social, and Governance) activities carried out from January 1, 2023 to December 31, 2024. To facilitate year-over-year performance evaluation, key performance data from 2021 to 2024 are presented, with additional highlights of major initiatives and achievements through the first half of 2025. The reporting scope encompasses the company's headquarters in Korea, three domestic production sites, subsidiaries, domestic sales offices, and overseas entities. The content addresses a comprehensive overview of key ESG issues, including environmental management, human rights and labor practices, ethical business conduct, and supply chain management.

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CEO MESSAGE



**Dear Esteemed Stakeholders,
We sincerely appreciate your continued trust and support, which have been pivotal to Hyundai Weling's ongoing transformation and growth.**

The past years presented unprecedented global challenges. Factors such as the rapid interest rate hikes in the United States and the ongoing conflict in Ukraine have created a business environment where adaptability is essential for survival. Additionally, the introduction of ESG-related regulations including the Carbon Border Adjustment Mechanism and Supply Chain Due Diligence Guidelines has elevated the expectations for corporate social responsibility and technical expertise in addressing environmental and ecosystem issues. Companies now face heightened demands related to human rights protection, supply chain transparency, and broader social responsibilities.

From a social perspective, Hyundai Welding has taken significant steps including the enactment of a Human Rights Charter, implementation of an Anti-Corruption Management System (ISO 37001), acquisition of Family-Friendly Company certification, membership in the United Nations Global Compact (UNGC), and comprehensive supply chain assessments to fulfill our responsibilities as a committed corporate citizen. Our foremost priority remains strengthening our sustainability management capabilities. To this end, we have established an ESG Management Team tasked with developing core ESG policies, monitoring key performance indicators, and driving continuous improvement. This initiative supports the advancement of a robust sustainability management system that aligns with evolving societal

expectations and fosters sustainability across our domestic and international affiliates and supply chains.

Since our founding in 1975, Hyundai Welding has grown in tandem with the Republic of Korea through dedication to the welding materials industry. Going forward, we are committed to pursuing best ESG management that reflects the expectations of our stakeholders and lays a solid foundation for sustainable growth.

Through this report, we aim to transparently communicate Hyundai Welding's key sustainability issues and performance outcomes. We sincerely appreciate your ongoing interest and encouragement as we continue our journey toward creating lasting value for all stakeholders.

Thank you.

Co-Chief Executive Officer,
Hyundai Welding Co., Ltd.

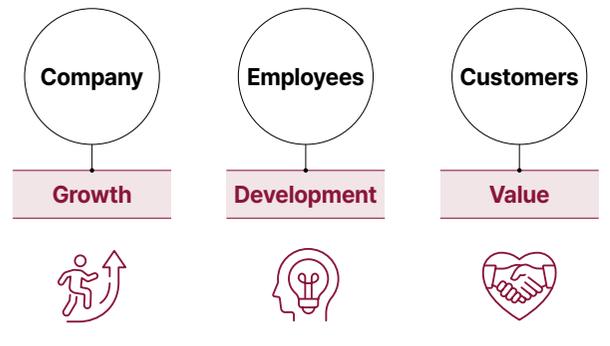
이종기 김용하

BUSINESS OVERVIEW

About Hyundai Welding

Hyundai Welding is a specialized manufacturing company contributing to the innovation and advancement of national industries through welding materials. The company upholds creativity, courage, collaboration, and challenge as its core values, delivering competitive products through continuous technological innovation and quality enhancement. To drive future growth, Hyundai Welding strategically collaborates with its affiliates, including Hyundai PNS, Hyundai Superteck, Hyundai Gloville, Santacells, and Santapartners. The company pursues sustainable growth by placing technological innovation and ESG management at the core of its operations, emphasizing environmental responsibility, social value, and transparent governance. Hyundai Welding remains committed to being a trusted global manufacturer, fulfilling its social responsibilities, and contributing to the development of a sustainable industrial future.

Company Name	Hyundai Welding Co. Ltd.
CEO	Chung Ki Lee, Yong Deog Kim
Establishment	September 3, 1975
Type of Business	Manufacturing, Retail
Headquarters	15th-18th floor, 507 Teheran-ro, Gangnam-gu, Seoul, Republic of Korea (WeWork Building, Samseong-dong)



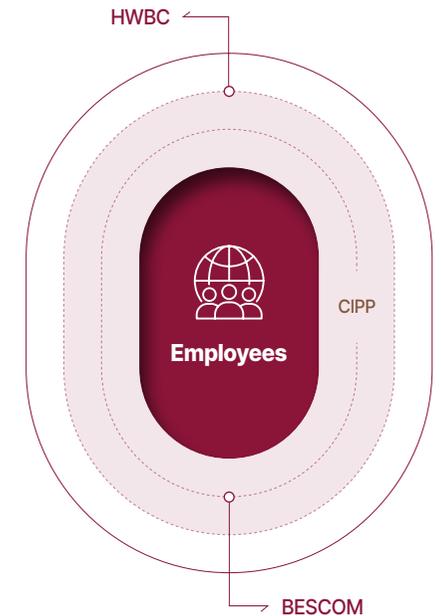
HWBC(Hyundai Welding Business Culture)

In order to proactively respond to the global management environment, Hyundai Welding has established HWBC (Hyundai Welding Business Culture) where executives and employees share the same goals and standards. Through this, executives and employees clearly understand the goals and direction of Hyundai Welding, form an integrated corporate culture, achieve sustainable growth, and lay the foundation for collective development and shared success.

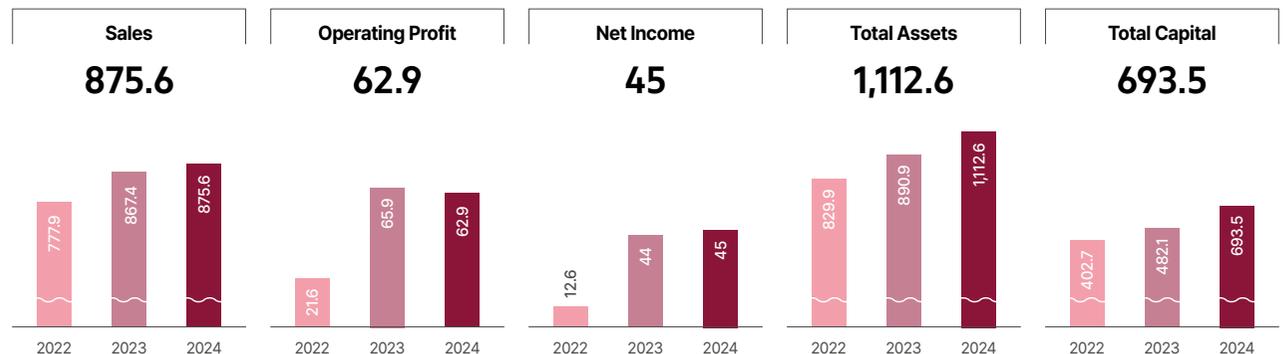
Seeking Shared Prosperity with Business Partners

Hyundai Welding is committed to fostering mutual prosperity with all stakeholders, including employees, customers, shareholders, and society at large. As key contributors to the company, employees pursue personal growth and fulfillment through collaborative development with business partners. By delivering continuous value to customers, enhancing shareholder value, and fulfilling social responsibilities, Hyundai Welding drives sustainable growth and shared progress with society. Through these efforts, the company contributes to societal well-being and the advancement of humanity, ensuring ongoing development and long-term impact.

Hyundai Welding values the ability of its employees through **CIPP (Creative Imagination Passionate Practice)** to realize **BESCOM (Best Company)** in an environment of infinite competition. CIPP realizes creative imagination and passion, and provides an environment where employees can be courageous and continuously practice challenging innovation. Through this, employees set high goals, pursue mutual prosperity with business partners, and achieve gradual and continuous development to reach BESCOM.



Financial Performance (Unit: KRW Billion)



BUSINESS OVERVIEW

Hyundai Welding

[Read more](#) 

Global Welding Specialist

Hyundai Welding is a global welding solution provider specializing in the development and supply of high-performance welding materials and advanced welding equipment. Since its establishment in 1975, the company has supported key industries including shipbuilding, plant construction, energy, automobile, and steel, playing a pivotal role in the growth of Korea's heavy industry. Welding is a core technology essential to industrial development, and Hyundai Welding has driven continuous growth and technological advancement for more than five decades. Today, we operate production plants and sales subsidiaries in 21 countries and export welding materials and equipment to approximately 100 markets worldwide. In 2009, Hyundai Welding became the first in the domestic welding industry to achieve annual exports of USD 200 million, showcasing established global competitiveness.

Sustainable Maritime Innovation

Hyundai Welding's Machinery Business Division is proactively addressing environmental regulations in the maritime sector while fostering sustainable growth through the development of innovative, eco-friendly ship technologies. Our core initiatives include the development of Ballast Water Treatment Systems (BWTS), Alternative Maritime Power (AMP), and onboard carbon capture systems, positioning the company at the forefront of the global market for environmentally responsible vessels.

Hyundai Gloville

[Read more](#) 

Trusted Logistics Partner Connecting the World

Hyundai Gloville is a comprehensive logistics company providing end-to-end solutions across international forwarding, inland transportation, warehousing, and customs clearance. Leveraging a global network and advanced digital capabilities, we deliver fully optimized, tailor-made logistics solutions that meet the unique needs of all customers.

Through a trusted business partner network, Hyundai Gloville ensures reliable and efficient transportation services worldwide, integrating multiple transport modes including containers (FCL/LCL), bulk, air, land, and rail to align with operational objectives and environmental considerations. We manage the entire logistics process transparently and efficiently through a sophisticated smart logistics platform equipped with real-time cargo tracking and advanced IT systems. In addition, Hyundai Gloville offers customized transportation planning and on-site consulting that account for industry-specific requirements and operational conditions, ensuring the safe and efficient handling of even the most complex cargo project.

Hyundai PNS

[Read more](#) 

Pioneer in Welding Equipment Innovation

Hyundai PNS was established in 2020 as an independent subsidiary of Hyundai Welding to strengthen expertise in the welding equipment business, improve management efficiency, and establish a technological foundation that can respond quickly to the rapidly changing market. Originating from the Welding Equipment Division founded in 1995, Hyundai PNS has conducted over 30 years of continuous R&D, producing digital SCR welders in 2007, digital inverter welders in 2013, and launching the premium Hi series in 2019, supplied across shipbuilding, plant and other industries. In order to secure the global technological leadership, Hyundai PNS collaborates with top research institutes and operates two dedicated R&D centers, developing equipment optimized for industrial applications. Through these initiatives, we deliver innovative products that meet customer needs while promoting sustainable industrial practices.

Hyundai Supertek

[Read more](#) 

Innovator in Specialty Welding Materials and Solutions

Hyundai Supertek was established in 2015 as an independent entity originating from Hyundai Welding, that specializes in advanced welding materials and solutions. Through ongoing R&D, we have developed a wide range of specialty alloy steel materials, including heat-resistant steels, high-strength steels, wear-resistant steels, Al./Ni./Cu. non-ferrous alloy steel, Duplex, and Inconel, along with related welding materials and auxiliary products. Leveraging this technological expertise, we currently supply our products to approximately 50 countries, strengthening our presence in the global market.

Hyundai Supertek's competitive advantage extends beyond the mere supply of products, it lies in delivering Special Welding Solutions that enhance both productivity and product quality for our clients. This is achieved through sustained investment in R&D, stringent quality management, and proactive market engagement. Guided by a spirit of innovation and adaptability, Hyundai Supertek offers tailored solutions across diverse industries, including shipbuilding, marine, construction, heavy industry, plant engineering, automotive, and green energy. We remain committed to growing alongside our customers and serving as a trusted business partner, leading the global special welding materials market.

HISTORY OF HYUNDAI WELDING

1970

- Sept. 1975** | Established Seohan Development Co., Ltd.
- Aug. 1976** | Completed a calcium carbide factory in Danyang
- Jan. 1977** | Completed a welding rod factory in Pohang
- May 1978** | Installed submerged wire manufacturing facility at Pohang Plant
- Sept. 1978** | Introduction of submerged welding flux manufacturing technology with ESAB, Sweden
Established the solid wire manufacturing facility at Pohang Plant

1980

- Dec. 1980** | Started submerged wire flux production at Pohang Plant
- Jan. 1987** | Changed company name to Hyundai Welding Co., Ltd.
- Sept. 1989** | Started metal stamping business
- Oct. 1989** | Established Hyundai Welding Japan Co., Ltd.

2000

- April 2001** | Merged with Sungwoo Precision Industry Co., Ltd.
- Aug. 2001** | Recognition of Corporate Research Institute at Icheon Plant (Korea Industrial Technology Association)
- Sept. 2001** | Additional expansion of F.C.W. manufacturing facilities at Pohang Plant
- April 2002** | Established Superteck (Kunshan) Co., Ltd.
- April 2005** | Completed the Superteck welding rod factory 1st phase
- Oct. 2005** | Additional expansion of F.C.W. manufacturing facilities at Pohang Plant
- Nov. 2005** | Additional expansion of submerged wire
- Dec. 2005** | Additional expansion of F.C.W. manufacturing facilities at Pohang Plant

- July 2007** | Additional expansion of solid wire manufacturing facilities at Pohang Plant
- Sept. 2007** | Established Hyundai Welding Vina Co., Ltd.
- Aug. 2008** | Additional expansion of solid wire manufacturing facilities at Pohang Plant
- Sept. 2008** | Completed the Vietnam welding rod factory 1st phase
Additional expansion of F.C.W. and flux manufacturing facilities at Pohang Plant
- Oct. 2008** | Additional expansion of submerged wire manufacturing facilities at Pohang Plant
- Feb. 2009** | Additional expansion of flux manufacturing facilities at Pohang Plant
- May 2009** | Completed the Gochang welding rod factory 1st phase

1990

- Feb. 1993** | Established Hyundai Welding (China) Co., Ltd.
- Jan. 1994** | Established Hyundai Welding (Singapore) Pte., Ltd.
- Feb. 1994** | Introduction of stainless steel welding rod manufacturing technology with Oerlikon of Switzerland
- March 1995** | Established Sungwoo Precision Industry Co., Ltd.
- Sept. 1995** | Expansion of covered welding rod production facilities at Pohang Plant
- Feb. 1997** | Established Hyundai Welding Products Inc. (USA)
- April 1997** | Completed Sungwoo Precision Industry Co., Ltd. Icheon Plant
- Sept. 1997** | Additional expansion of F.C.W. manufacturing facilities at Pohang Plant
- Dec 1997** | Established the Technology Research Institute (Pohang Plant, 1,653 m² in floor space)
- July 1999** | Recognition of Corporate Research Institute at Pohang Plant (Korea Industrial Technology Association)

2010

- March 2011** | Approval of EcoBallast IMO type
- Aug. 2011** | Completed the Pohang Plant 2 construction
- Nov. 2011** | Approval of HiBallast (Non-explosion-proof type) IMO type
- Dec. 2011** | Approval of HiBallast (Explosion-proof type) IMO type
- June 2013** | Approval of HiBallast USCG AMS
- March 2014** | Approval of EcoBallast USCG AMS
- Jan. 2015** | Established Hyundai Superteck Co., Ltd.
- Oct. 2015** | LOI for HiBallast USCG type approval
- June 2016** | LOI for EcoBallast USCG type approval
- Nov. 2016** | HYUNDAI WELDING GmbH

- Dec. 2016** | Entry into ship ballast water treatment system business
HiBallast HHI-HWC BWTS design/manufacture/commissioning OEM contract
- Nov. 2017** | Hyundai Welding Kaynak Sanayi Ve Ticaret Limited Sirketi
- Feb. 2018** | Established Hyundai Welding RUS Co., Ltd.
- Oct. 2018** | Approval of HiBallast USCG type
- Dec. 2018** | Approval of HiBallast IMO NEW G8 type
- March 2019** | Approval of HiBallast Korean Register (KR) type
- June 2019** | Development of Hi-Con controller
- Oct. 2019** | Approval of EcoBallast USCG type

2020

- Feb. 2020** | Approval of HiBallast BV classification type
Established Hyundai Gloville Co., Ltd.
Established Hyundai PNS Co., Ltd.
- March 2021** | Establishment of Santacells Co., Ltd.
Establishment of Santapartners Co., Ltd.
- May 2021** | Establishment of Code of Ethics and Practice Guidelines
- April 2022** | Obtained BB grade in Sustainvest ESG evaluation
- Nov. 2022** | Participated in ESG Supply Chain Consulting of the Ministry of Trade, Industry and Energy
- Jan. 2023** | Joined UNGC
- Feb. 2023** | Establishment of Supplier Code of Conduct
- July 2023** | Publication of First ESG Report
- Oct. 2023** | Establishment of Human Rights Charter
- Dec 2023** | Obtained 'Family-Friendly Workplace' Certification
- July 2024** | Obtained ISO 37001 (Anti-Corruption Management System) certification
- June 2025** | Establishment of Responsible Minerals Policy Declaration

GLOBAL NETWORK

Hyundai Welding is continuously expanding R&D, production, and sales bases in key global regions, including Korea, Europe, the U.S., and China, while extending operations to overseas markets in Asia, North America, and South America, leveraging headquarters in Seoul and manufacturing plants and technology research centers in Pohang, Ulsan, and Gochang.

Asia

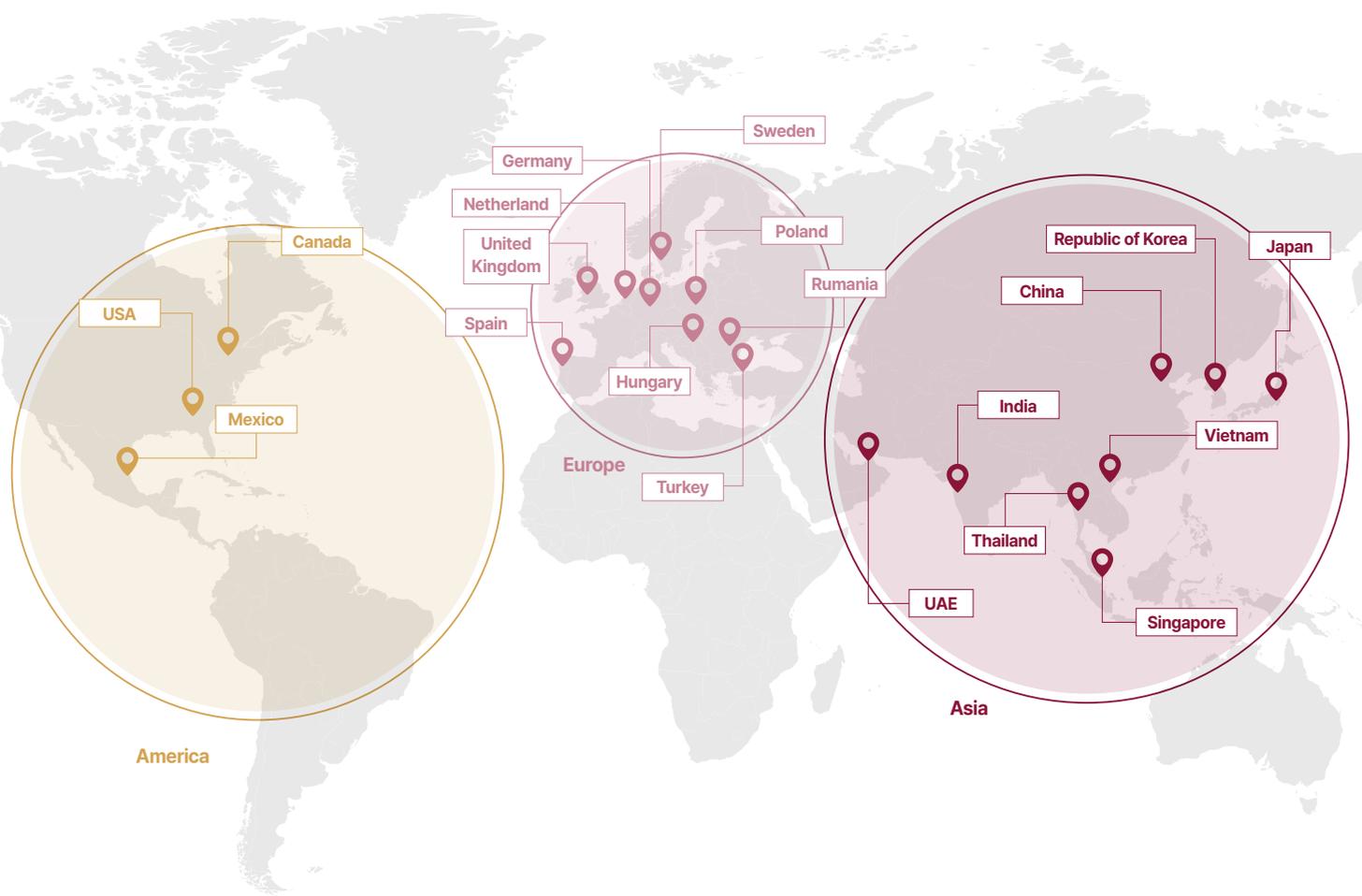
Country	Business Type	Location
Republic of Korea	Headquarters	Seoul
Korea	Plant	Pohang (Nam-gu/Buk-gu), Gochang
	Office	Gwangju, Geoje, Daegu, Busan, Ulsan
Japan	Corporation	Osaka, Tokyo, Kyushu, Hiroshima, Nagoya
Singapore	Corporation	Singapore
China	Branch	Shanghai, Qingdao, Guangzhou, Nantong, Dalian, Wuhan, Xi'an, Zhoushan, Beijing
	Plant	Kunshan
Vietnam	Branch	Hanoi
	Plant	Ho Chi Minh
Thailand	Branch	Bangkok
UAE	Branch	Dubai
India	Branch	Pune
	Plant	Chennai

Europe

Country	Business Type	Location
Netherlands	Europe Headquarters	Rotterdam
Germany	Corporation	Jigen
Turkey	Corporation	Istanbul
Sweden	Branch	Gothenburg
Poland	Branch	Sosnowiec
Spain	Branch	Vigo
Romania	Branch	Buzău
Hungary	Branch	Budapest
United Kingdom	Branch	Oswestry

America

Country	Business Type	Location
USA	Corporation	Atlanta
Canada	Branch	Toronto
Mexico	Branch	Tampico



SUSTAINABILITY FRAMEWORK



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SUSTAINABILITY MANAGEMENT SYSTEM

Vision and Strategy of Hyundai Welding Sustainability Management

Hyundai Welding aspires to shape the future through advanced welding technology and innovation, guided by the vision 'Welding The Future.' This vision reflects our strong commitment to strengthening the growth and resilience of our core businesses through sustainable management and technological excellence. We are dedicated to operating as an eco-friendly enterprise, demonstrating social responsibility, and establishing ourselves as a trusted company through fair, transparent, and accountable management practices. By aligning our key business activities with the United Nations Sustainable Development Goals (SDGs), we strive to create enduring economic, social, and environmental value, contributing meaningfully to global sustainable development.

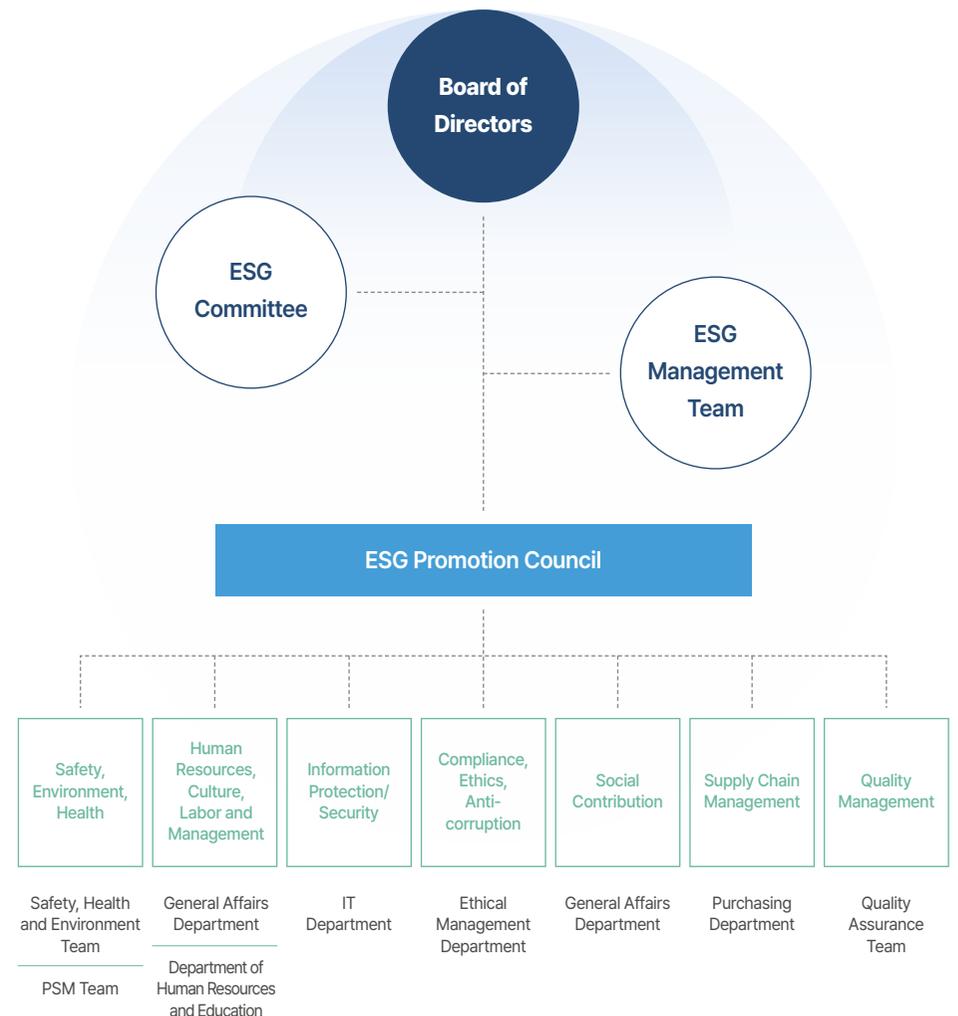
Sustainability Management Promotion Strategy



SUSTAINABILITY MANAGEMENT SYSTEM

Hyundai Welding is strengthening a company-wide ESG governance framework to systematically manage ESG risks and achieve sustainable growth. The ESG Committee, established in 2023 under the Board of Directors, serves as the highest decision-making body for ESG matters. It is composed of the CEO and outside directors and is responsible for formulating sustainability management strategies and reviewing and deciding on key ESG issues. The Committee conducts comprehensive reviews of the organization's economic, environmental, and social impacts, regularly monitoring ESG-related risks and opportunities. Key agenda items are directly reported to the Board of Directors and reflected in the decisions of top management. The ESG Management Team is responsible for developing and executing detailed strategies based on the decisions of the ESG Committee. The team's functions include ESG disclosure, responding to external ESG evaluations, analyzing industry ESG trends, identifying and managing ESG risks, and discovering sustainable new business opportunities. Progress on these initiatives is regularly reported to the ESG Committee and senior management meetings. The ESG Promotion Council is an implementation body composed of the ESG Management Team and operational staff from each division. It is responsible for the practical execution of ESG strategies and initiatives, sharing ESG status and issues across divisions, monitoring progress on tasks, and operating a collaborative system to embed ESG management throughout the company. Leveraging the ESG governance framework, Hyundai Welding systematically manages full ESG process from strategy and execution to improvement pursuing sustainable growth through responsible management.

ESG Governance Structure



Roles and Responsibilities of ESG Promotion Council Departments

ESG Management Team	Drive company-wide ESG strategy, ensure ESG disclosure, and align operations with global ESG regulations.
Safety, Health and Environment Team, PSM Team	Implement SHE(safety, health, environment) policies and manage use of energy, water, wastewater, and chemicals.
General Affairs Department	Plan and execute corporate social responsibility initiatives.
Department of Human Resources and Education	Enhance employee skills and competencies, enhance organizational culture, optimize HR operations, and formulate personnel policies.
IT Department	Establish and enforce privacy policies and strengthen cyber security measures.
Ethical Management Office	Investigate ethics violations and implement ethical policies.
Purchasing Department	Manage sustainable supply chains, procure eco-friendly resources, and improve operational efficiency.
Quality Assurance Team	Ensure product quality and maintain compliance with legal and regulatory standards.

ESG EVALUATION

Hyundai Welding has strengthened its ESG management competitiveness, earning recognition for outstanding ESG performance from an accredited evaluation agency. This achievement reflects the ongoing dedication and collective efforts of all executives and employees. ESG management and evaluation are regarded as fundamental drivers of long-term corporate value rather than mere compliance requirements. By implementing continuous improvements and actively pursuing new opportunities, the company seeks to generate social, environmental, and economic value, raise ESG management standards, and achieve sustainable growth and development.

SUSTINVEST

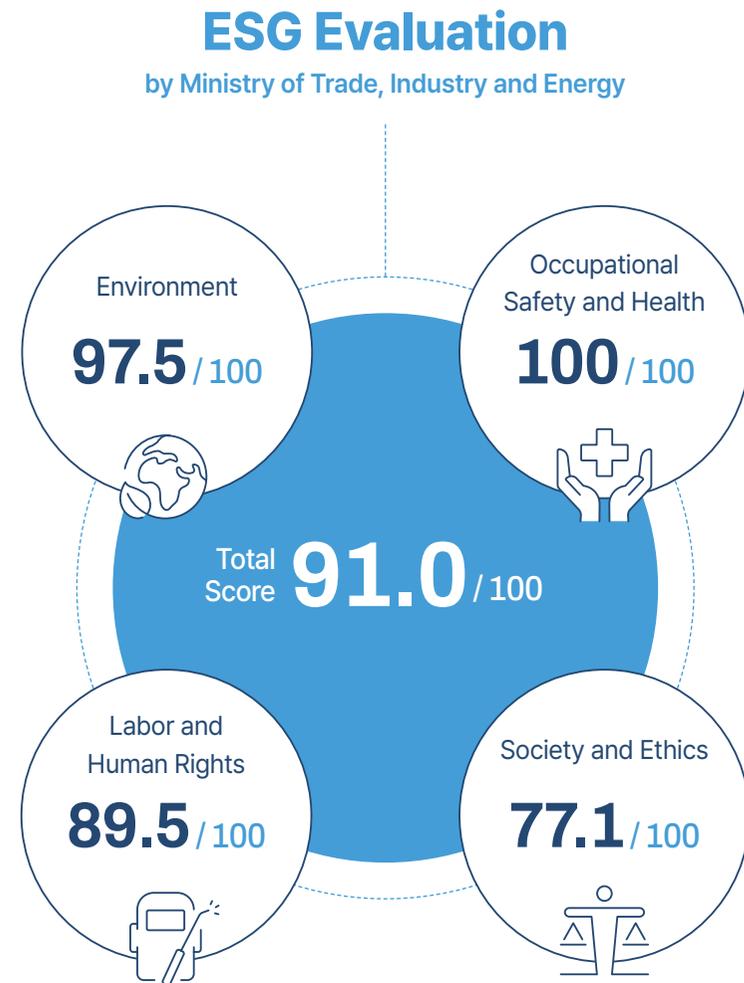
In 2022, Hyundai Welding received an integrated BB rating in the ESG evaluation conducted by Sustainvest. The company was recognized for establishing a robust sustainability management system and achieved an A rating in the environmental and social dimensions, reflecting its outstanding performance in these areas. Looking ahead, Hyundai Welding is committed to practicing genuine sustainability management by enhancing its ESG management system to further minimize risks across environmental management, social responsibility, and governance..



ESG Evaluation Conducted by the Ministry of Trade, Industry and Energy

Hyundai Welding participated in the 'ESG Response Enhancement Project' hosted by the Ministry of Trade, Industry and Energy to proactively respond to the EU Supply Chain Due Diligence Directive (CSDDD). This project involved approximately 500 companies nationwide and assessed their ESG capabilities. As of December 11, 2023, Hyundai Welding achieved a total score of 91.0 points across 80 evaluation items covering Environment (31 items), Safety and Health (17 items), Labor and Human Rights (22 items), and Ethics (10 items).

In particular, we received high scores in the Environment and Safety and Health areas, reflecting the establishment of a systematic management system. In the Labor and Human Rights area, Hyundai Welding formulated a Human Rights Charter and carried out targeted improvement initiatives. In the Ethics domain, we established the Supplier Code of Conduct, distributed it to key business partners, and obtained their signatures to strengthen implementation and compliance. Hyundai Welding remains committed to enhancing ethical and responsible management in alignment with global supply chain standards.



ESG EVALUATION

ESG Evaluation Results and Improvements

Field	Score	Evaluation Results	Status of Improvement
Environment	97.5 +43.9 points compared to the average score of the evaluated companies	Management of environmental activities (energy, greenhouse gases, hazardous substances, waste, and water) Compliant · Documentation of an environmental policy or guidelines and operation of a dedicated organization for environmental management. · Certification to international environmental management system standard ISO 14001 obtained.	Monitor energy and greenhouse gas data and ensure renewal of ISO 14001 (Environmental management system) certification.
Occupational Safety and Health	100 +23.4 points compared to the average score of the evaluated companies	Policies for Occupational Safety and Health Compliant · Establishment of a company-wide occupational health and safety management system and provision of safety training. · Obtained ISO 45001 (Occupational Health and Safety Management System) in some sites.	Maintain a system to prevent workplace accidents and human resource losses by continuously monitoring and improving the safety and health management system across all sites.
Labor and Human Rights	89.5 +8.9 points compared to the average score of the evaluated companies	1. Human Rights Charter Policy Insufficient · Absence of a Human Rights Charter to promote employees' rights or address potential human rights violations. 2. Child Labor Prohibition Policy Insufficient · Lack of provisions for work permits for adolescents aged 13–15. · Absence of requirement to collect or retain proof of age for juvenile workers. · Lack of prohibition on including penalty or damage clauses in contracts for non-compliance with juvenile labor regulations.	Human Rights Charter · Establish a Human Rights Management Declaration and Human Rights Charter to enhance the current human rights management system. · Enhance the Ethical Management Practice Guidelines on human rights violations to address forced labor and human trafficking, prohibition of discrimination, and customer human rights. Child Labor Prohibition Policy · Clearly define provisions in the Human Rights Charter for short-term employment of workers aged 15–18, covering health, safety, moral awareness, and provision of educational opportunities. · Implement Supplier Code of Conduct addressing social and ethical responsibilities, including guaranteeing human rights, ensuring a safe work environment, prohibiting child labor, and complying with fair trade principles. Supply Chain Management · Distribute the Supplier Code of Conduct to key business partners and suppliers and obtain their signatures to ensure compliance.
Society and Ethics	77.1 +31.2 points compared to the average score of the evaluated companies	Responsible Raw Material Procurement Policy Insufficient · Absence of a policy for environmentally and socially responsible sourcing of raw materials. · Absence of a requirement for suppliers to reduce negative environmental impacts across business operations. · Absence of a requirement for suppliers to protect human rights in the production of sourced raw materials. · Absence of a requirement for suppliers to ensure occupational health and safety of employees involved in raw material production.	Incorporate 'Responsible Materials Sourcing' clause into Supplier Code of Conduct. Establishment of the Responsible Minerals Policy Statement.

DOUBLE MATERIALITY ASSESSMENT

Hyundai Welding conducted a double materiality assessment based on the double materiality principle to identify key issues related to ESG management. The double materiality assessment is an evaluation that comprehensively considers external factors that affect a company's financial status and the impact of a company's management activities on society. To this end, we actively utilized global ESG initiatives and various assessment criteria, including GRI, ISO 26000, UN SDGs, SASB, TCFD, and K-ESG, and selected key issues by reflecting the impact on Hyundai Welding's business and the interests of stakeholders.

Double Materiality Assessment Process



Double Materiality Assessment Results

Hyundai Welding conducted a double materiality assessment to analyze the extent to which each ESG issue impacts the company's financial performance as well as its environmental and social footprint. Based on stakeholder surveys, a total of 20 key ESG issues were identified, from which 6 core issues of highest significance to both the company and its stakeholders were selected. This report discloses major achievements and activities related to these six core issues. Compared with 2023, there have been some changes in the material issues for 2025. 'Establishing a Sustainable Business Model' and 'Employee Capability Enhancement' were removed from the list of material issues, while 'Protection of Core Technology and Personal Data' was newly added. The remaining issues remain unchanged, with 'Commitment to Climate Action', 'Safe Working Environment', 'Work-Life Balance', and 'Ethical Management' continuously recognized as core material issues. These selections reflect Hyundai Welding's commitment to embedding ESG management into its business strategy, securing long-term competitiveness, building stakeholder trust, and ultimately achieving sustainable growth.

Category	Key Issues	Customer	Employee	Business Partner	Local Community	GRI Index	Report page
E	Commitment to Climate Action	●	◐	●	●	GRI 302, 303, 305, 306	p.17-23
S	Safe work environment	◐	●	●	◐	GRI 403	p.25-35
S	Work-Life balance	◐	●	◐	●	GRI 401	p.42-43
G	Ethical management	◐	●	●	◐	GRI 408, 409, 201, 205	p.47-49
G	Fair trade	◐	◐	●	●	GRI 206	p.50-52
G	Protection of core technologies and personal information	◐	●	●	◐	GRI 418	p.54
E	Reduction of wastes	◐	◐	◐	●		
E	Preventing air pollution	◐	◐	◐	●		
E	Development of eco-friendly businesses	◐	◐	◐	◐		
E		◐	◐	◐	◐		
S	Human rights management and respect for diversity	◐	●	◐	◐		
S	Employee capacity building training program	◐	●	◐	◐		
S	Communication with stakeholders	●	◐	●	◐		
S	Consumer satisfaction and quality control	●	◐	●	◐		
S	Desirable organization culture	◐	●	◐	◐		
S	Win-Win with local community	◐	◐	◐	●		
G	Supply chain management	◐	◐	●	◐		
G	Economic value creation and distribution	○	◐	◐	◐		
G	Risk management	◐	◐	◐	◐		
G	Sound governance	◐	◐	◐	◐		

STAKEHOLDER ENGAGEMENT

		Key Concerns	Major Communication Channels	Actions
Customer 	»»»	<ul style="list-style-type: none"> · Providing new services · Enhancing product quality and safety · Quick processing of customer complaints and inquires · Strengthening communication · Price and delivery time 	<ul style="list-style-type: none"> · Homepage · SNS channel · Customer satisfaction survey 	<ul style="list-style-type: none"> · Launch of products that improve environmental friendliness and efficiency · Engage in Sustainability Management initiatives · Maintain ISO 9001(Quality Management System) certification
Business Partner 	»»»	<ul style="list-style-type: none"> · Increasing production efficiency · Sharing information and communication · Shared growth · Fair trade 	<ul style="list-style-type: none"> · Business partner meeting · Visiting business partners · Disclosure of ESG report 	<ul style="list-style-type: none"> · Establishment of fair trade principles · Strengthen continuous communication and cooperation · Supply chain evaluation and derivation of improvement items
Employee 	»»»	<ul style="list-style-type: none"> · Welfare · Complaints handling · Fair performance evaluation and compensation · Strengthening the capabilities of employees · Workplace safety and health · Improving an organization culture 	<ul style="list-style-type: none"> · Internal reporting system · Grievance handling system · Labor-Management Council · Intranet 	<ul style="list-style-type: none"> · Conduct regular ethics training · Grievance handling and operation of consultation of Ethics Management Office · Establishment of an employee training system · Implementation of welfare systems · Establishment of a human resources system
Local community 	»»»	<ul style="list-style-type: none"> · Communication with local community · Win-Win management · Social contribution activities · Reduction of pollutant emissions · Cultivation of local talents 	<ul style="list-style-type: none"> · Official website · SNS channel · Press release · Social contribution activities 	<ul style="list-style-type: none"> · Construction of talent cultivation platform · Develop youth support projects such as signing an industry-academia cooperation agreement · Donation to World Vision · Support for the socially disadvantaged, including coal briquette donation campaigns
Government and related organizations 	»»»	<ul style="list-style-type: none"> · Response to climate change · Building a safe business environment · Creation of jobs · Information security · Human rights management · Compliance with laws and regulations 	<ul style="list-style-type: none"> · Policy discussion meeting · Attending international organization meetings · System briefing session 	<ul style="list-style-type: none"> · Hire local talents · Honest tax payment · Continuous management of environmental indicators and implementation of improvement items

Sustainability Performance

ENVIRONMENTAL

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Climate Change Mitigation 22



ENVIRONMENTAL MANAGEMENT

Environmental Management Policy

Hyundai Welding has established a Safety, Health, Environment (SHE) policy to proactively respond to environmental risks and internalize an environmental management system under the sustainability vision of becoming an 'environmentally friendly company.'

We recognize environmental stewardship as a core priority and are committed to minimizing negative environmental impacts across our business. In particular, we focus on three key areas: carbon emission management, strengthening the Environmental Management System, and promoting circular economy. Through these initiatives, we aim to deliver significant environmental performance across all our domestic and global sites. Looking ahead, we will continue to enhance our capabilities in environmental impact management and the development of eco-friendly technologies throughout the entire production process, striving to advance as a globally recognized leader in sustainable manufacturing.

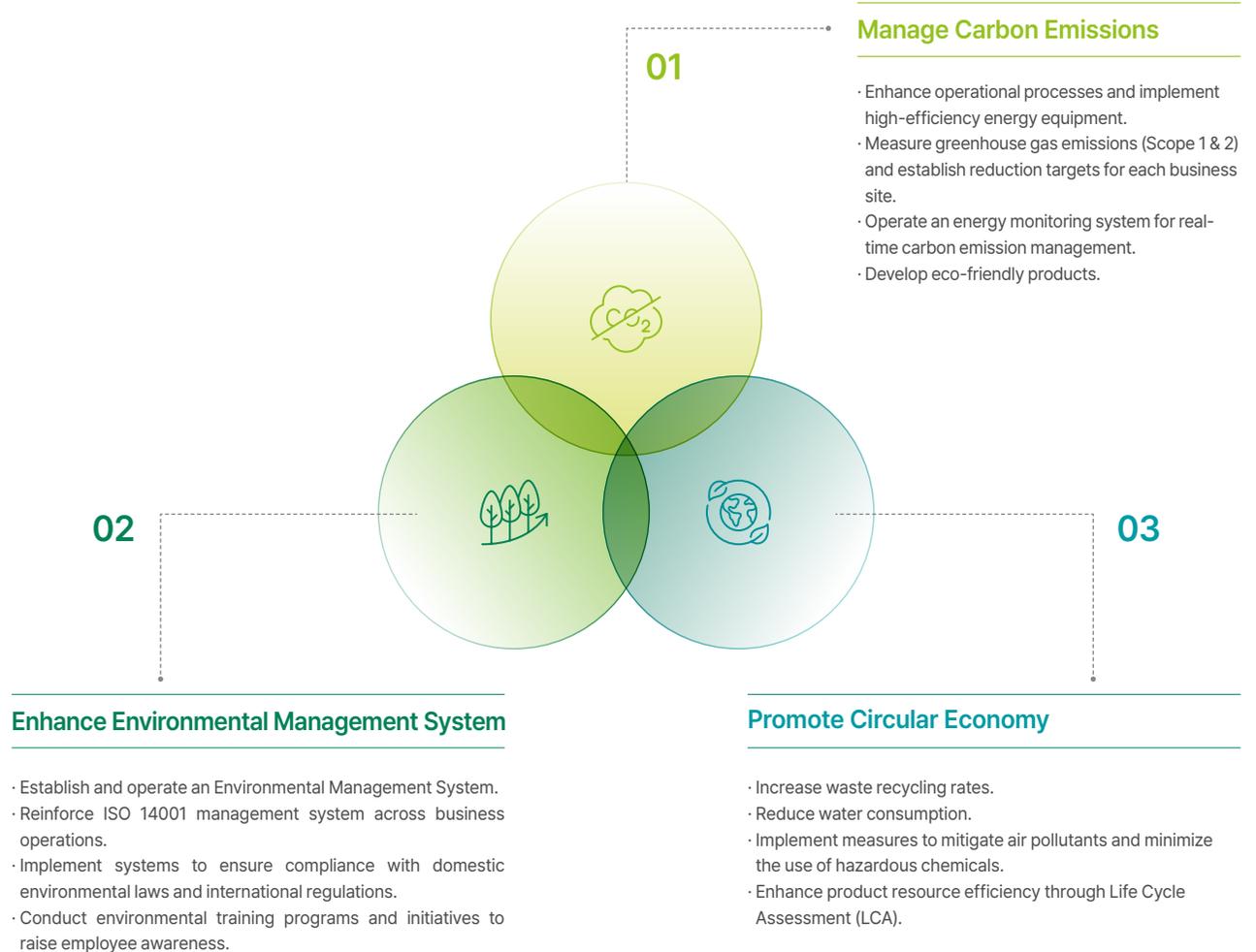
Environmental Pillar

Hyundai Welding
SHE(Safety, Health, Environment) Policy

Establishment of an Environmentally Responsible Business Site

- ① We minimize pollutants, waste, and environmental risks associated with our operations through systematic and continuous monitoring.
- ② We ensure full compliance with applicable environmental laws and regulations while proactively addressing domestic environmental issues and emerging international trends.
- ③ We promote ongoing investment, research, and initiatives to advance eco-friendly technologies and sustainable business practices.

Environmental Management Promotion Strategy



COMMITMENT TO CLIMATE ACTION

Greenhouse Gas Emissions

(Unit: tCO2eq)

Business Site	Scope	2021	2022	2023	2024
Pohang Plant 1	Scope 1	4,817	4,538	5,294	5,665
	Scope 2	16,724	13,524	12,142	12,771
Pohang Plant 2	Scope 1	1,451	1,094	1,350	1,308
	Scope 2	5,686	7,105	7,343	7,083
Gochang Plant	Scope 1	1,398	1,611	1,777	1,816
	Scope 2	4,516	5,312	5,965	6,230
Total		34,592	33,184	33,871	34,873

Response

Measures to Reduce Greenhouse Gas emissions

- Improvement of air compressor
- Improvement of motor-driven equipment performance
- Regular inspection and maintenance to address air leaks



Energy Consumption

(Unit: TJ)

Business Site	2021	2022	2023	2024
Pohang Plant 1	432	364	357	378
Pohang Plant 2	146	170	254	174
Gochang Plant	122	143	159	166
Total	700	677	770	718

Response

Measures to Reduce Energy Consumption

- Optimization of conveyor operations during the packaging process to eliminate unnecessary running
- Replacement of lighting fixtures with LED lights at Pohang Plant 1 and 2
- Improvement of transformer operation efficiency



* Annual Energy Consumption: Total usage of fuel, electricity, and steam

COMMITMENT TO CLIMATE ACTION

Air Pollutant Emissions

(Unit: ton)

Business Site	Pollutants	2021	2022	2023	2024
Pohang Plant	Nitrogen oxides	7.713	7.276	7.576	8.332
	Dust	1.05041	1.49868	0.665	0.8685
	Chromium compounds	0.00017	0	0.00046	0
	Nickel and its compounds	0.00261	0.00232	0.00229	0.00178
	Sulfur oxide	0.11213	0.07435	0.6218	0.0998
	Hydrogen chloride	0.35635	0.29687	0.4812	0.4229
	Formaldehyde	0.00778	0.01088	0.0321	0.023
	Copper compounds	0.00168	0.00129	0.0013	0
Gochang Plant	Dust	0.459	0.01339	0.583	0.22
	Nickel	0.00016	0.00007	0	0
	Nitrogen oxides	2.339	2.715	2.993	3.046

Response

Measures to Reduce Air Pollutant Emissions

- Regularly monitor dust collection equipment to maintain optimal performance and facilitate necessary repairs.
- Replace bag filters at dust collection facilities (Automatic Mixing Room, FLUX Mixing Room, FLUX Factory, FCW Factory) to optimize dust collection efficiency.
- Replace dust collection pipes at the FLUX Factory.
- Conduct maintenance of six dust collectors to ensure optimal operation.
- Replace borax tank scrubber spray nozzles at the pickling line to improve dust collection efficiency.



Waste Generation

(Unit: ton)

Category	Business Site	2021	2022	2023	2024
General waste generated	Pohang Plant 1	1,367.46	1,304.48	1,296.84	1,498.15
	Pohang Plant 2	934.54	1,052.12	1,019.07	948.21
	Gochang Plant	175	211	233	307
Designated waste generated	Pohang Plant 1	1,159.45	971.797	940.593	856.108
	Pohang Plant 2	1,072.5	1,107.04	1,460.96	1,546.714
	Gochang Plant	0.4	1.6	0.6	1.1
Total		4,709.35	4,648.037	4,951.063	5,157.282

Response

Measures to Reduce Waste Generation

- Manage and report waste generation and disposal performance to the Ministry of Environment.
- Increase recycling rates through changes in consignment waste treatment methods and reduce landfilling and incineration (consignment).



COMMITMENT TO CLIMATE ACTION

Chemical Emissions

(Unit: ton)

Business Site	Category	2021	2022	2023	2024
Pohang Plant 1	Nickel and its compounds	0.0069	0.0023	0.0022	0.0018
	Sodium fluoride	0	0	0	0
	Chromium and its compounds	0.009	0.0001	0.0009	0.0001
	Sodium hydroxide	0	0	0	0
	Aluminum and its compounds	0	0	0	0
	Hydrogen chloride	0.2228	0.2255	0.4812	0.4228
	Manganese and its compounds	0	0	0	0
Pohang Plant 2	Sodium hydroxide	0	0	0	0
	Hydrogen chloride	0.4446	0.4852	0.4982	0.0851
	Sulfuric acid	0	0	0	0
Gochang Plant	Nickel and its compounds	0.19	0.23	0.13	0.13
	Sodium fluoride	0.20	0.23	0.17	0.22
	Aluminum and its compounds	0.51	0.55	0.31	0.39
	Manganese and its compounds	4.00	4.50	2.91	3.70

Response

Measures to Reduce Chemical Emissions

- Conduct annual monitoring and management of chemical emissions, with data submitted to the Ministry of Environment biennially.
- Ensure compliance with the 'Chemical Substances Control Act' by fulfilling legal inspection obligations and completing required procedures when introducing new chemical substances.



Water Consumption

(Unit: ton)

Category	Business Site	2021	2022	2023	2024
Industrial water	Pohang Plant 1	136,560	114,552	127,884	120,821
	Pohang Plant 2	96,552	119,916	120,576	8,832
	Gochang Plant	0	0	0	0
Municipal Water	Pohang Plant 1	41,448	34,920	38,388	39,478
	Pohang Plant 2	28,284	26,808	26,844	28,276
	Gochang Plant	11,274	13,859	12,987	12,730

Response

Measures to Reduce Water Consumption

- Monitor daily water consumption, including industrial water, municipal water, wastewater discharge, cooling water and domestic water to enable prompt response to any issues.
- Reuse industrial water for cooling purposes.
- Operate an automatic system to detect malfunctioning of cooling water recovery pumps.



COMMITMENT TO CLIMATE ACTION

Water Pollutant Emissions

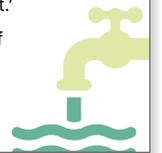
(Unit: ton)

Business Site	Category	2021	2022	2023	2024
Pohang Plant 1	Organic substance (TOC)	0.516	0.415	0.27	0.215
	Suspended substance (SS)	0.432	0.384	0.2	0.147
	Zinc and its compounds	0	0	0	0
	Copper and its compounds	0.05	0.022	0.029	0.029
	Total nitrogen (T-N)	0.234	0.178	0.219	0.175
	Total phosphorus (T-P)	0.041	0.004	0.006	0.006
Pohang Plant 2	Organic substance (TOC)	0.59	0.156	0.459	0.441
	Suspended substance (SS)	0.315	0.099	0.682	0.261
	Zinc and its compounds	0	0	0	0
	Copper and its compounds	0.002	0.003	0.008	0.003
	Total nitrogen (T-N)	0.263	0.036	0.397	0.313
	Total phosphorus(T-P)	0	0.003	0.025	0.017

Response

Measures to Reduce Water Pollutant Emissions

- Request third-party contractors to conduct regular monitoring of water pollutants.
- Conduct regular inspections to ensure proper operation and maintenance of pollutant control facilities.
- Submit annual reports on hazardous substance emissions to the Ministry of Environment in compliance with the 'Water Environment Conservation Act.'
- Replace sludge filter cloths annually as part of routine maintenance.



CLIMATE CHANGE MITIGATION

Eco-friendly Products

HiBallast NF

HiBallast NF is an electrolytic ballast water treatment system that has improved the conventional HiBallast product into a non-filter type. Ballast water treatment systems are used by ships to control ballast when loading or unloading cargo, taking in and discharging seawater while preventing the transfer of invasive marine species and protecting local ecosystems. Hyundai Welding's HiBallast systems are installed on vessels worldwide and fully comply with the requirements of both the International Maritime Organization (IMO) and the United States Coast Guard (USCG). HiBallast NF eliminates the need for a filtration process while maintaining effective microorganism treatment. This innovation not only achieves sufficient purification without filters but also delivers substantial cost savings by reducing both capital expenditure (CAPEX) and operational costs. Additionally, it offers improved installation flexibility, enhanced engineering and operational efficiency, and resolves common issues related to filter clogging and back flushing.



SM-70MT

SM-70MT is the world's first ultra-low slag solid wire to be commercialized and applied to automotive production lines. In conventional welding, slag formation often impedes electrodeposition painting and increases the risk of corrosion. SM-70MT delivers superior paintability compared to standard solid wire products and provides strong corrosion resistance under conditions requiring deep weld penetration. This prevents corrosion of automotive frame components, enhances durability, and extends overall product lifespan. The wire is compatible with a wide range of welding equipment and is engineered to minimize porosity and spatter during welding. Through these features, SM-70MT improves both productivity and quality, offering a reliable solution for high-performance automotive manufacturing.



ECO PLUS PACK

Eco Plus Pack is an eco-friendly packaging solution that uses thick corrugated cardboard and is designed to replace conventional large-capacity drums with steel frames. Corrugated cardboard is one of the most widely used sustainable packaging materials worldwide, offering high recycling rates, with raw material typically recycled 7 to 10 times. By replacing conventional steel-based packaging with corrugated cardboard, Hyundai Welding has successfully reduced waste generation while achieving associated cost savings. EcoPlus Pack is manufactured using thick corrugated cardboard, ensuring high durability and load-bearing capacity to withstand heavy loads. The EcoPlus Pack 2.0 model maintains the internal structure of conventional cylindrical large-capacity drums, allowing existing users to adopt it without operational modifications. It ensures structural integrity and safety without the need for steel frames and is fully recyclable, offering a sustainable and reliable packaging solution.



COBOT (COLLABORATIVE ROBOT)

COBOT, short for Collaborative Robot, is designed to work alongside humans and has recently emerged as a practical solution in the shipbuilding industry, where the shortage of skilled welders has become increasingly severe. COBOTs are user-friendly, enabling even beginners to operate them while consistently achieving high-quality welding results. By deploying multiple COBOTs simultaneously, operational efficiency and productivity can be significantly enhanced, while maintaining precision and quality even for repetitive tasks. Moreover, COBOTs protect workers' safety in confined spaces or environments where hazardous gases may be present, ensuring stable and reliable welding operations at all times.



CLIMATE CHANGE MITIGATION



Fostering an Environmentally Responsible Business Culture

Hyundai Welding actively promotes participatory campaigns to raise employees' environmental awareness and foster a culture of environmental stewardship. Recognizing that even small everyday actions constitute the first steps toward environmental protection, we will continue to implement a wide range of environmental initiatives.



Case 1

Reducing Digital Carbon Footprint

As the use of digital technologies continues to grow, efforts to reduce the associated digital carbon footprint have become increasingly important. Hyundai Welding has launched a company-wide campaign to delete unnecessary emails and organize shared folders. This initiative focuses on minimizing energy consumption associated with data storage by removing spam emails, cleaning up shared directories, and emptying recycle bins. Through these actions, we aim to use digital resources more efficiently, reduce unnecessary data storage, and contribute to environmental protection by lowering energy waste.



Case 3

Advancing Sustainable Logistics with GoGreen Plus

Hyundai Welding has adopted DHL's GoGreen Plus service to enhance sustainable logistics solutions. The GoGreen Plus service utilizes sustainable aviation fuel (SAF) derived from waste cooking oil and household waste, reducing carbon emissions by up to 80% compared with conventional aviation fuel. This approach minimizes environmental impact by effectively lowering greenhouse gas emissions associated with transportation and distribution, corresponding to Scope 3. Scope 3 refers to indirect greenhouse gas emissions arising from the supply chain, product use, and disposal. By implementing sustainable logistics solutions such as GoGreen Plus, Hyundai Welding not only reduces carbon emissions but also improves the environmental efficiency of the entire supply chain. We will continue to explore and adopt innovative technologies and practices to further decrease carbon emissions in logistics operations.



Case 5

Power OFF

At Hyundai Welding headquarters, energy conservation measures are implemented to minimize power waste. Company-wide lights are turned off for 90 minutes each day, and computers are set to standby mode when not in use, ensuring that electricity consumption is limited to essential operations only.



Case 2

100% Recycled Business Cards

Hyundai Welding distributes employee business cards using 100% recycled pulp to support environmental protection and promote resource circularity. Recycled pulp business cards are produced using discarded paper, thereby contributing to the conservation of forest resources and the reduction of environmental pollution.



Case 4

Promoting Environmental Cleanup and Workplace Safety

Hyundai Welding conducts monthly environmental cleanup activities in the areas surrounding its factory, with participation from all management employees. These activities include cleaning perimeter roads, addressing vulnerable areas, collecting waste paper, and sweeping to maintain a cleaner environment. Beyond improving the local environment, these efforts also enhance on-site safety. Employees cultivate and practice organizational and cleaning habits, helping to maintain a safe workplace, minimize environmental and safety risks both inside and outside the operation sites, and support sustainable production practices.



Case 6

Eco-friendly Office Supplies

Hyundai Welding promotes the use of eco-friendly products among employees by providing recyclable paper cups and toilet paper made from 100% natural pulp throughout the office, including break rooms and office areas. Natural pulp requires minimal chemical processing and supports forest conservation and sustainable resource management. Its environmental value is further validated through Forest Stewardship Council (FSC) certification.



Sustainability Performance

SOCIAL

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SAFETY, HEALTH, AND ENVIRONMENT (SHE) MANAGEMENT SYSTEM

Hyundai Welding recognizes the importance of a systematic safety management system and has established a safety, health and environment (SHE) management system. Based on the safety and health management policy, we are establishing a desirable safety culture and prioritizing the creation of a safe workplace for the company and its business partners. We operate all work processes in accordance with the SHE management policy, and through this, we create an advanced and sustainable safety culture.

Safety and Health Management Policy

Hyundai Welding places the safety of all employees as its top priority and strives to establish a global-level safety and health management system. To this end, Hyundai Welding has established a safety and health management policy and has specified action guidelines for safety and health.



SHE Management System | Vision of Safety, Health and Environment (SHE) Management

“We place safety above all else, with people and the workplace at the core of our commitment.”

4 Key Objectives

Hyundai Welding aims to create a safe and healthy workplace while building a sustainable, eco-friendly business environment. To achieve this, we have identified four strategic priority areas.

1. Establishing a Systematic SHE Management System

- ① To prevent industrial and major accidents, we have established a dedicated Safety, Health and Environment (SHE) Team, with specialized Safety and Health Department for each business unit, ensuring a systematic SHE management framework.
- ② We transparently disclose the Safety, Health and Environment management performance to internal and external stakeholders.
- ③ We prioritize the safety, health and environmental well-being of employees, business partners, customers, and local communities.
- ④ We strengthen our SHE management system by implementing ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System).

2. Creating Safe Workplaces

- ① We foster a culture where safety is the top priority across all business sites.
- ② We conduct periodic inspections of facilities and equipment to proactively prevent safety hazards and minimize environmental impact.
- ③ We provide periodic safety and health training to enhance the competencies of our employees and business partners, aiming to prevent industrial accidents.

3. Promoting Healthy Workplaces

- ① We operate a preventive-oriented occupational health management system.
- ② We manage hazardous substances to ensure a healthy work environment.
- ③ We conduct periodic assessments of all workplace conditions.

4. Fostering Environmentally Responsible Operations

- ① We monitor pollutant and waste discharges from our operations and mitigate environmental risks through regular inspections.
- ② We comply with environmental laws and regulations, and proactively respond to domestic and international environmental issues.
- ③ We invest in and conduct ongoing research for the development of eco-friendly technologies and sustainable operational practices.

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

Occupational Safety and Health Management System

Hyundai Welding has established a company-wide occupational Health, Safety, and Environment (SHE) management system to ensure that all workplaces maintain safe and healthy working conditions through systematic management and continuous improvement initiatives.

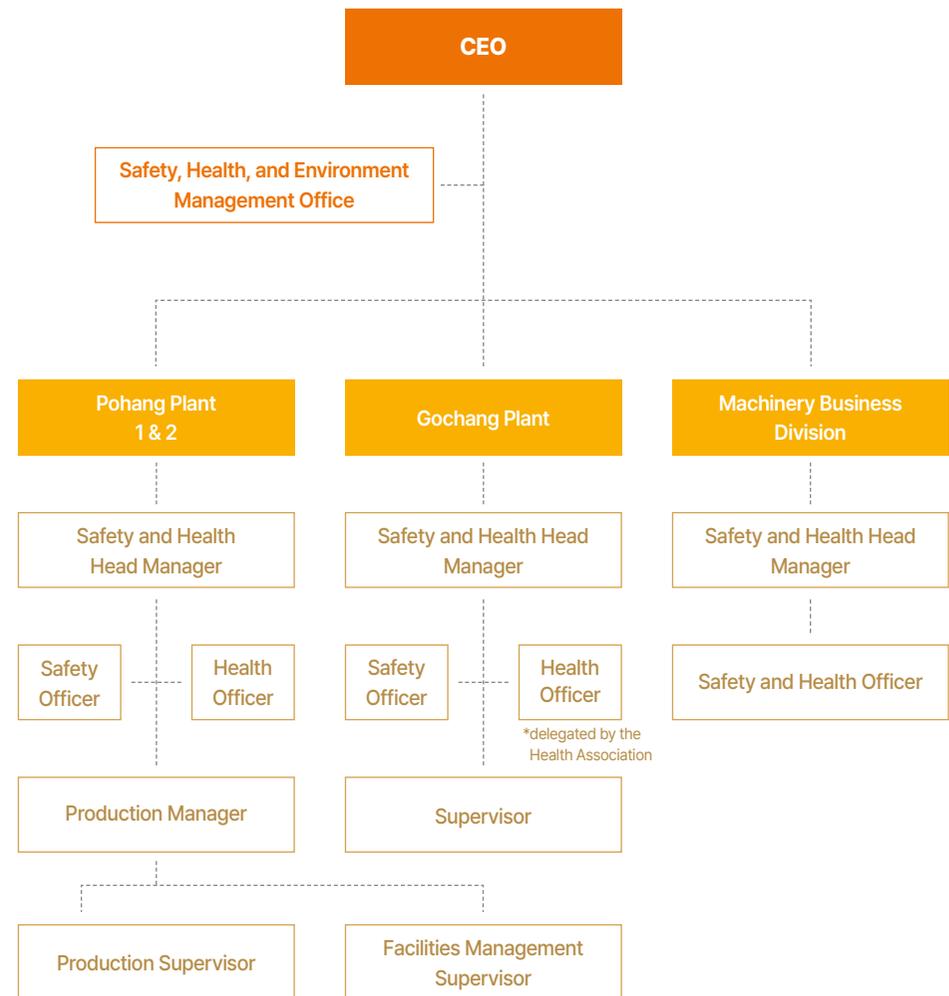
Each Hyundai Welding facility is supported by a designated Safety and Health Officer and a dedicated SHE team, responsible for implementing site-centered safety management and accident prevention measures. The Safety and Health Officer at each facility proactively identifies potential hazards and leads practical safety management activities, including safety inspections, risk assessments, and the development of accident prevention plans. In collaboration with the facility's dedicated SHE team, they regularly conduct employee training, safety campaigns, and emergency response drills to minimize occupational health and safety risks on site.

The company-wide SHE Management Office at Hyundai Welding, reporting directly to the CEO, oversees the execution of the SHE management system across all facilities. It comprehensively reviews data collected from each site, including workplace environment measurements, health examination results, accident reports, and SHE-related discussions, and reports key findings to the Board of Directors. This process ensures continuous monitoring of the annual safety and health plan and the identification of improvement opportunities.

Through its structured Health, Safety, and Environment (SHE) management system, Hyundai Welding ensures regulatory compliance, creates safe and healthy work environments, and fosters a workplace culture where all employees can perform their duties safely and effectively.



Organization Chart of Occupational Safety and Health Management



OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

Occupational Safety and Emergency Response

Hyundai Welding maintains an operational emergency response system to minimize human and material losses in the event of fires or other incidents. To ensure rapid and effective response, responsibilities are assigned to each department, and an organized emergency framework is established. Annual fire drills are conducted, simulating procedures such as alert dissemination, emergency shutdown of equipment, evacuation to designated assembly points, headcounts and personnel assignment by role, and fire suppression in affected areas. These drills are designed to ensure employees respond competently in actual emergency situations. Following each exercise, response capabilities are evaluated, and improvement measures are identified to enhance the effectiveness of subsequent drills.

In addition, emergency drills are conducted to address potential entrapment accidents with production equipment and forklift operations in logistics areas. Hyundai Welding has established comprehensive procedures to ensure the safety of on-site workers during emergencies and continues to implement proactive measures to prevent various industrial accidents.

Organization Chart of Emergency Response

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graph TD
    PM((Plant Manager)) --- PSM((PSM Team Leader))
    PSM --- NCT[Notification Contact Team]
    PSM --- FET[Fire Extinguishment Team]
    PSM --- EGT[Evacuation Guidance Team]
    PSM --- ERT[Emergency Rescue Team]
    NCT --- HMQ[Head of Management quarters]
    FET --- HPH[Head of Production Headquarters]
    EGT --- HPH
    ERT --- HPH
    HMQ --- GATL[General Affairs Team Leader]
    HPH --- PL[Production Team Leader]
    HPH --- SL[Shipping Team Leader]
    HPH --- HQD[Head of Quality Department]
        
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Roles and Responsibilities of Emergency Response

Department	Roles and Responsibilities
Plant Manager	General management of all matters related to fire fighting
Facilities Management Team Leader	Assist the Plant Manager and act on their behalf as required
Notification Contact Team	Mobilization and command of the emergency control organization / Procurement of personnel and equipment required for emergency control / Assessing the impact of an emergency and determining evacuation situations / Writing and reporting accident reports / Establishment and implementation of recurrence prevention measures / Conducting training of the emergency mobilization system / Carrying out the instructions of the safety and health officer / Investigation of accident causes and establishment of a control team / Request for fire fighting support and report to relevant agencies / Establishment of emergency mobilization plan and training
Fire Extinguishment Team	Operate emergency device such as emergency generator and firefighting pump
Evacuation Guidance Team	Secure and guide passage for fire trucks to extinguish fires
Emergency Rescue Team	Emergency rescue of injured persons, transport to hospital

Severe Industrial Accident Prevention System | PSM Promotion

Hyundai Welding has established a Process Safety Management (PSM) system to ensure workplace safety and prevent risks to employees. PSM is a systematic safety management framework designed to prevent major industrial accidents such as chemical leaks, fires, explosions, or other incidents that could harm workers or surrounding communities. Under the oversight of the Safety, Health, and Environmental (SHE) team, Hyundai Welding conducts comprehensive risk assessments of all on-site operations to prevent accidents. Critical facilities, including sulfuric acid and city gas installations, are regularly inspected to identify hazardous conditions and implement corrective measures. In addition we have established twelve key safety initiatives aimed at reducing the occurrence of major industrial accidents. These efforts have been recognized with awards, including the Daegu Regional Labor Office Commendation in 2019 and the Ministry of Employment and Labor Commendation for Industrial Accident Prevention in 2020. Hyundai Welding remains committed to protecting employees' safety by maintaining and continuously improving its robust Process Safety Management system.

12 Tasks for Process Safety Management System (PSM)

Process safety data	Risk assessment
Safe Operation Procedures Compliance	Facility Inspection Records
Safe Work Permit	Business Partner Operations Management
Worker Training Plan (PSM, etc.)	Pre-Operation Safety Inspection
Compliance with Change Management Procedures	Self-Audit
Accident Causes and Recurrence Prevention Measures	Emergency Response Training

PSM Evaluation

Hyundai Welding received an S-grade in the periodic PSM evaluation conducted every four years by the Ministry of Employment and Labor, in recognition of its outstanding performance across all 12 PSM tasks.



OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

Work Environment Inspection Work Environment

Risk Assessment System | Integrated Safety Management through JSA, HAZOP, and 4M Assessments

Hyundai Welding operates a risk assessment system to enhance safety at business sites and systematically analyzes potential risk factors during operations. Through this, we improve the level of safety management and create an accident-free work environment, thereby creating an environment where all employees can work with peace of mind.

① Job Safety Analysis (JSA)

Job Safety Analysis is a system that ensures the safety of workers by identifying potential risk factors that may occur during the work process in advance and establishing safety measures for each stage. It is regularly conducted once a year and prevents accidents during work by assessing and managing risks centered on the work directly performed by workers, and quickly applies preventive measures by assigning priorities for each risk factor. The evaluation results are shared with all workers and used to enhance daily safety awareness.

② HAZOP Process Hazard Assessment (Hazard and Operability Study)

HAZOP Assessment is a technique that analyzes potential risk factors that may occur during process operation every four years. Each process step is analyzed by scenarios to evaluate unexpected abnormal situations and their impacts. Risk factors especially unique to the chemical and process industries are reviewed in advance to establish effective countermeasures. Through this assessment, the safety of facilities and processes is strengthened, and the sustainability and efficiency of process operation are increased.

③ 4M Risk Assessment

4M Risk Assessment is a comprehensive assessment system that analyzes the work environment and work methods centered on four elements: Machine (mechanical), Media (material, environmental), Man (human), and Management. By identifying and evaluating risks from various perspectives such as human factors, mechanical factors, work methods, and material characteristics, it not only strengthens comprehensive safety but also contributes to improving process efficiency, and is also used to derive work standardization and efficient management plans.

Category	HAZOP	JSA	4M
2021	Twice	Once	Once
2022	0	Once	Twice
2023	Once	Once	Twice
2024	Once	Once	Once

Work Environment Measurement

Hyundai Welding conducts work environment measurements twice a year for all Pohang and Gochang business sites to regularly evaluate the levels of hazardous chemicals, noise, dust, and other health hazards. Through these measurements, we comprehensively identify the presence of hazardous chemicals and noise in each work process, the frequency of hazardous factor occurrence, exposure standards, the number of workers, and the number of people in two shifts, and closely analyze the work environment for each work site.

According to the results of work environment measurements conducted at all business sites in 2023 and 2024, there were no cases of exceeding the exposure standards for carcinogens and chemical factors, and all items were confirmed to be below the exposure standards (TWA).

In 2023, a mobile local exhaust system was utilized. In 2024, dust collection pipes in the forming and winding processes at Pohang Plant 1 were cleaned, and dust collection hoses in the mixing room were replaced. Based on the measurement results, continuous improvement activities are being carried out for the following year.



④ Portable Local Exhaust Ventilation Unit



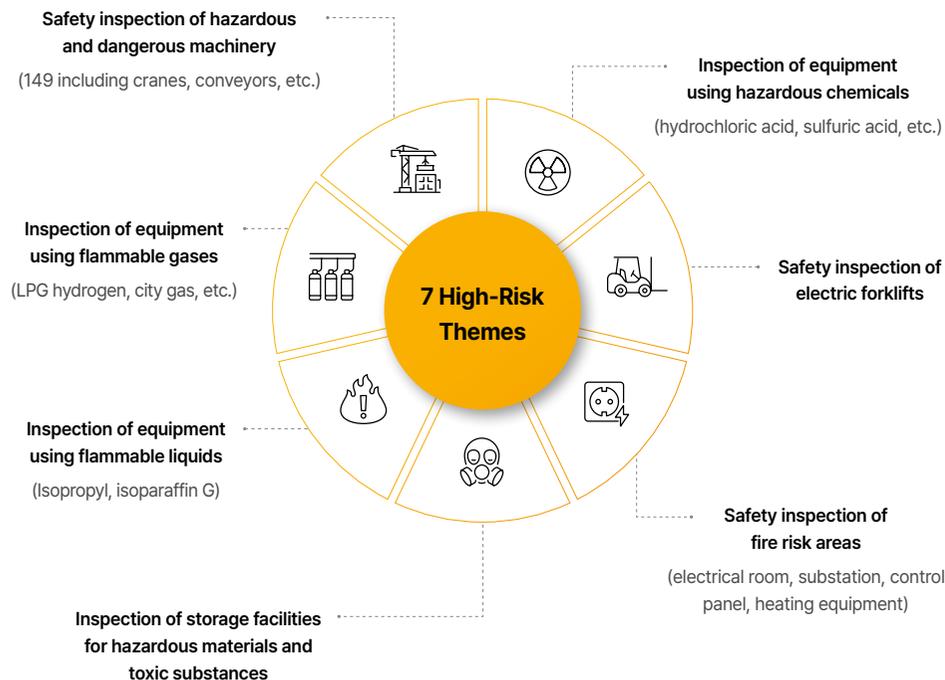
④ Safety Inspection for High-Risk Facilities

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

Work Environment Inspection

Implementation of Safety Inspection on High-risk Target Themes

Hyundai Welding has selected seven high-risk areas to prevent serious industrial accidents, and conducts safety inspections on these areas at least once every quarter. The Facility Management, Production, and Safety, Health, and Environment (SHE) teams collaborate to carry out inspections by category, develop action plans for identified risk factors, and implement them in sequence. Through these inspection activities, potential risks are identified and addressed at an early stage, ensuring employee safety and maintaining a secure and healthy work environment.



Focused Management of Top 5 Major Hazards

We identify five critical factors with the highest risk of serious accidents and implement intensive management practices. By taking prompt and systematic corrective measures, we strive to minimize risks and ensure a safe and sustainable working environment.

Priority	Risk Factors	Improvement Measures
1	Dust Explosion	<ul style="list-style-type: none"> ① Preparation of a countermeasure manual ② Discuss countermeasure plans with the facility management team and technology research institute
2	Fall	<ul style="list-style-type: none"> ① Safety rules training for the maintenance team. ② Ensure Safety Team presence during roof work by the Ship Maintenance Team and subcontractors to verify compliance. ③ Distribute notices at the security office regarding the mandatory use of personal protective equipment (PPE). ④ Send notices to material and product transportation contractors - including consequences for non-compliance with PPE requirements. ⑤ Perform random inspections to verify proper use of PPE. ⑥ Install stairs and safety handrails for access to mezzanine-level motors. ⑦ Provide safety training for workers - conduct unannounced patrols, with consequences for non-compliance. ⑧ Review enhancement of safety handrails with sliding-type design. ⑨ Install stairs and safety handrails on the top of tanks. ⑩ Conduct safety training for the Equipment Management Team. ⑪ Review convening of a disciplinary committee in cases of safety rule violations.
3	Pinch point & Collision	<ul style="list-style-type: none"> ① Check the driver's helmet and seat belt wearing status of electric vehicle drivers ② Safety training for those not wearing them
4	Fire Explosion	<ul style="list-style-type: none"> ① Train on hydrogen unloading work procedures ② Monthly gas leak inspection and periodic cafeteria safety training
5	Falling Object	<ul style="list-style-type: none"> ① Conduct worker safety training - Safety inspection contents before work (crane wire rope, sling belt, ton bag) - Check whether access control is implemented within the work radius during work

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

Creating a Safe Working Environment

A safe working environment enhances operational efficiency and contributes to increased productivity. Workplace accidents can result in serious injuries, and employees in the steel industry are exposed to safety hazards such as heavy machinery, hazardous substances, high temperatures and pressures, and electrical risks. Hyundai Welding continuously manages the occurrence of major accidents and incidents among employees through efforts to maintain safe working conditions and promote a strong safety culture.

Occupational Health and Safety Training

Hyundai Welding implements systematic occupational health and safety education programs to ensure a safe working environment. Regular safety training covers the three major types of accidents, including falls, entrapments, and collisions, as well as preventive measures, accident prevention during drying processes and machine operations, and seasonal health management programs aimed to enhance employees' safety awareness. Through these educational initiatives, we continuously strive to maintain a safe and healthy workplace, prevent accidents, and promote the well-being of all employees.

Occupational Health and Safety Training		
Training Hours per Employee		
Job Title		
	Manager	70 hours 30 minutes
	General Employees	49 hours 30 minutes

Category	Training Title	Training Cycle	Training Time
Statutory Mandatory Training	Regular Safety and Health Training	Monthly	2 hours
	Headquarters Fire Drill	Monthly	30 minutes
	Safety and Health Training for New Employees	Upon hiring	8 hours
	Safety and Health Training for Managers and Supervisors	Monthly	1 hour 30 minutes
	Special Safety and Health Training	Annual	16 hours
	Hazardous Chemicals Training (for technical personnel, management supervisors, inspectors, and handling staff)	Biennially	16 hours
Company-led Training	Hazardous Chemical Training (for all employees)	Biennially	2 hours
	Confined Space Emergency Response Training	Quarterly	2 hours
	Emergency Response Training	Triennially	3 hours
	Occupational Safety and Health Training for Occupational Safety and Health Management Officers	Biennially	6 hours
	Supervisor Leadership Development Training	Biennially	5 hours
	Heunghae 119 Safety Center Joint Fire Fighting Training	Annual	30 minutes

① Regular Occupational Safety and Health Training for On-site Workers

We proactively identify workplace risk factors and enhance preventive measures through regular safety and health training conducted every six months. The training addresses industry-specific hazards, including work in high-temperature environments, operation of mechanical equipment, and entrapment risks during manual tasks. By providing education on risk management, chemical exposure response, and high-noise environment mitigation, we strengthen employees' ability to prevent and respond to potential hazards, thereby contributing to a safe working environment.

② Emergency Response Training

Hyundai Welding conducts regular emergency response training to ensure prompt and effective action in the event of an emergency. The training covers first aid for fractures, including the proper use of triangular bandages, operation of fire extinguishers and fire hydrants, safe transport of injured persons, use of gas concentration meters and confined-space gas masks, assessment of consciousness and airway management, and cardiopulmonary resuscitation (CPR). Through this training, employees are equipped to respond quickly and accurately in emergency situations, thereby enhancing their ability to maintain a safe working environment.



OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

③ On-site Supervisor Leadership Enhancement Training

At Hyundai Welding's Pohang Plant, on-site team leaders and managers participate in a leadership enhancement training program. Participants watch on-site safety inspection demonstration videos to reinforce teamwork and develop practical safety management skills. The training emphasizes strengthening leadership capabilities through scenario-based exercises, group practice, and presentations, while also enhancing understanding of accident processes by directly experiencing risk factors on sites. Additional sessions focus on improving emergency response capabilities.



④ Safety Training for Business Partners

Hyundai Welding provides regular safety training for its business partners, including restaurants, security services, and transportation companies, to systematically educate workers on musculoskeletal disorder prevention, compliance with pedestrian passage regulations within the factory, and the importance of wearing safety protective equipment. The training on musculoskeletal disorder prevention covers correct working postures and stretching techniques to mitigate risks associated with job tasks. Participants are also guided on minimizing risks while navigating factory safety passages and are provided with detailed instructions on the proper use and maintenance of essential safety protective equipment. Through these training activities, Hyundai Welding enhances safety awareness among its business partners and further strengthens the shared safety culture, thereby contributing to the minimization of accident risks.



⑤ PSM (Process Safety Management) Safety Practice Resolution Meeting and Campaign

Hyundai Welding conducts PSM (Process Safety Management) safety practice resolution meeting and campaign on a quarterly basis. During the resolution meeting, all employees establish a safety pledge aiming for zero accidents and incidents, review departmental safety performance, and identify areas for improvement. The accompanying safety campaign provides education and training on key topics, including the correct use of safety equipment, safe handling of chemical substances, and emergency response procedures, thereby enhancing employees' safety awareness and practical capabilities.



OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

Establishing a Safe Workplace

Improving a Business Site Safety Environment

Install safety fence that separates the robot and the worker area	Safety inspection (blind spots such as robot equipment, safety fence, forklift operation, and the outskirts of the factory)
Machine robot approach safety device door lock and machine stop	Install supply platforms and rotating body safety covers
Provide personal protective equipment	Install a forklift seat belt starter interlock device
Implement Lock Out Tag Out	Conduct a non-destructive inspection of the hanging device
Implement vertical ladder locking device	Inspect extra-high voltage equipment with a thermal imaging camera once a month
Install kiosk for safety rules for external companies and visitors	



① Safety Guidelines Kiosk for Visitors ① Fall-Prevention Safety Fence ① Safety Fence for Rotating Machinery ① Safety Cover for Rotating Machinery

① Guidance on Compliance with Safety Rules for External Contractors

Hyundai Welding requires all external contractors entering the facilities to comply with safety rules to prevent occupational accidents.

Safety Rule Compliance	Corrective Action Criteria		Remarks
Compliance to prevent truck driver falls 1) Wear safety equipment · Wear a safety helmet (must be fitted with a chin strap). · Wear safety shoes. 2) Prohibition of using a mobile phone while working	Worker	Affiliated Company of Violating Employee	Penalties such as disadvantages in case of 2nd violation (vehicle entry control)
	Work Suspension · Target - Violating worker · Training time - 10minutes · Training supervisor - Safety Team	· Conduct safety training for negligent workers. · Training time - 2hours · Training manager - Company manager · Submit training log to the safety team.	

Safety Guidelines For Visitors

To prevent accidents related to reduced concentration from mobile phone use and to ensure compliance with personal protective equipment requirements, the following visitor safety guidelines are established.

1. Mobile Phone Policy in Operation Areas

Visitors are prohibited from using mobile phones while walking or working within operation areas, in order to remain alert to potential hazards.

3. Safety Induction for Site Entry

- Visitors must register their contact information and wear a visitor badge upon entry.
- Access to production areas is permitted only when accompanied by a Hyundai Welding.
- Smoking is strictly limited to designated smoking areas.
- Entry into areas marked as "Hazardous" or "Restricted" is strictly prohibited.
- The use of mobile phones is not permitted within production sites.
- On-site parking must follow rear-in parking and a maximum speed limit of 30 km/hr.
- In case of emergency alarms, visitors must evacuate promptly to the security office.

2. Personal Protective Equipment (PPE) Policy



OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

Hazardous Chemicals Management

Hyundai Welding operates a comprehensive chemical management system that systematically tracks and manages all chemical substances from raw materials to finished products. This ensures that the impact of chemical use on people and the environment during the manufacturing process is minimized. Material Safety Data Sheets (MSDS) are provided for all chemicals as essential resources for safe handling and management, and employees receive safety training in compliance with applicable regulations. Hyundai Welding continuously monitors the safety of chemicals and strengthens management practices to minimize the use of hazardous substances, thereby maintaining a safe and healthy work environment and contributing to environmental protection.

REACH Compliance Strategy

REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) is a chemical management regulation in the EU that requires registration, evaluation, and authorization for chemical substances manufactured or imported in quantities of one ton or more. To address the increasingly stringent chemical regulations effective from 2024, Hyundai Welding's Quality Assurance team, Sales, and ESG Management team collaborate to identify hazardous substances in exported products for each region and prepare MSDS in the relevant local languages.

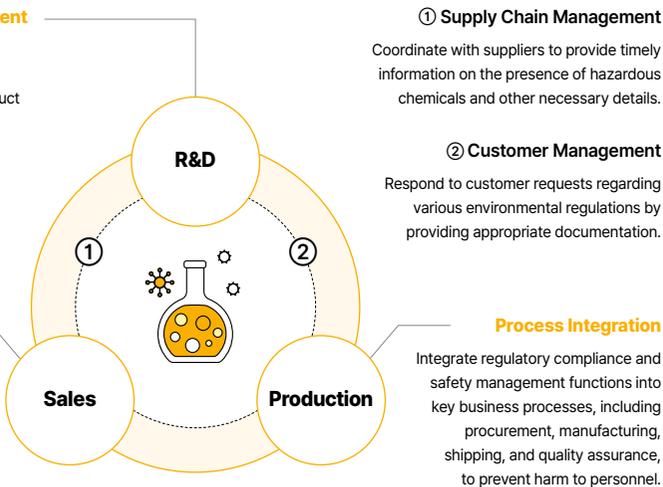
Hyundai Welding also updates existing MSDS in accordance with the latest U.S. OSHA standards and prepares new MSDS in compliance with EU CLP regulations in multiple EU languages, ensuring the health and safety of users. Through these comprehensive strategies, Hyundai Welding effectively responds to evolving global regulatory requirements.

Chemical Information Management

Utilize regulatory information and risk management guidance provided by the Quality Assurance team during the product design and development stages.

Regulatory Compliance Management

Review data on regulatory compliance and safety to proactively prevent risks.



Training on Hazardous Chemicals

Hyundai Welding operates systematic education program to ensure the safe handling and management of hazardous chemicals. Technical personnel, management supervisors, inspectors, and handling staff undergo 16-hour mandatory statutory training every two years, organized by the Korea Chemical Management Association. In addition, all employees at the Pohang and Gochang plants participate in a two-hour training session once every two years to enhance their understanding of legal requirements and safety management procedures related to hazardous chemicals.

The training covers essential knowledge for the safe handling and management of hazardous chemicals, including an introduction to chemical safety management, chemical incident response measures, safe handling procedures in the production process, proper storage and handling, transportation procedures, and emergency response actions. Through these training programs, employees develop the ability to respond promptly in the event of an accident and strengthen their competency to strictly comply with hazardous chemical handling and management protocols.

Hyundai Welding continuously reviews and improves the training programs to maintain a safe and efficient work environment while ensuring compliance with legal requirements.

Completion Status of Hazardous Chemicals Training for Personnel

(Unit: People)

Business Site	2021	2022	2023	2024
Pohang Plant 1	383	371	345	345
Pohang Plant 2	64	69	106	97
Gochang Plant	120	135	158	188

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

Healthy Working Environment

Hyundai Welding provides a safe and supportive work environment, allowing employees to focus on their health and performance. The company applies a systematic approach to occupational health and safety management and continuously pursues improvements in the workplace. Following the enforcement of the Serious Accident Punishment Act, Hyundai Welding has strengthened its health and safety organizational structure and expanded training programs to prevent major accidents and incidents. Potential risks are proactively identified and managed, reinforcing the company-wide occupational health and safety framework. In addition, Hyundai Welding conducts regular health check-ups and operates preventive management programs to support both the physical and mental well-being of employees. These initiatives foster an environment in which employees can work with confidence while ensuring that safety and health remain integral to the company's sustainable growth.

Provision of Summer Health Supplies

To create a pleasant working environment and improve work efficiency, we provide a range of health and wellness supplies at each site, such as nutritional supplements, insect repellents and mosquito coils, saline solution, and powder for heat rashes, which are made readily available in departmental offices and changing rooms. By providing these items, we aim to prevent health risks that may arise during work and to foster a safer and healthier workplace for all employees.

Morning Exercise

Hyundai Welding implements musculoskeletal disorder prevention programs to protect employee health and promote safe working practices. Employees are encouraged to perform appropriate five-minute stretching exercises before and after each shift and to follow proper work methods to prevent the occurrence of musculoskeletal disorders. These initiatives aim to minimize physical strain, support long-term health, and contribute to the creation of a safe and healthy working environment.



④ Morning Exercise

Health Checkup

Hyundai Welding operates a structured health management program to promote the well-being of its employees. All employees undergo an annual general health examination, while on-site workers aged 40 and above receive additional specialized health checkups. For employees identified with health concerns, we provide targeted follow-up programs to ensure continuous monitoring and care. These initiatives enable the early detection and appropriate management of occupational diseases and other health conditions, supporting employees in maintaining their overall health. Simultaneously, they help the company prevent work-related health losses, contributing to a safer and healthier workforce.

① Special On-site Health Checkups for Workers aged 40 and Above

We conduct specialized health checkups for on-site employees aged 40 and above. These annual examinations allow the company to regularly monitor employees' health, facilitate early diagnosis of occupational diseases and chronic conditions, and strengthen preventive health management systems.

② Management of Patients with Serious Diseases

We conduct monthly and semi-annual health management consultations for employees diagnosed with serious conditions, such as cancer, cardiovascular disease, and chronic illnesses. These consultations, led by the Safety, Health and Environment (SHE) team, provide regular monitoring of employees' health and recommend necessary examinations. Through these consultations, we deliver tailored support for disease prevention and treatment, promoting proactive health management and ensuring the maintenance of a healthy and supportive working environment.

Status of Health Checkups

(Unit: People)

Category	Business Site	2021	2022	2023	2024
Total Eligible Employees	Pohang Plant	260	251	245	253
	Gochang Plant	31	45	61	71
Number of Employees examined	Pohang Plant	129	175	184	195
	Gochang Plant	19	35	51	37

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

Occupational Accident Response and Management

Hyundai Welding ensures that, in the event of an occupational accident, all actions are taken promptly and systematically in accordance with the response manuals to minimize potential harm. Employees are also guaranteed the right to voluntarily stop or refuse work if a significant hazard is identified during operations. For work-related illnesses, acquired disabilities, or other consequences of occupational accidents, we conduct timely assessments in compliance with applicable laws and provide necessary follow-up measures, including medical treatment and rehabilitation support. Throughout these processes, Hyundai Welding adheres strictly to all relevant regulations. During the reporting period, there were no fines or administrative penalties related to violations of occupational safety and health regulations.

Safety, Health and Environment Integrated System Certification

Hyundai Welding places the utmost priority on the health and safety of its employees and has established a comprehensive occupational health and safety management system across its headquarters and major business sites to ensure systematic management. Several of its sites have achieved ISO 45001 (Health and Safety Management System) certification, as well as ISO 14001 (Environmental Management System) certification, demonstrating that their environmental, safety, and health management systems meet internationally recognized standards. Through certifications issued by accredited third-party agencies, Hyundai Welding systematically manages the environmental impact of its operations, while also effectively implementing internal processes for setting and achieving occupational health and safety objectives at each business site. Hyundai Welding remains committed to continuous improvement and performance monitoring by maintaining and regularly renewing these certifications in the future.



ISO 45001 Certificate



ISO 14001 Certificate

Occupational Accident Occurrence Status

Business Site	Category	2021	2022	2023	2024
Pohang Plant	Number of major occupational accident	0	0	0	0
	Number of safety accidents	1	1	3	1
	Number of environmental accidents	0	0	0	0
	Number of major occupational accident victims	1	1	3	1
	Number of deaths	0	0	0	0
Gochang Plant	Number of major occupational accidents	0	0	0	0
	Number of safety accidents	0	1	3	2
	Number of environmental accidents	0	0	0	0
	Number of major occupational accidents victims	0	1	3	2
	Number of deaths	0	0	0	0

* Based on occupational accident cases reported to the Ministry of Employment and Labor (excluding former employees)

PEOPLE-CENTERED MANAGEMENT

Human Rights Management

Principles of Human Rights Management

Hyundai Welding is committed to respecting the human rights of all stakeholders, including employees, business partners, and members of the local community affected by its operations. The company strives to promote the well-being of these stakeholders and adheres rigorously to principles of human rights protection, aiming to prevent any violations in the course of its business activities. Hyundai Welding's human rights management framework defines the company's vision, objectives, and strategies for safeguarding the rights of employees and other stakeholders, as well as fulfilling its responsibilities. Through the implementation of comprehensive policies and initiatives, Hyundai Welding remains dedicated to fostering a positive, inclusive, and equitable workplace that upholds and advances the human rights of all employees and stakeholders.

Human Rights Charter

In 2023, Hyundai Welding established fundamental principles of human rights and detailed policies addressing issues such as child labor, discrimination and harassment, and human rights considerations for customers and local communities, to strengthen its response to human rights issues. The Human Rights Charter serves as the our core policy on key human rights issues and provides guidance for the practical protection and promotion of human rights. The charter aligns with and supports international human rights standards, including the Universal Declaration of Human Rights, the United Nations Global Compact (UNGC), and the International Labour Organization (ILO) conventions.

To mitigate the risk of human rights violations across all corporate activities, Hyundai Welding fosters a corporate culture that prioritizes the prevention of such violations and promotes respect for human rights. Through these efforts, we ensure that all employees can uphold their dignity and value, while enjoying a safe, supportive, and positive working environment.



PEOPLE-CENTERED MANAGEMENT

Human Rights Charter

Hyundai Welding is committed to respecting and promoting human rights, recognizing the inherent dignity and value of every individual. We define our responsibility to uphold the rights of employees, business partners, and local communities, and have established the Human Rights Charter as the standard for ethical conduct and decision-making for all executives and employees.

Article 1. Basic Principles

We support and comply with international standards and domestic norms, including the UN Universal Declaration of Human Rights and the UNGC Ten Principles.

Article 2. Prohibition of Discrimination

Hyundai Welding prohibits any discrimination based on gender, age, race, disability, religion, political orientation, region of origin, etc., and respects diversity. We do not unfairly discriminate in the operation of personnel systems such as hiring, promotion, wages and compensation, and provision of educational opportunities. We strive to eradicate discrimination and spread an equal and inclusive organizational culture.

Article 3. Compliance with Labor Standards

Hyundai Welding complies with the legal working hours of each country in which we conduct business, and provides all employees with reasonable wages for their work. We comply with the legal minimum wage, and operate a welfare system to create a stable working environment for employees, including social insurance support in each country.

Article 4. Prohibition of Harassment

HHyundai Welding strictly prohibits all forms of harassment that cause physical or psychological harm in the workplace. In particular, the Company forbids acts of sexual harassment and sexual violence, including any behavior that results in sexual humiliation. To prevent such harm, Hyundai Welding provides regular workplace education on harassment and sexual harassment prevention and maintains an online reporting channel accessible to all employees. In the event of an incident, the Company ensures the protection of the affected individual and takes appropriate disciplinary and remedial actions.

Article 5. Prohibition of Forced Labor

Hyundai Welding respects the free will of workers regarding labor and prohibits all forms of forced labor that suppress mental or physical freedom, such as intimidation, assault, human trafficking, slave labor, and others. We strictly comply with the Labor Standards Act to ensure fair and transparent labor contracts and notify workers of its contents so that they are fully aware of them.

Article 6. Prohibition of Child Labor

Hyundai Welding prohibits all forms of child labor. When hiring young workers, we strictly comply with the laws and regulations of each country in which we conduct business, and ensure that young workers do not have their educational opportunities restricted due to their work activities.

Article 7. Safe and Healthy Workplace

Hyundai Welding strictly complies with safety regulations and procedures and creates a safe and healthy working environment. We regularly inspect the work environment of facilities, equipment, tools, at the workplace. In addition, we continuously evaluate risks and implement improvement measures to prevent accidents. In the event of an accident, we respond quickly and prioritize the safety and health of employees.

Article 8. Protection of Customer Human Rights

All employees of Hyundai Welding fulfill their responsibilities and obligations to customers when performing their duties. We promote customer interests based on the principle of fair trade and provide reliable information to ensure safe transactions. We also prioritize customer personal information and safety and transparently conduct transactions with customers based on ethics and responsibility.

Article 9. Protection of Human Rights in the Community

All employees of Hyundai Welding respect the human rights of local residents when performing their duties and protect their human rights, including their right to safety and health and freedom of residence.

Executives and employees of Hyundai Welding shall uphold their responsibility to protect and respect the human rights of all stakeholders and pledge to actively implement and promote this Human Rights Charter.

PEOPLE-CENTERED MANAGEMENT

Talent Management

Hyundai Welding Core Values for Talent

<p>Creativity</p> <p>Actively apply imaginative and innovative thinking with passion.</p>	<p>Courage</p> <p>Leading innovation and rising fearlessly to challenges.</p>
<p>Teamwork</p> <p>Maximize team performance through open communication.</p>	<p>Challenge</p> <p>Pursue ambitious goals to contribute to shared growth and success.</p>

Hyundai Welding's 3 Principles of Personnel Management

Hyundai Welding adheres to the following three principles when determining employee positions.

<p>Principle of Right Placement 1</p> <p>Assign employees to positions for which they possess the most suitable qualifications and competencies.</p>	<p>Principle of Equal Opportunity 2</p> <p>Ensure that all employees have an equal chance to be assigned to positions that match their abilities.</p>	<p>Principle of Fulfillment 3</p> <p>Whenever possible, assign employees in a manner that satisfies their individual needs, supporting their personal well-being and professional development.</p>
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Employee Cultivation System

Hyundai Welding has established a structured framework to cultivate professional talent capable of driving organizational change and enhancing the competencies of its executives and employees. By focusing employee development on four core pillars, which are creative thinking, teamwork, a spirit of challenge, and global competence, we aim to foster innovative mindsets within the organization and nurture professionals with strong global competitiveness.

	Creative Thinking	Promoting creative thinking of employees by creating a horizontal atmosphere in the company and conducting job-specific customized training
	Teamwork	Operating a program to enhance communication skills in new employees and employee training
	Challenging Spirit	Enhancing employees' work drive through creating a free work atmosphere and fair evaluation
	Global Competency	Implementing in-house language training to foster professional manpower that can reach out to the world

PEOPLE-CENTERED MANAGEMENT

Fair Recruitment Process

Inclusive Employment

Hyundai Welding regards the promotion of social diversity as a core value and fosters an inclusive work environment where individuals from diverse backgrounds can coexist. We have established employment regulations to ensure that all employees are provided equal opportunities, regardless of their origin, gender, education, religion, or personal identity, and to prevent any discriminatory practices. In addition, Hyundai Welding collaborates with 'BearBetter', a social enterprise that employs individuals with developmental disabilities, through the provision of employee breakfasts and business cards. This initiative supports the expansion of employment opportunities for individuals with disabilities and contributes to creating social value. By strengthening talent management system based on the principles of inclusion and consideration, Hyundai Welding promotes a respectful and healthy organizational culture and contributes to sustainable social development.

Employee Status Overview

(Unit: People)

Category	2021			2022			2023			2024		
	Executive	General position	Field position									
Hyundai Welding	20	138	0	21	140	0	16	160	0	21	158	0
Head Quarters												
Domestic business site	7	232	479	10	231	493	11	258	517	11	251	536
Overseas business site	0	164	507	0	177	643	1	189	650	1	195	645
Hyundai PNS	1	29	7	1	31	7	2	34	9	4	42	6
Hyundai Gloville	3	21	0	4	24	0	5	26	0	6	26	0
Hyundai Superteck	0	3	0	0	3	0	0	3	0	0	3	0
Total		1,611			1,785			1,881			1,905	

* Domestic business sites: Domestic sales department, Pohang plant, Machinery business headquarters, Gochang plant
 * Overseas business sites: China plant, Vietnam plant, Russia plant, overseas corporate branches
 * Non-regular staff and clerks are counted as general employees.
 * Counts include on-site, subsidiary, and overseas employees; figures may differ from 2023.

Employee Status by Employment Type

(Unit: People)

Category		2021	2022	2023	2024	
Employment type	Local	Regular employee Male	757	731	783	796
		Regular employee Female	86	99	110	118
	Non-regular employee	Non-regular employee Male	92	127	137	141
		Non-regular employee Female	4	7	10	8
Foreigner		672	821	841	842	
Total		1,611	1,785	1,881	1,905	

* Non-regular staff and clerks are counted as general employees.
 * Counts include on-site, subsidiary, and overseas employees; figures may differ from 2023.

Employee Status by Age Group

(Unit: People)

Category		2021	2022	2023	2024
Age group	Less than 30 years old	91	112	137	136
	30s	180	177	178	171
	40s	106	115	121	125
	50s	59	54	60	67
	60 year old or older	25	14	28	29
Total		461	472	524	528

* Overseas business sites and field workers are excluded.
 * Counts include subsidiaries; figures may differ from the 2023 report.

PEOPLE-CENTERED MANAGEMENT

Establishing a Fair Recruitment Process

Open Recruitment

Hyundai Welding defines its core competencies as talents with creative thinking, courageous execution, collaborative skills emphasizing teamwork, and a continuous drive to explore new areas. Based on this ideal talent, we are striving to secure skilled professionals who can drive sustainable growth and competitiveness. Through the Open Recruitment policy, we provide equal opportunities to all applicants regardless of origin, gender, age, or academic background, and are establishing a fair recruitment culture that respects diversity and inclusion. The recruitment process consists of document screening based on qualification criteria, aptitude testing, competency-based interviews focused on practical skills, and executive interviews. Each stage is conducted transparently with clear standards and evaluation frameworks.

Status of New Employee Recruitment

(Unit: People)

Category	2021			2022			2023			2024			
	Executive	General position	Field position	Executive	General position	Field position	Executive	General position	현장직	Executive	General position	Field position	
Hyundai Welding	Head Quarters	0	4	0	0	51	0	1	53	0	2	17	0
	Domestic business site	0	18	57	1	30	74	0	39	57	0	17	46
	Overseas business site	0	31	0	0	17	0	0	29	0	0	23	0
Hyundai PNS	0	1	2	0	1	1	0	5	3	1	7	2	
Hyundai Gloville	1	11	0	0	9	0	0	9	0	0	2	0	
Hyundai Superteck	0	0	0	0	0	0	0	0	0	0	0	0	
Total		125			184			196			117		

* Domestic business sites: Domestic sales department, Pohang plant, Machinery business headquarters, Gochang plant.

* Overseas business sites: China plant, Vietnam plant, Russia plant, overseas corporate branches.

* Non-regular staff and clerks are counted as general employees.

Recruitment Process



PEOPLE-CENTERED MANAGEMENT

Talent Development

① Employee Training

Hyundai Welding operates leadership training and job training to strengthen communication within the organization. Through this, we support employees to communicate effectively, improve teamwork, and achieve organizational goals more efficiently. In addition, to strengthen the global capabilities of employees, we have expanded our English training program to provide various learning methods, designed to enable customized learning that suits each individual's schedule and level. Employees can participate in an English mentoring program conducted during lunch hours, and can receive phone or video English lessons with external instructors. Through these education programs, Hyundai Welding continuously improves employees' communication skills and global capabilities, contributing to strengthening the company's international competitiveness.

Employee Training Programs

Category	Training Name	Details	Schedule	Period
General employee training	Job training	Participation in external training to enhance job competency	Occasional	Varies by course
	English education	1:1 video and face-to-face training with native-speaking instructors	Ordinary	Varies by course
New employee training	Onboarding (Basic training)	Supporting rapid adaptation and capacity building of new employees through company understanding, business capabilities, and team building	Quarterly	2 days
	Process training (Advanced training)	Participating in welding process theory and practice training at Pohang Plant	March and September	10 days

② New Employee Training

Onboarding Training Program Since 2021, Hyundai Welding has implemented an onboarding training program aimed at enhancing the capabilities of new employees, supporting both entry-level and experienced hires in smoothly adapting to the company's organizational culture. The program provides a structured and comprehensive training curriculum designed to help new employees quickly acclimate to the workplace and maximize their potential. The program begins with orientation training, which provides fundamental information such as the company's history, mission, and basic administrative guidelines, helping employees gain a broad understanding of the company. This is followed by job-specific training that equips employees with the specialized knowledge required to perform their roles effectively. Business competency training is also provided to strengthen core skills, including problem-solving, strategic thinking, and communication abilities. In addition, recreational activities and leadership training are incorporated to enhance team-building skills and communication, fostering collaborative interaction across departments.



Process Training Program Since 2021, Hyundai Welding has implemented a structured process training program to help new employees smoothly adapt to the company's organizational culture and rapidly acquire practical skills. The program balances theoretical instruction with hands-on practice, enabling new hires to gain a deep understanding of the company's process workflows and technical competencies. A key component of the program is the Pohang Plant visit. New employees spend two weeks at the plant, studying the theoretical aspects of welding processes in depth. By directly observing operations and participating in welding exercises, they learn how to apply theory to practice and experience Hyundai Welding's production methods firsthand. This immersive approach allows employees to build valuable on-site experience and significantly enhance their practical skills.



PEOPLE-CENTERED MANAGEMENT

Fostering Organizational Culture

Promoting Horizontal Communication

Since 2024, Hyundai Welding has standardized job titles to "Pro" and introduced a simplified, horizontal job structure to cultivate a flexible organizational culture. Recognizing that open and horizontal communication is essential for a healthy workplace, Hyundai Welding has created an environment that enables smooth interaction across job grades, facilitating prompt decision-making and enhancing overall organizational efficiency.

Publication of Monthly Newsletter

Hyundai Welding's monthly newsletter offers a variety of informative and engaging content for employees. It includes easily understandable explanations of technical topics such as welding rods and welding machines, cultural content covering sports, films, essays, and art, as well as practical knowledge on health and daily Chinese expressions. In addition, quiz sections encourage employee participation. Through these initiatives, Hyundai Welding continues to provide diverse content to strengthen communication and a sense of community within the organization.



Monthly Newsletter Cover

Labor-Management Relations

Hyundai Welding maintains constructive labor-management relations based on mutual respect and cooperation, engaging in regular communication with the labor union and operating a labor-management council in accordance with relevant laws and regulations. The council convenes periodically to share key business updates, discuss grievance resolution, improve welfare, and review and decide on various matters related to working conditions. By fostering trust between management and employees, Hyundai Welding strives to create a stable employment environment and continuously implements initiatives to protect employee rights and enhance overall satisfaction.

Category	2021	2022	2023	2024
Number of Council Meetings	3	3	4	4
Number of Agenda Items	52	48	58	39

Supporting Work-Life Balance

① Employee Welfare

Hyundai Welding is committed to fostering a healthy and fulfilling organizational culture by supporting employees in balancing work and personal life. By promoting engagement and ensuring stability in employees' daily lives, we enhance overall work efficiency.

Retirement Pension

(Unit: 1,000 KRW)

Year	Number of pension subscribers	Amount (DB)	Number of pension subscribers	Amount (DC)
2022	456	31,459,231	422	2,211,266
2023	473	32,744,136	452	2,490,793
2024	483	34,599,170	508	2,780,343

* Based on Headquarter and domestic business sites

(Unit: 1,000 KRW)

Employee wages		Employee Benefits	
2022	36,372,822	2022년	5,961,184
2023	40,444,604	2023년	7,471,537
2024	42,024,095	2024년	7,924,209

* Based on Headquarter and domestic business sites

Employee Welfare

Category	Details
Housing finance support	Company housing support, Housing fund deduction
Support for education	Support for child education
Medical and health support	Diagnosis and treatment, Comprehensive health checkup, Operation of a psychological counseling center, Exercise facility
Support for congratulations and condolences	Payment of congratulation & condolence money, congratulation & condolence leave, and condolence items for the individual and his/her family members
Birth support	Reduced working hours during pregnancy, Maternity health checkup leave, Prenatal and postnatal leave, Spousal parental leave
Childcare support	Parental leave, Reduced working hours during childcare period

Category	Details
Family support	Family care leave
Meal support	Operate cafeteria in the factory, Support meals at the head quarters and each office
Leisure support	Summer vacation pay, Operation of designated summer vacation system, Support for use of hotels at famous tourist destinations nationwide
Transportation support	Commute bus service (Pohang Plant)
Gift payment	Gifts given on special occasions (Lunar New Year, Chuseok, Labor Day, Foundation Day, Birthday), Providing welcome kit to new employees, Long service award

PEOPLE-CENTERED MANAGEMENT

② Operation of Designated Vacation

Hyundai Welding operates a summer designated vacation system to set specific holidays, ensuring that on-site employees can take time to rest and recharge without compromising their health in extreme heat. This allows employees to step away from daily work routines, enjoy leisure activities, and spend valuable time with their families. By providing this opportunity, Hyundai Welding not only supports the physical and mental well-being of its employees but also helps them return to work with renewed energy and focus, enhancing overall engagement and productivity.

Family-friendly Programs to Balance Work and Family Life

Parental Leave



Employees are permitted to apply for parental leave (hereinafter referred to as "Childcare Leave") to care for children who are in the critical early-childhood period, specifically those aged eight or under, or in the second grade of elementary school or below, including adopted children.

Parental Leave Users (Unit: People)

Category	2021	2022	2023	2024
Male	4	7	2	11
Female	2	4	3	5

Post-Leave Retention: Employees Maintaining 12+ Months of Service (Unit: People)

Category	2021	2022	2023	2024
Male	3	7	2	7
Female	1	3	2	5

Parental Leave Returnees (Unit: People)

Category	2021	2022	2023	2024
Male	4	7	2	11

Male Return Rate	100%	100%	100%	100%
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Female	2	3	2	5
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Female Return Rate	100%	75%	67%	100%
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* Based on the Headquarters and domestic business sites

Reduced Working Hours During Childcare period



Reduced working hours are allowed for employees who are raising children aged eight or younger, or in the second grade of elementary school or below.

Family Care Leave



Employees are allowed to apply for Family Care Leave, which provides a leave of absence to care for a family member—defined as a grandparent, parent, spouse, child, grandchild, or spouse's parent—due to illness, accident, or old age. The total duration of Family Care Leave is up to 90 days per year and may be taken in multiple segments.

Empowering Female Talent



Hyundai Welding operates a range of programs and policies to ensure that female talent can fully realize their potential. Through flexible working hours, parental leave, and other welfare programs, female employees are supported in balancing family responsibilities with professional career development. These initiatives create an environment where women can actively contribute across diverse fields, while also promoting diversity and equality within society. Hyundai Welding remains committed to continuously supporting the participation and growth of female talent, fostering a corporate culture of shared success and inclusive development.

③ Employee Psychological Counseling Program

Hyundai Welding offers an Employee Assistance Program (EAP) to support the psychological well-being of its workforce. The program provides monthly life and business coaching sessions, organizational diagnostics, and 50-minute individual counseling and therapy sessions to enhance emotional stability and work efficiency. In addition, one-on-one coaching and psychological survey assessments are conducted for all employees to promote personal development and growth opportunities. Since its launch in 2024, 101 employees have participated in the program, and Hyundai Welding continues to expand support to foster a healthy organizational culture.

Family-Friendly Workplace Certification

Hyundai Welding has implemented a range of welfare programs, including flexible working hours to boost engagement, efficient work management, and policies supporting childbirth and childcare in order to enhance employees' quality of life and job satisfaction. In December 2023, Hyundai Welding received the 'Family-Friendly Workplace' Certification from the Ministry of Gender Equality and Family. This certification, granted under Article 15 of the Act on the Promotion of Family-Friendly Social Environments, recognizes organizations that excel in supporting childbirth and child-rearing, implementing flexible work arrangements, and fostering a family-friendly workplace culture. This certification is awarded through document review, on-site inspections, and employee satisfaction surveys and is valid for three years. Hyundai Welding remains committed to maintaining this certification by continuously developing and enhancing family-friendly programs. These initiatives enable employees to spend quality time with their families, achieve a healthy work-life balance, and increase life satisfaction, which in turn supports greater focus and productivity at work. Hyundai Welding is dedicated to creating a family-friendly and fulfilling workplace where employees can harmoniously balance work and family life.



SOCIAL CONTRIBUTION

Social Contribution Activities

Hyundai Welding actively participates in diverse social contribution programs to foster a society where everyone thrives together, going beyond simple acts of neighborly assistance to fulfill its responsibilities as a corporate citizen. In particular, Hyundai Welding's contributions to social initiatives in the Pohang region, where its factory is located, have been recognized. In 2023, Hyundai Welding received the "Certificate of Major Donor" from the Mayor of Pohang in acknowledgment of its significant scholarship contributions to support the city's educational development. We were also awarded a commendation plaque by the President of POSTECH for its contributions to the national economy and the development of the Pohang region. Additionally, in recognition of its efforts to promote a harmonious labor-management culture, Hyundai Welding received the 24th Gyeongsangbuk-do Industrial Peace Award in 2021. Moving forward, Hyundai Welding will continue to collaborate with local communities to carry out meaningful social contribution activities.

Status of Participation in Social Contribution Initiatives

Project Name	Participation Period	Activity
Sponsoring Good Neighbors	Oct. 2024 ~ Present	Support for Public Interest Organizations Engaged in Social Contribution
Sponsoring the Chammajungmul Foundation	Aug. 2024	Support for Foundations Engaged in Social Contribution
Korea Food Corporation	May 2023	Support for Non-Profit Corporations Dedicated to Social Contribution and Brand Promotion
Sponsoring Yeol	2020 ~ Present	Support for Foundations Engaged in Social Contribution
Sponsoring Asan Institute for Policy Studies	2019 ~ Present	Support for Public Interest Organizations Contributing to Social Well-Being and National Development
World Vision Sponsorship	2019 ~ Sept. 2024	Support for Public Interest Organizations Engaged in Social Contribution
Donation of training equipment to the Pohang Campus of Korea Polytechnics	2021 ~ 2023	Annual Donation of Welding Materials Valued at KRW 10 Million
Donation of training equipment to the Wonju Campus of Korea Polytechnics	2020	Donation of Welding Materials Worth KRW 16 Million
Practicing love for neighbors by delivering 'Coal briquettes and blankets of love'	2021 ~ 2023	Every year, together with the Pohang City Private Sports and Culture Foundation, we deliver coal briquettes and blankets worth millions of KRW to underprivileged neighbors in the region, visit village senior centers to provide lunch and events.

Award

Major donor certification (Pohang Mayor)

2023

Awarded for contributions to the development of Pohang City scholarship programs through large-scale scholarship donations

24th Gyeongsangbuk-do Industrial Peace Award

2021

Awarded for establishment of a new labor-management culture

Commendation plaque (President of Pohang University of Science and Technology)

2016

Awarded for contributions to the national economy and the development of the Pohang region



Sustainability Performance

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CORPORATE GOVERNANCE

Governance Structure

Hyundai Welding is committed to establishing a robust governance framework, supported by a professional Board of Directors and specialized committees, to drive sustainable development. We seek to implement an advanced governance structure that transparently and responsibly reflects the interests of all stakeholders. This approach fosters trust and promotes mutual growth among customers, employees, business partners, and subsidiaries. To ensure the Board's expertise and effectiveness, Hyundai Welding appoints directors with extensive professional knowledge and practical experience across diverse industries. Candidates are selected based on their comprehensive understanding of corporate governance, risk management, and stakeholder engagement, enabling them to contribute meaningfully to the company's strategic objectives. The Board of Directors maintains rigorous oversight of the company's operations, ensuring stable, responsible, and sustainable management in alignment with Hyundai Welding's long-term vision.

Category	Name	Position	Gender	Area of Expertise	Professional Background	Date of Appointment	Term of Office
Executive Director	Mong Suk Chung	Executive Director	Male	Business Management	· Chairman, Hyundai Welding · Dept. of Business Administration, Graduate School of George Washington University	March 31, 2025	2 Years
	Jung Hae An	Executive Director	Female	Business Management	· President, Hyundai Welding	March 31, 2025	2 Years
	Eun Sung Chung	Executive Director	Male	Business Management	· President, Hyundai Welding · Dept. of Political Science and International Studies, Hanyang University · Dept. of Public Administration, Graduate School of Harvard University · Member of Hyundai Welding ESG Committee	March 31, 2025	2 years
	Chung Ki Lee	Chief Executive Officer	Male	Business Management	· Chief Executive Officer, Hyundai Welding · Dept. of Earth and Environmental Science, Seoul National University · Member of Hyundai Welding ESG Committee	June 9, 2025	10 Months
	Yong Deog Kim	Chief Executive Officer	Male	Production, Quality, and Plant Management	· Chief Executive Officer, Hyundai Welding · Dept. of Inorganic Materials Engineering, Busan National University · General Manager of Hyundai Welding Pohang Plant · Member of Hyundai Welding ESG Committee	March 31, 2025	2 years
Independent Director	Cheol gyu Hwang	Chairman of the Board	Male	Legal Affairs	· Independent Director & Chairman of the Board, Hyundai Welding · Dept. of Law, Seoul National University · Chief Prosecutor, Busan High Prosecutors' Office · Vice President, International Jurists Association · Member of Hyundai Welding ESG Committee	January 1, 2025	15 Months
	Sun Im Choi	Independent Director	Female	Business Management	· Independent Director, Hyundai Welding · Dept. of Business Administration, Seoul Venture Information Graduate School · Full-time Professor at Seoul Institute of the Arts · Independent Director of Hanjin Shipbuilding & Construction Co., Ltd. · Member of Hyundai Welding ESG Committee	March 31, 2025	2 Years
Auditor	Hyung Min Cho	Auditor	Male	Finance and Accounting	· Advisor, Hyundai Welding · Dept. of Trade, Chonnam National University	March 31, 2023	3 years

Remuneration for the Board of Directors

(Unit: KRW Thousand)

Category	No. of People	Average monthly remuneration per Board member
Executive Director	5	23,041
Independent Director	2	
Auditor	1	

Annual Board of Directors Meetings



ETHICAL MANAGEMENT

Ethical Management

Hyundai Welding has established the Ethics Management Charter alongside our Human Rights Charter to clearly define the standards of conduct and principles of ethical decision-making that all employees are expected to uphold. To ensure practical implementation, we have also enacted a Code of Ethics Implementation Guideline, providing detailed instructions for adherence. This Code of Ethics applies to all stakeholders, including the board of directors, employees, and business partners, with local laws considered for employees stationed abroad. Hyundai Welding continuously operates education and monitoring systems to ensure that all stakeholders clearly understand their respective authorities and responsibilities, and are able to make decisions and act in accordance with ethical standards.

Ethics Management Charter

Hyundai Welding Group pursues the vision of “BESCOM (Best Company: the highest level of management capability and value creation achievable by a company)” and is committed to fostering a corporate culture that strives for mutual prosperity with stakeholders and local communities as it advances toward becoming a world-class enterprise. In line with this, we have established the Ethics Management Charter as a guiding framework for all Hyundai Welding Group employees, setting clear standards for proper conduct and ethical decision-making.

- 1 We contribute to the creation of customer value and actively accept customer complaints and suggestions to achieve mutual growth with our customers.
- 2 We support and encourage courageous employees and create an environment where strong challenges and innovations are welcomed and continue.
- 3 We create a healthy and ethical workplace atmosphere with mutual respect.
- 4 We form a bright and sound corporate culture through fair competition with competitors and fair transactions with partners.
- 5 We comply with legal obligations and aim to be an ethical company that practices rational and transparent management.
- 6 We fulfill our corporate social responsibilities and obligations, contribute to the development of the local community, comply with environmental laws and regulations, and strive to prevent environmental pollution.

ETHICAL MANAGEMENT

Ethical Management Process

Prevention

Ethics Pledge

All Hyundai Welding employees, both domestic and international, as well as members of our partner companies, participate annually in the "Ethics Pledge" to reaffirm their understanding of the importance of ethical management and their commitment to ethical conduct.

Code of Ethics and Implementation Guidelines

As part of Hyundai Welding's corporate culture, we have established a Code of Ethics that defines the ethical standards all employees must uphold. These guidelines serve as a foundation for sound decision-making. To ensure accessibility and continuous awareness, the implementation guidelines are posted on intranet, enabling employees to maintain ethical consciousness and foster fair and transparent relationships with stakeholders. Through these efforts, Hyundai Welding seeks to internalize ethical management and fulfill its responsibilities as a trusted corporate entity.

Ethics Education

Hyundai Welding operates training programs for all employees to internalize ethical and human rights management. Ethics and human rights training is a mandatory component of the onboarding process for new hires, emphasizing the importance of ethical awareness and responsible corporate culture from the outset. Additionally, all employees are required to participate in annual ethics training to ensure that ethical values and behavioral standards are firmly established across the organization.

We also leverage internal communication channels to provide access to ethics management educational videos from the Anti-Corruption & Civil Rights Commission and training materials from the Ministry of Employment and Labor, creating an environment for voluntary learning. Furthermore, all employees annually complete legally mandated training programs, including courses on the prevention of sexual harassment, workplace bullying, and the promotion of disability awareness. These initiatives aim to enhance ethical awareness and cultivate a healthy and responsible corporate culture throughout our operations.

Employee Ethics Training Status

	Category	2021	2022	2023	2024
Statutory Ethics Training (Sexual Harassment and Workplace Bullying Prevention Training)	Number of employees participating in training	916	903	941	959
	Training hours per person	3	3	4	4

* Domestic business sites: Headquarters, Pohang Plant, Machinery Business Headquarters, Gochang Plant
 * Overseas business site resident: China plant, Vietnam plant, Russia plant, overseas corporate branches



ETHICAL MANAGEMENT

Monitoring and Identifying Ethical Compliance Issues

Reporting and Consultation Channel

Hyundai Welding operates a system for reporting unethical behavior to ensure transparent, fair, and responsible business operations. We provide multiple channels for reporting workplace bullying, sexual harassment, embezzlement of company funds, bribery, or other unethical conduct. Employees and relevant stakeholders may submit reports either anonymously or using their real names, via the company website, telephone, or email. In accordance with whistleblower protection policies, the identity of the reporter and the details of the report are strictly confidential. All human rights-related reports are addressed with follow-up measures within 48 hours of submission, in accordance with established procedures. Reports concerning sexual harassment or other human rights violations are reported to the CEO within 24 hours, followed by prompt investigations and subsequent actions aimed at identifying and addressing root causes.

Ethics Reporting and Resolution Status

Year	Type of Ethics Reporting	No. of Reports	Resolutions Status
2021	Embezzlement of public fund and receipt of bribe	0	
	Workplace bullying	3	Collection of written apology (3 cases)
	Sexual harassment in the workplace	0	
	Other unethical behaviors	5	Case closed with warning, disciplinary action (pay reduction, 3 cases), or resignation of the target person
2022	Embezzlement of public fund and receipt of bribe	0	
	Workplace bullying	0	
	Sexual harassment in the workplace	0	
	Other unethical behaviors	5	Case closed without charges, investigation report collection (2 cases), written apology collection and warning, disciplinary action (pay reduction)
2023	Embezzlement of public funds and receipt of bribes	2	After the public funds are recovered, the target person resigns.
	Workplace bullying	1	Disciplinary action (suspension of job)
	Sexual harassment in the workplace	0	
	Other unethical behaviors	5	Explanation statement collection (2 cases), admonition action, disciplinary action (pay reduction, suspension of job)
2024	Embezzlement of public funds and receipt of bribes	0	
	Workplace bullying	1	Apology and agreement
	Sexual harassment in the workplace	0	
	Other unethical behaviors	7	Case closed without charges (1 case), Explanation statement collection (2 cases), written apology collection (4 cases)

* Based on Headquarter and domestic business sites

Follow-up Measures and Prevention of Recurrence

Disciplinary Action and Follow-up Measures

Hyundai Welding applies zero-tolerance policy to serious unethical conduct, including embezzlement of company funds, bribery, sexual harassment, and workplace bullying, irrespective of the individual's position. All reports undergo a thorough investigation. Based on the severity of the case, the Ethics Management Office reviews the findings and decides on disciplinary measures. Once confirmed, corrective actions are communicated to the relevant departments, and compliance with these measures is monitored to ensure effective implementation.

Furthermore, Hyundai Welding leverages reported cases as learning opportunities by conducting organization-wide ethics training to raise awareness and strengthen a culture of responsibility and integrity. These follow-up actions and recurrence prevention measures are reported annually to the Board of Directors. The Chairman of the Board also serves as the Chair of the Disciplinary Committee, thereby reinforcing accountability and ensuring a transparent response framework at the highest governance level.

Unethical Behavior Reporting and Response Process



Receipt of report

Investigation of report

Internal Review by the Ethical Management Office

Convening Of the Disciplinary Committee

Discipline and notification

SUPPLY CHAIN SUSTAINABILITY MANAGEMENT

Supply Chain Sustainability Management

With growing attention to environmental and human rights issues in supply chains and the strengthening of global ESG regulations, establishing and managing a responsible supply chain has become a critical priority for companies. In response, Hyundai Welding has established the Supplier Code of Conduct and the Responsible Minerals Policy Declaration to minimize supply chain ESG risks, including human rights, labor, ethical management, safety and health, environmental sustainability, and responsible mineral sourcing, in accordance with global standards such as the OECD, UN, and ILO. Hyundai Welding will strengthen mutually beneficial cooperation with all business partners based on trust and work together to establish a sustainable management system as a partner in environmental, social, and governance practices.

3 Principles for Fair Trade Compliance

Hyundai Welding conducts business activities in a fair and transparent manner, adhering to internationally recognized corporate ethics. To define and uphold proper ethical standards, we have established three principles for fair trade, encouraging all employees to implement them in practice.



① Responsibility and Obligation to Customers

Hyundai Welding acts with the customer's perspective in mind, providing products and services that ensure satisfaction and trust, thereby establishing itself as a reliable and respected company.

② Fair Transactions with Business Partners

Hyundai Welding guarantees all business partners equal opportunities. Partner selection follows objective and transparent standards and procedures. All transactions are conducted on an equal footing, with thorough consultation regarding terms and processes.

③ Transparent Competition with Competitors

Hyundai Welding does not acquire information from competitors through improper means, nor use or disclose any information obtained unethically.

Supplier Code of Conduct and ESG Checklist

In 2023, Hyundai Welding established the Supplier Code of Conduct to minimize supply chain risks and ensure compliance with laws and ethical standards in collaboration with all business partners. This Code of Conduct encompasses mandatory standards for suppliers in areas such as human rights, labor, ethics, occupational health and safety, environmental sustainability, anti-corruption, and fair trade. The Code is published on Hyundai Welding's website in both Korean and English, and suppliers are required to acknowledge and sign their commitment to comply, either by their designated representatives or CEOs, thereby promoting environmental and social responsibility.

To assess the ESG performance of our suppliers, Hyundai Welding monitors their practices based on a set of questions covering six key areas. Compliance with the Code of Conduct and sustainability guidelines is required in all contracts with domestic and international suppliers. Through this responsible supply chain policy, Hyundai Welding systematically manages ESG risks and strives to achieve sustainable business practices.

ESG Checklist Questions

Human rights & labor (16 questions)

Assessment of supplier policies and practices to ensure the protection of employees' human rights and equal opportunities, prohibition of workplace harassment and violence, and compliance with labor laws.

Environmental management (17 questions)

Examination of environmental management systems (ISO 14001), environmental policy establishment, and monitoring of carbon emissions and energy consumption.

Prevention of corruption and bribery (9 questions)

Evaluation of the establishment of anti-corruption and anti-bribery policies, the presence of internal reporting mechanisms, and procedures for investigation and disciplinary actions.

Supply chain management (3 questions)

Verification of the adoption of the Supplier Code of Conduct and implementation of supply chain management programs.

Safety and health (9 questions)

Review of the operation of occupational health and safety management systems (ISO 45001), provision of safety training, workplace environment inspections, and the record of industrial accidents.

Compliance with international regulations (6 questions)

Assessment of formal corporate ethics policies, publication of sustainability reports, and adherence to international ESG standards.

SUPPLY CHAIN SUSTAINABILITY MANAGEMENT



Hyundai Welding Supplier Code of Conduct

Compliance with Laws and Regulations

- 1.1 Suppliers shall conduct business fairly and transparently and operate in compliance with the laws of the country in which they operate.
- 1.2 Suppliers shall ensure that all products they produce and sell comply with all applicable international trade standards.

Human Rights and Safety

- 2.1 Suppliers shall respect their employees as independent individuals and, for this purpose, provide appropriate working conditions and a safe working environment.
- 2.2 In addition to complying with legal requirements regarding working conditions, suppliers shall provide a safe and healthy working environment and take necessary measures to prevent accidents and injuries.
- 2.3 Suppliers shall not unfairly discriminate against employees based on gender, religion, age, place of origin, education, disability, etc.
- 2.4 Suppliers shall recognize that bullying and sexual harassment in the workplace are illegal acts and shall create a working environment that does not allow any actions that harm healthy coworker relationships, including physical, verbal, and visual actions.
- 2.5 Suppliers shall operate an anonymous grievance handling system that allows employees to identify violations of laws and regulations in the areas of ethics, environment, labor/human rights, and safety/health, or to report violations of personal rights. The relevant policies and procedures shall be operated transparently and fairly, and sufficient protective measures shall be provided to prevent secondary damage to reporters and participants in investigations.
- 2.6 Suppliers shall fully comply with all Company policies and procedures relating to wages and working hours, in accordance with applicable laws and regulations of the relevant country.

Child Labor and Forced Labor

- 3.1 Suppliers shall not exploit child labor or employ anyone younger than 15 years of age or the legal minimum working age, whichever is more stringent. For those under 18 years of age, suppliers shall not interfere with their compulsory education, and the nature of their work or working environment shall not be detrimental to their health, safety or morality.
- 3.2 Suppliers shall not force workers to work against their will or demand the provision of work/services through threats or coercion.

Environment

- 4.1 Suppliers shall clearly identify the environmental risks, impacts and responsibilities associated with the products and services they provide.
- 4.2 Suppliers shall comply with all applicable environmental laws and regulations, and obtain and maintain and implement all necessary environmental permits, approvals and registrations as required.
- 4.3 Suppliers shall comply with all applicable laws and international agreements relating to energy use and greenhouse gas emissions.
- 4.4 Suppliers shall comply with all applicable laws and international agreements when using, handling and disposing of hazardous waste and persistent organic pollutants.

Corruption and Bribery

- 5.1 Suppliers shall not accept bribes, and shall not allow other parties, including Hyundai Welding Group, to accept or be able to accept bribes in violation of domestic or international anti-corruption laws and other related regulations.
- 5.2 Suppliers shall plan a process for reporting unethical behavior and endeavor to establish such an organizational culture.
- 5.3 Suppliers shall not allow bias, conflicts of interest, or undue influence from others that undermine professional judgment and responsibility.

Fair Trade

- 6.1 Suppliers shall comply with the principles of free competition and ensure that all transactions are conducted fairly and transparently.
- 6.2 Suppliers shall not use their superior position to force unfair actions or exert influence.

Responsible Material Purchasing

- 7.1 Suppliers shall refrain from doing business with countries, entities or individuals subject to international sanctions, and must comply with and continuously monitor all relevant trade laws and regulations.

Information Protection

- 8.1 Suppliers shall not disclose any trade secrets or confidential information of customers or business partners (subcontractor) without authorization, and shall comply with the obligations regarding the protection, collection and proper handling of confidential information and personal information.

SUPPLY CHAIN SUSTAINABILITY MANAGEMENT

Responsible Minerals Policy Declaration

Hyundai Welding established the Responsible Minerals Policy Declaration in June 2025. This declaration reflects Hyundai Welding's commitment to sustainable management by upholding ethical responsibility throughout the entire supply chain, from the extraction of resources used in products to their final use. Through this policy, Hyundai Welding aims to prevent human rights violations and connections to armed conflicts associated with conflict minerals and, as part of ESG management efforts, to build a transparent and responsible supply chain.



Responsible Minerals Policy Declaration

Hyundai Welding, as a specialized manufacturer of industrial welding materials, recognizes the ethical sourcing of metal materials used in its manufacturing processes and the transparency of its supply chain as a fundamental responsibility. We are mindful of international concerns regarding conflict minerals (3TG: Tin, Tantalum, Gold) mined in the Democratic Republic of the Congo (DRC) and surrounding countries, which are often exploited by armed groups to fund conflicts and contribute to serious human rights violations. In response, Hyundai Welding has voluntarily established a Responsible Minerals Management Policy and will continue to take proactive measures to minimize supply chain risks. The key elements of this policy are as follows:

1. Prohibition of Conflict Minerals

We do not tolerate the use of minerals sourced from the DRC or adjoining conflict-affected regions that contribute to human rights abuses or the financing of armed groups and ensures such minerals are not included in its products.

2. Responsible Supply Chain Due Diligence

We verify the sourcing channels of minerals in raw materials and components supplied by vendors and requires appropriate corrective actions if any risk is identified.

3. Strengthening Requirements for Suppliers

We require all suppliers to disclose their responsible minerals policy and provide transparent and accurate information regarding their sourcing practices.

4. Monitoring and Continuous Improvement

We continuously update our internal policies and procedures in accordance with relevant regulations, such as the U.S. Dodd-Frank Act and OECD Due Diligence Guidance, as well as customer requirements, to ensure ongoing compliance and improvement.

5. Transparent Communication with Stakeholders

We will transparently share this policy and its implementation results with stakeholders and responding promptly and faithfully to any inquiries.

As a welding material manufacturer, Hyundai Welding is dedicated to ethically source raw materials such as steel, and fulfill its responsibilities as a company to strengthen ESG management and supply chain sustainability.

ISO 37001 (ANTI-BRIBERY MANAGEMENT SYSTEM)

ISO 37001 (Anti-Bribery Management System)

Hyundai Welding has implemented an Anti-Bribery Management System (ISO 37001) to ensure transparent and responsible corporate operations. In July 2024, Hyundai Welding was officially recognized for aligning its anti-bribery framework with international standards by obtaining ISO 37001 certification. To ensure effective operation of the system, Hyundai Welding established an anti-bribery policy, appointed an officer responsible for anti-bribery management, and designated the ESG Management Team and the Ethical Management Department as the operational departments responsible for systematically managing related policies and systems. All relevant procedures, manuals, and policies are shared with employees via the company intranet, and ongoing monitoring ensures that all employees understand and comply with the requirements.

In 2025, Hyundai Welding conducted internal audits on corruption-related risks at its headquarters and three domestic sites (Pohang Plants 1 & 2 and Gochang Plant), confirming that no significant corruption risks were identified and thereby maintaining ISO 37001 certification. As part of efforts to foster an anti-corruption culture, Hyundai Welding provides one-hour online ethics training annually to all employees in addition to legally mandated ethics courses. In 2025, all 163 employees at the headquarters completed the training and signed the integrity pledge. Hyundai Welding plans to expand this program to all domestic sites in the future. Additionally, Hyundai Welding operates a reporting system for corruption-related incidents and conducts regular inspections and corrective actions to prevent legal or financial risks arising from bribery or regulatory violations, thereby promoting a compliance-centered corporate culture. Hyundai Welding will continue to advance systematic and sustained anti-bribery activities to grow as an ethical and trusted company.

Organization Chart of Anti-Corruption Management System

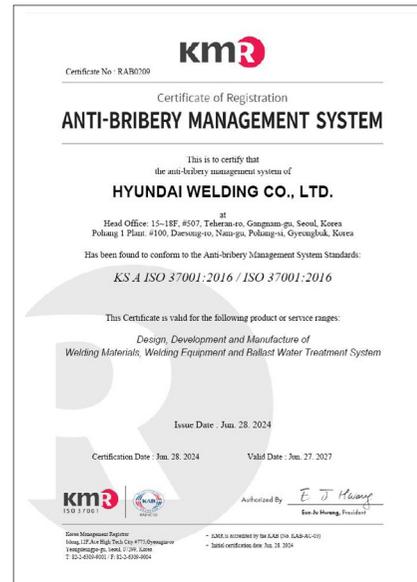


Anti-Corruption Management Policy

Hyundai Welding has established the following anti-corruption management policy to foster and implement a culture of integrity throughout the organization:

01. We comply with all relevant laws, regulations, codes, and procedures to prevent corruption and illegal activities in the course of our business operations.
02. We strictly prohibit all forms of corruption, including improper solicitation, bribery, or the acceptance of gifts and benefits.
03. We promptly report any instances of corruption to the company and ensure protection for whistleblowers against any form of disadvantage or retaliation.
04. We are committed to promoting a culture of integrity among all stakeholders.
05. We make this policy publicly available and establish communication channels to continuously improve and update it.
06. We establish and maintain an anti-corruption management system and continuously enhance its effectiveness.
07. We designate an officer responsible for anti-corruption efforts, granting independent and autonomous authority to ensure accountability.
08. The company informs all employees about anti-corruption matters and monitors compliance with anti-corruption practices.

Employees who violate this policy are subject to appropriate disciplinary action in accordance with internal company regulations.



INFORMATION SECURITY

Information Security

Hyundai Welding strictly complies with the 'Act on Promotion of Information and Communications Network Utilization and Information Protection' and the 'Personal Information Protection Act' and has established information security management regulations to prepare for risks of leakage of important corporate information and personal information. In addition, we comply with personal information protection regulations when processing personal information of third parties such as customers, business partners, and employees.

Information Security Regulations

The information security regulation prevents unauthorized access, leakage, destruction, or illegal modification of Hyundai Welding's IT assets, including networks, computer systems, and databases. It safeguards against internal and external threats, ensuring reliable network operation and smooth information services for users.

Privacy Policy

Hyundai Welding strives to protect the personal information of information subjects in accordance with Article 30 of the Personal Information Protection Act and to promptly handle complaints related thereto.

Basic Document Security and Organization

1. Prohibit internal and external leakage of all information related to sales and management activities.
2. Prohibit simple disposal of work-related and personal information documents.
3. Dispose documents after the retention period according to document regulations has expired.
4. PC password and screen saver settings are mandatory.
5. After logging in, groupware that was previously logged in is automatically logged out.

Document Centralization System

We are establishing an in-house document management policy, identifying the status of documents held, and trying to prevent document leakage.

Document assetization

Utilizing a central storage for business PC documents

Document management

Function to manage permissions by folder, such as team-individual

Convenience features

Increasing work efficiency through document collaboration and sharing

The IT department continuously identifies and assesses information security risks and has established a flexible security framework capable of responding promptly to emerging threats. By complying with relevant laws and regulations, we enhance trust among customers and other stakeholders while identifying and managing risks related to information protection and personal data privacy.

APPENDIX

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FINANCIAL STATEMENTS

Consolidated Financial Statements

Hyundai Welding Co., Ltd.
and its subsidiaries

(Unit: KRW)

Accounting Title	2024	2023	2022	2021
Assets				
I. Current assets	520,270,876,447	494,894,612,856	498,680,588,451	463,935,469,925
1. Cash and cash equivalents	43,343,234,680	47,900,758,453	58,820,572,874	51,880,681,673
2. Other current financial assets	655,104,679	5,400,176,096	8,052,051,773	7,944,776,668
3. Fair value through profit or loss	11,038,401,000	11,061,738,000	9,358,137,000	-
4. Accounts receivable	254,886,780,020	223,533,630,249	200,932,395,194	193,310,045,920
5. Inventory assets	179,630,712,353	186,728,400,773	192,625,871,134	178,182,213,628
6. Other current assets	30,334,939,881	20,085,392,047	28,875,797,913	25,806,462,678
7. Current corporate tax assets	381,703,834	184,517,238	15,762,563	6,811,289,358
II. Non-current assets	592,340,478,624	396,013,227,919	331,220,808,258	327,665,882,725
1. Other comprehensive income-fair value	379,818,992,450	181,019,120,900	128,647,665,360	144,070,459,122
2. Other non-current financial assets	4,468,952,773	4,314,649,028	4,403,754,076	4,448,838,627
3. Tangible assets	184,335,359,078	182,196,453,440	168,590,254,535	162,533,937,320
4. Intangible assets	9,876,184,296	10,661,122,652	10,903,704,578	9,639,284,563
5. Investment property	7,702,174,014	7,979,807,899	8,257,441,784	2,726,571,669
6. Net defined benefit asset	-	6,252,079,886	7,368,213,569	1,805,587,978
7. Deferred income tax assets	6,138,816,013	3,589,994,114	3,049,774,356	2,441,203,446
Total Assets	1,112,611,355,071	890,907,840,775	829,901,396,709	791,601,352,650
Liabilities				
I. Current liabilities	329,897,381,728	348,852,256,345	378,563,316,348	356,489,174,366
1. Accounts payable	60,084,481,511	51,699,965,830	54,774,635,289	69,560,178,487
2. Short-term borrowings	220,281,534,706	248,416,145,502	278,401,653,788	246,591,718,185

FINANCIAL STATEMENTS

(Unit: KRW)

Accounting Title	2024	2023	2022	2021
3. Other current financial liabilities	18,822,274,803	20,508,587,352	26,611,538,485	21,520,234,735
4. Other current liabilities	15,190,736,160	15,912,737,836	12,420,914,057	15,317,716,109
5. Current lease liabilities	4,389,383,289	3,669,008,008	2,722,122,417	3,499,326,850
6. Current income tax liabilities	11,128,971,259	8,645,811,817	3,632,452,312	-
II. Non-current liabilities	89,196,459,761	59,926,224,907	48,638,050,853	42,743,451,408
1. Long-term borrowings	5,600,000,000	17,644,736,747	22,785,147,020	12,343,921,404
2. Other non-current financial liabilities	51,232,413	22,744,199	13,570,278	345,388,799
3. Other non-current liabilities	44,000,000	194,000,000	59,000,000	-
4. Non-current lease liabilities	15,146,420,719	15,997,660,214	12,008,123,495	13,600,097,222
5. Other long-term employee benefits liabilities	1,515,552,365	904,250,151	-	-
6. Net defined benefit liabilities	387,277,954	-	-	-
7. Deferred income tax liabilities	66,451,976,310	25,162,833,596	13,772,210,060	16,454,043,983
Total Liabilities	419,093,841,489	408,778,481,252	427,201,367,201	399,232,625,774
Capital				
Ownership share of the controlling company	693,517,513,582	482,129,359,523	402,700,029,508	392,368,726,876
I. Capital	5,749,820,000	5,749,820,000	5,749,820,000	5,749,820,000
II. Capital surplus	41,868,220,161	41,868,220,161	41,868,220,161	41,868,220,161
III. Accumulated other comprehensive income	272,867,519,141	101,712,296,882	59,981,436,035	64,684,271,167
IV. Retained earnings	373,031,954,280	332,799,022,480	295,100,553,312	280,066,415,548
Non-controlling interest				
Total Capital	693,517,513,582	482,129,359,523	402,700,029,508	392,368,726,876
Total liabilities & stockholders' equity	1,112,611,355,071	890,907,840,775	829,901,396,709	791,601,352,650

FINANCIAL STATEMENTS

Consolidated Comprehensive Income Statement

Hyundai Welding Co., Ltd.
and its subsidiaries

(Unit: KRW)

Accounting Title	2024	2023	2022	2021
I. Sales	875,625,710,573	867,377,594,652	777,913,028,275	619,783,798,002
II. Cost of sales	691,220,795,458	687,167,317,863	656,934,389,713	516,883,969,050
III. Gross profit	184,404,915,115	180,210,276,789	120,978,638,562	102,899,828,952
IV. Selling and administrative expenses	121,513,227,701	114,355,768,476	99,404,764,631	85,057,888,675
V. Operating profit	62,891,687,414	65,854,508,313	21,573,873,931	17,841,940,277
VI. Other profit and loss	(823,666,644)	316,811,210	(2,825,246,078)	1,753,101,560
1. Other income	4,271,319,555	3,172,815,422	5,567,625,535	4,100,845,509
2. Other expenses	5,094,986,199	2,856,004,212	8,392,871,613	2,347,743,949
VII. Financial profit and loss	3,251,834,745	(6,928,591,106)	(2,391,246,946)	2,569,528,262
1. Financial income	36,480,210,296	28,122,180,166	35,611,535,423	22,962,849,144
2. Financial costs	33,228,375,551	35,050,771,272	38,002,782,369	20,393,320,882
VIII. Net income before income tax expense	65,319,855,515	59,242,728,417	16,357,380,907	22,164,570,099
IX. Corporate tax expense	20,305,676,603	15,239,164,832	3,745,642,224	4,724,993,710
X. Net income	45,014,178,912	44,003,563,585	12,611,738,683	17,439,576,389
Attribution of net income:				
Ownership share of the controlling company	45,014,178,912	44,003,563,585	12,611,738,683	17,439,576,389
Non-controlling interest	-	-	-	-

FINANCIAL STATEMENTS

(Unit: KRW)

Accounting Title	2024	2023	2022	2021
XI. Other comprehensive income	169,373,975,147	40,425,766,430	(453,275,530)	6,131,408,857
(1) Items not reclassified to profit or loss	153,029,429,613	41,479,040,875	(1,044,530,782)	(6,675,341,819)
1. Remeasurement factors of net defined benefit liabilities	(1,781,247,112)	(1,305,094,417)	3,457,384,207	(38,715,130)
2. Other comprehensive income from FVOCI financial assets	154,810,676,725	42,784,135,292	(4,501,914,989)	(6,636,626,689)
(2) Items subsequently reclassified to profit or loss	16,344,545,534	(1,053,274,445)	591,255,252	12,806,750,676
1. Overseas business conversion profit or loss	16,344,545,534	(1,053,274,445)	591,255,252	12,806,750,676
2. Derivatives valuation profit or loss	-	-	-	-
XII. Total comprehensive income	214,388,154,059	84,429,330,015	12,158,463,153	23,570,985,246
Attribution of total comprehensive income:				
Ownership share of the controlling company	214,388,154,059	84,429,330,015	12,158,463,153	23,570,985,246
Non-controlling interest	-	-	-	-
XIII. Earnings per share				
1. Basic earnings per share	42,872	41,910	12,012	16,610
2. Diluted earnings per share	42,872	41,910	12,012	16,610

GRI Standards Index

GRI 1 : Foundation 2021	Overview	Hyundai Welding reports its sustainability management activities covering the period from January 1, 2023, to December 31, 2024, with reference to the GRI Standards. Certain disclosures also include information on activities conducted through June 2025.
	Applied GRI Standard	GRI 1: Foundation 2021
	Applied GRI Industry Standards	N/A

	Category	Indicator	Indicator Details	Page		
GRI 2 : General Disclosures 2021	Organization and reporting practices	2-1	Organization details	5		
		2-2	Corporations included in the sustainability management report within the organization	6		
		2-3	Reporting period, reporting cycle and contact information	2		
		2-4	Modification of information	39	Figures differ from the 2023 report due to an expanded scope that now includes on-site staff, subsidiaries, and overseas operations	
			2-5	External verification	67-68	
	Activities and executives & employees	2-6	Activities, supply chain of organization and other business relationships	6		
		2-7	Executives & employees	39-40		
		2-8	Workers who are not executives & employees	-	N/A	
	Governance structure	2-9	Governance structure and composition	46		
		2-10	Appointment and selection of the members of the highest decision-making body	46		
		2-11	Chairman of the highest decision-making body	46		
		2-12	The role of the highest decision-making body	46		
		2-13	Delegating responsibility for managing the impact on business	46		

GRI Standards Index

	Category	Indicator	Indicator Details	Page	
GRI 2 : General Disclosures 2021	Governance structure	2-14	The role of the highest decision-making body in sustainability reporting	11	
		2-15	Conflicts of interest	15	
		2-16	Communication on important matters	15	
		2-17	Expertise of the highest decision-making body	46	
		2-18	Evaluation of the performance of the highest decision-making body	-	[Confidential Information]
		2-19	Compensation policy	-	[Confidential Information]
		2-20	Compensation decision procedure	-	[Confidential Information]
		2-21	Annual total compensation ratio	-	[Confidential Information]
		Strategy, policy and implementation	2-22	Statement on sustainable development strategy	4, 10
	2-23		Policy	17, 25, 37, 51, 52	
	2-24		Internalizing policies that incorporate responsible business conduct	36, 48-50, 53	
	2-25		Negative impact improvement process	48-49	
	2-26		Advisory mechanism for responsible business conduct	47-49	
	2-27		Compliance with laws and regulations	-	N/A
	2-28		Associations with membership	64	
Participation of stakeholders	2-29	Stakeholder engagement and communication	14-15		
	2-30	Collective bargaining ratio of all employees	42		
	Category	Indicator	Indicator Details	Page	
GRI 3: Material Topics 2021	Disclosure of material issues	3-1	The process of conducting a materiality evaluation	14	
		3-2	List of material issues	14	
		3-3	Management of material issues	14	17-23, 25-35, 42-43, 54, 47-49, 50-52

GRI Standards Index

Category	Indicator	Indicator Details	Page
GRI 201: Economic performance (2016)	201-1	Creation and distribution of direct economic value	56-59
	201-3	Funding the liabilities of organization's defined benefit pension plan	42
GRI 205: Anti-corruption (2016)	205-1	Assessment of business site corruption risk	53
	205-2	Announcement and training on anti-corruption policies and procedures	53

Category	Indicator	Indicator Details	Page	
Environmental Topics	GRI 302: Energy (2016)	302-1	Energy consumption within an organization	18
	GRI 303: Water and wastewater	303-3	Water source	20
		303-5	Water usage	20
	GRI 305: Emission (2016)	305-1	Direct greenhouse gas emissions (Scope 1)	18
		305-2	Indirect greenhouse gas emissions (Scope 2)	18
		305-5	Reducing greenhouse gas emissions	18
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	19
	GRI 306: Waste	306-2	Waste Generation and major waste related impacts	19
		306-3	Waste Generation	19
		306-5	Waste treatment methods (Incineration, Landfill, etc)	19

GRI Standards Index

Category	Indicator	Indicator Details	Page		
Social Topics	GRI 401: Employment (2016)	401-1	New hire and job change	40	
		401-2	Employee benefits	42	
		401-3	Parental leave	43	
		403-1	Workplace health and safety management system	25-35	
		403-2	Risk identification, risk assessment, and accident investigation	28-29, 35	
		403-3	Workplace health service	34	
		403-4	Communication, advice and worker engagement related to occupational health and safety	34	
		403-5	Occupational health and safety training for workers	30-31	
		403-6	Promoting worker health	34	
		403-7	Prevention and mitigation of occupational health and safety impacts directly related to business relationships	25-35	
	403-8	Workers subject to the occupational health and safety management system	34-35		
	403-9	Work-related injury	35		
	GRI 404: Training and education (2016)	404-1	Average training hours per employee	30	
		404-2	Employee capacity building and career transition support program	41	
	GRI 405: Diversity and equal opportunity (2016)	405-1	Diversity of governance structures and employees	39, 46	
GRI 408: Child Labor	408-1	Operations and suppliers with a high risk of child labor, and measures to eliminate child labor	50-51		
GRI 409: Forced Labor	409-1	Operations and suppliers with a high risk of forced labor, and measures to eliminate forced labor	50-51		
GRI 418: Customer Privacy	418-1	Complaints regarding customer privacy breaches and loss of customer data	-	N/A	

GLOBAL INITIATIVE

1. UN Global Compact Membership and Implementation of the 10 Principles

Hyundai Welding joined the UN Global Compact (UNGC) in January 2023, committing to its ten principles covering human rights, labor, environment, and anti-corruption. The UNGC provides a global framework for the systematic integration of sustainability and corporate citizenship into corporate strategies and operations. Hyundai Welding aligns its operations with the UN Sustainable Development Goals (SDGs) and submits the UNGC Communication on Progress (CoP) report annually, transparently disclosing the status and outcomes of its implementation of fundamental principles, including the protection of human rights and the promotion of anti-corruption measures. Hyundai Welding remains resolutely committed to strengthening substantive ESG initiatives, thereby fostering sustainable value creation and maintaining stakeholder trust.



	10 Principles	Hyundai Welding System and Policy	
Human rights	Principle 1. Companies should support and respect the protection of internationally proclaimed human rights.	Code of Ethics	Chapter 5. Ethical Management 2) We comply with internationally accepted corporate ethics and business ethics.
		Charter of Human Rights	Article 1. Basic Principles
Labor	Principle 2. Companies should make active efforts to avoid complicity in human rights abuses.	Code of Ethics	Chapter 3. Responsibilities for Employees 1) Respect for Employees
		Charter of Human Rights	Article 4. Prohibition of Harassment
	Principle 3. Companies should uphold the freedom of association and the right to collective bargaining.	Employment Collective Agreement	Chapter 1. Article 1. Recognition of the Exclusive Bargaining Representative
	Principle 4. Companies should eliminate all forms of forced or compulsory labor.	Charter of Human Rights	Article 5. Prohibition of Forced Labor
Environment	Principle 5. Companies should abolish child labor.	Charter of Human Rights	Article 6. Prohibition of Child Labor
	Principle 6. Companies should eliminate discrimination in employment and occupation.	Code of Ethics	Chapter 3. Responsibilities for Employees 2) Fair Treatment and Talent Development
		Charter of Human Rights	Article 2. Prohibition of Discrimination
Anti-corruption	Principle 7. Companies should support a precautionary approach to environmental challenges.	Code of Ethics	Chapter 6. Contribution to the Country and Local Community
	Principle 8. Companies should take steps to promote environmental responsibility.	Code of Ethics	Chapter 6. Contribution to the Country and Local Community 1) To protect the global environment, we comply with all environmental laws and regulations and conduct all business in an environmentally friendly manner. 3) We strive to reduce greenhouse gas emissions by improving energy efficiency.
	Principle 9. Companies should promote the development and diffusion of environmentally friendly technologies.	Code of Ethics	Chapter 6. Contribution to the Country and Local Community 2) We strive to preserve a clean environment throughout the entire process of product development, production, and use.
	Principle 10. Companies should oppose corruption in all its forms, including extortion and bribery.	Code of Ethics	Chapter 4. Basic Ethics of Executives and Employees 3) Fair Performance of Duties

GLOBAL INITIATIVE

2. Alignment with the United Nations Sustainable Development Goals (UN SDGs)

Hyundai Welding is carrying out various activities to achieve the Sustainable Development Goals (SDGs) adopted by the United Nations General Assembly in September 2015. The SDGs are common goals of the international community to solve universal problems of humanity, global environment, and economic and social issues. They consist of 17 major goals and 169 detailed tasks to be achieved from 2016 to 2030. We plan to select related goals in consideration of their relevance to our business and will continuously expand practical activities. Hyundai Welding fulfills its social responsibility as a global company and will continue to practice ethical management based on ESG values with all employees, contributing to creating a sustainable future domestically and internationally.

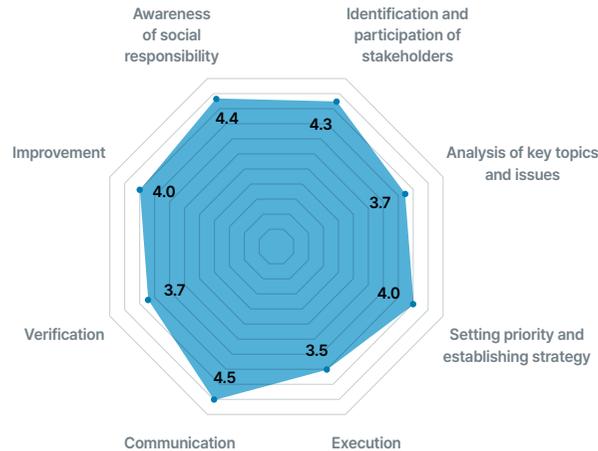
UN SDGs	UN SDGs Goals	Related Activities
Goal 1 No Poverty	End poverty in all its forms in all countries.	· Social contribution activities
Goal 3 Good Health and Well-Being	Ensure healthy life and promote well-being of people.	· Safety, health and environment management policy (SHE) · Emergency response training · Safety and health training · Workplace risk assessment
Goal 4 Quality Education	Ensure inclusive and equitable quality education for all.	· Social contribution activities · Employee training
Goal 5 Gender Equality	Achieve gender equality and empower women and girls.	· Enactment of the Charter of Human Rights · Support for women's human resources development · Family-friendly system
Goal 6 Clean Water and Sanitation	Ensure access to and sustainability management of water and sanitation facilities for all.	· Environmental education · Environmental accident response training · Advanced chemical physics management system
Goal 7 Affordable and Clean Energy	Ensure sustainable energy for all.	· Responding to climate change
Goal 8 Decent Work and Economic Growth	Promote sustained, inclusive and sustainable economic growth and full, productive employment and quality jobs.	· Development of eco-friendly products · Securing and nurturing talent
Goal 10 Reduced Inequalities	Reduce and eliminate inequality.	· Securing and nurturing talent · Social contribution activities
Goal 12 Responsible Consumption and Production	Establish sustainable consumption and production patterns.	· Development of eco-friendly products · Resource circulation
Goal 13 Climate Action	Take urgent action to address climate change and its impacts.	· Responding to climate change · Development of eco-friendly products · Resource circulation
Goal 14 Life below Water	Create a sustainable marine ecosystem.	· Responding to climate change
Goal 15 Life on Land	Sustainable protection, restoration and promotion of terrestrial ecosystems.	· Responding to climate change
Goal 16 Peace, Justice and Strong Institutions	Promote peaceful and inclusive societies, and ensure justice for all.	· Enactment of the Charter of Human Rights
Goal 17 Partnerships for the Goals	Activate the global partnership for sustainable development.	· Establishing a Supplier Code of Conduct · Sending the code of conduct to partners and requesting signatures

ISO 26000

ISO 26000 Assessment Results

The international standard for social responsibility, ISO 26000, identifies seven core subjects of social responsibility-governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development-and provides guidelines and recommendations for their implementation. Hyundai Welding conducts self-assessments of its processes and performance across these seven subjects based on the ISO 26000 diagnostic checklist. Through this evaluation, the company reviews its mid- to long-term strategies and initiatives, stakeholder engagement, and social contribution activities. To further strengthen social responsibility management, the company regularly reviews related processes, conducts departmental interviews, and provides ESG training to employees, thereby fostering awareness of social responsibility and ensuring a systematic response to key ESG issues.

Process



Category	No. of Questions	Score
Awareness of social responsibility	5	4.4
Identification and participation of stakeholders	6	4.3
Analysis of key topics and issues	3	3.7
Setting priority and establishing strategy	6	4.0
Execution	4	3.5
Communication	4	4.5
Verification	3	3.7
Improvement	5	4.0
Total	36	4.1

Performance



Category	No. of Questions	Score
Governance	5	2.5
Human rights	29	4.1
Labor practices	32	4.6
Environment	35	3.7
Fair operation practices	19	4.5
Consumer issue	24	4.0
Participation and development of local community	16	3.8
Total	160	4.1

INDEPENDENT ASSURANCE STATEMENT

Dear Management and Stakeholders of HYUNDAI WELDING

Control Union Korea Co., Ltd. (hereinafter, Control Union) has been commissioned by Hyundai Welding Co. Ltd. (hereinafter, HYUNDAI WELDING) to verify the 2025 HYUNDAI WELDING Sustainability Management Report (hereinafter, the Report). The purpose of this assurance statement is to provide relevant stakeholders with information related to the assurance of HYUNDAI WELDING 's report on environmental, social, and governance (ESG) issues. Control Union conducted the assurance based on the assumption that the supporting information and data presented by HYUNDAI WELDING in this report are complete and accurate. Control Union provides the HYUNDAI WELDING management and all stakeholders with the relevant information through an independent assurance statement, as specified by the scope and criteria outlined below. This assurance statement cannot be used for purposes other than this report, and Control Union bears no responsibility for its use for any other purpose. The responsibility for all the information and claims in the report, including the procedures for collecting and managing the information, lies with HYUNDAI WELDING 's management.

Assurance Scope

The assurance scope includes systems and activities such as sustainability management policies, goals, and achievements of the company during the reporting period (January 1, 2023 to December 31, 2024, with some performances including the first half of 2025). The report has been prepared using the GRI (Global Reporting Initiative) standards, and the assurance was conducted to confirm the compliance of the report with the GRI Standards and to evaluate the accuracy and reliability of the data.

The following items were not included in the assurance scope:

- Financial performance presented in the report's Appendix
- Indexes related to standards and norms other than GRI presented in the report's Appendix

Description and Sources

This report was prepared with reference to the GRI Standards. Control Union reviewed the disclosure indicators below by applying the assurance scope and methodology to the information and data sampled from the report provided HYUNDAI WELDING.

- GRI Sustainability Reporting Standards 2021 · Universal Standards · Topic Standards

- Product Quality and Customer Satisfaction: GRI 416
- Eco-Friendly New Business and Technology Development: GRI 203
- Employee Work-Life Balance: GRI 308, GRI 414
- Supply Chain ESG Management: GRI 418
- Climate Change Response: GRI 305, GRI 302

Assurance Level and Type

Control Union conducted the assurance engagement based on professional scepticisms, reviewing compliance with the four principles (inclusivity, materiality, responsiveness, and impact) of AA1000 AccountAbility (2018) in accordance with the AA1000 Assurance Standard v3 assurance standards and Control Union's ESG assurance protocol. Furthermore, the quality and reliability of specific performance-related information were verified at a moderate level according to the AA1000 Assurance Standard v3, and Type 1 assurance criteria were applied to verify the quality and reliability of specific performance-related information.

Methodology

Control Union complied with the assurance criteria and conducted the following activities:

- Review of internal and external documents and related records regarding the content and figures presented in HYUNDAI WELDING 's report
- Review of the company-level data collection approach
- Review of data samples, and the data presented in the report
- Discussions with stakeholders and managers responsible for stakeholder engagement
- Assurance of the appropriateness of the basis for the major issues reported through interviews with senior managers responsible for or related to the key issues identified in the materiality assessment

Competency and Independence

Control Union is accredited according to ISO 17021-1:2015/ISO 17065:2012, covering our global operations. This accreditation requires maintaining an extensive quality management system that includes objectivity, compliance with ethical and legal requirements, and documented policies and procedures. Control Union selects assurance practitioner based on internal qualifications, training, and experience, ensuring appropriate expertise. The approach and assurance are rigorously followed and transparently managed, with reviews by the management team. We have no legal or economic relationship with the reporting organization and conducted the assurance independently without any conflict of interest.

Limitations

Control Union conducted a limited assurance based on the data and materials provided by the reporting organization. Therefore, there are inherent limitations related to potential unavoidable risks, despite no significant errors being identified during the assurance process. We do not provide assurance on the potential future impacts that could not be predicted or confirmed during the assurance process.

INDEPENDENT
ASSURANCE
STATEMENT**Conclusions and Opinion**

As a result of the above assurance activities, based on the applied criteria, no unfairly reported items were found in the content and figures presented in the report. Furthermore, it was confirmed that the principles of inclusivity, materiality, responsiveness, and impact were appropriately applied. The report is deemed to have been prepared according to the GRI Standards, and the assurance team's opinions regarding the four principles of AA1000 AccountAbility Principles (2018) are as follows:

Inclusivity

Inclusivity means engaging stakeholders in the organization's decision-making processes regarding sustainability. HYUNDAI WELDING operates a key stakeholder engagement process to gather input from stakeholders. To incorporate key issues identified through this process into its sustainable management strategy and goals, the company reviews all stakeholder communication through the ESG Promotion Council and discloses the results and response measures in its reports.

Materiality

Materiality involves identifying and recognizing significant issues that are relevant and meaningful to stakeholders. These significant issues can impact organizational or stakeholder decision-making, actions, and performance. HYUNDAI WELDING has demonstrated no issues with its procedures and processes for determining material topics by applying a materiality assessment process that considers the impact of the organization's activities on stakeholders. The company is disclosing the GRI Topic Standards (Topic Standards Disclosures) related to the list of material topics through its reports.

Responsiveness

Responsiveness refers to addressing and providing feedback on sustainability issues through organizational decision-making, actions, performance, and communication with stakeholders. HYUNDAI WELDING operates a management process within the context of sustainability for key topics identified through stakeholder communication and dual materiality assessment. We have confirmed that HYUNDAI WELDING is striving to strengthen its responsiveness to key issues by establishing and achieving indicators for each sector.

Impact

Impact involves monitoring, measuring, and taking responsibility for the impact of an organization's activities on the economy, environment, society, stakeholders, and the organization itself. HYUNDAI WELDING operates a process to identify material issues and assess their impact. We monitor performance against key indicators of reported material issues and develop sustainability strategies and plans based on the impact analysis results.

Recommendations

Control Union offers the following recommendations, without affecting the assurance statement. We recommend that HYUNDAI WELDING implements a strategy to identify stakeholders in detail and encourage their active participation. Furthermore, we recommend that HYUNDAI WELDING subdivides the IRO (Impact, Risk, and Opportunity) analysis of selected material topics into subtopics, establish goals for each topic, and document the process for selecting performance indicators and KPIs. Furthermore, by expanding the board's diversity and enhancing its expertise, we believe HYUNDAI WELDING will be able to integrate ESG management into its management goals and strategies.

SungKyung Gye



Managing Director of Control Union Korea Co., Ltd.
18 August 2025

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