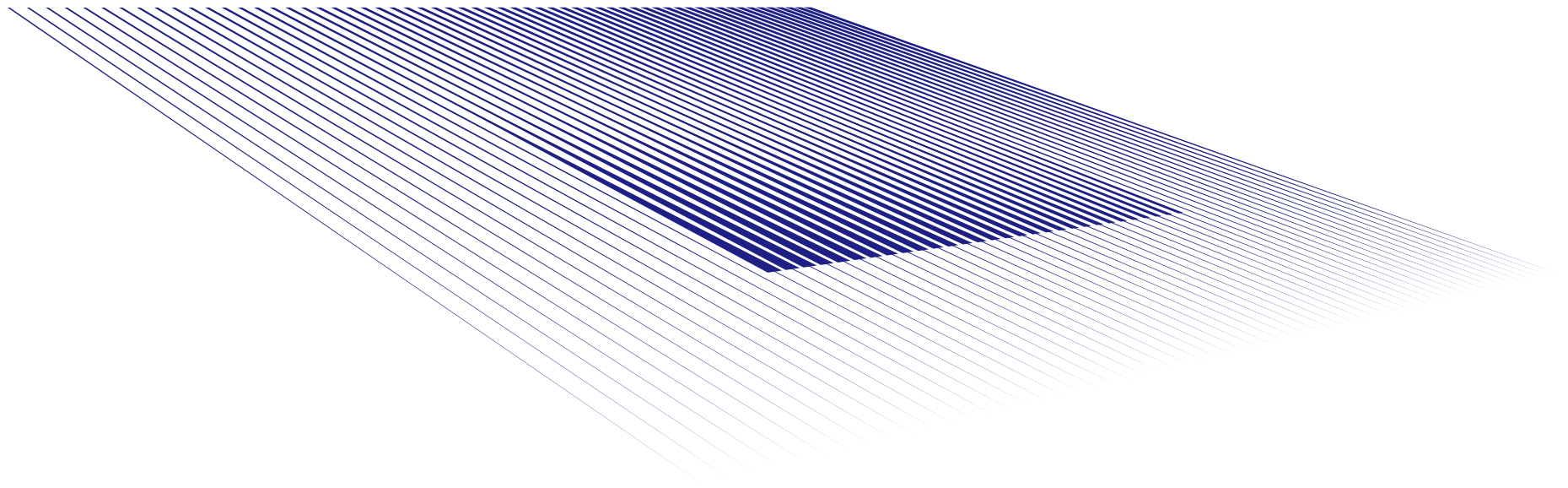


# 2025 Sustainability Report

Hyosung Heavy Industries

**HYOSUNG** HEAVY  
INDUSTRIES



# About This Report

## Report Overview

To actively communicate with stakeholders and share the status of its sustainability management, Hyosung Heavy Industries has disclosed relevant information through the group-integrated Sustainability Report following its spin-off in 2018. Starting in 2024, it has been publishing a standalone report to communicate its sustainability management activities and achievements more systematically. In June 2026, Hyosung Heavy Industries published its second standalone report, the 2025 Hyosung Heavy Industries Sustainability Report, to disclose its economic, social, and environmental activities and performance, while strengthening stakeholder engagement.

## Reporting Standards

The 2025 Hyosung Heavy Industries Sustainability Report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021. It also incorporates external initiatives and indicators supported by Hyosung Heavy Industries, such as the UN Sustainable Development Goals (UN SDGs), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD). All financial information is based on consolidated figures in accordance with the Korean International Financial Reporting Standards (K-IFRS).

## Reporting Period

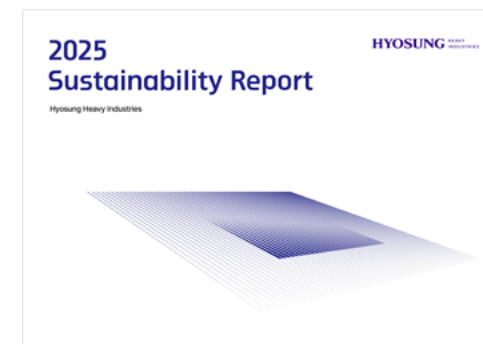
Quantitative data cover the period from January 1, 2025, to December 31, 2025. Where relevant, comparative data for the past three years are disclosed to help stakeholders better understand performance trends. Qualitative disclosures primarily reflect activities from January 2025 to April 2026, supplemented with key past sustainability initiatives for context.

## Reporting Scope

This report primarily covers the sustainability performance of Hyosung Heavy Industries Co., Ltd. and its major consolidated subsidiaries: HICO AMERICA Sales&Tech, INC, Nantong Hyosung Transformer Co., Ltd., Hyosung T&D India Pvt. Ltd., Hyosung HICO, Ltd., Hyosung Vina Industrial Machinery Co., Ltd., and ChinHung International. Footnotes and explanations are provided to clarify instances where data scope differs.

## Report Assurance

The report's credibility and impartiality have been verified through independent assurance by Korea Management Registrar (KMR), an independent assurance provider unrelated to Hyosung Heavy Industries. The assurance was conducted in accordance with the AA1000AS Standard. Detailed assurance results are provided in the Appendix section.



## Cover Story

The cover of the 2025 Hyosung Heavy Industries Sustainability Report features a design in which structures rise in stages upon a broad and stable foundation, symbolizing the robust construction expertise the company has cultivated over the years. The lines precisely aligned along the foundation visualize the flow of energy as it is generated, transmitted, and expanded. This design conveys that construction and energy are not separate domains, but are unified into a single, integrated technological structure.

## Inquiries

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# Contents

## CEO Message

### Intro

|                                 |    |
|---------------------------------|----|
| Corporate Overview              | 06 |
| Corporate History               | 08 |
| Global Network                  | 09 |
| Business Areas and Key Products | 10 |

### Sustainable Management

|                                  |    |
|----------------------------------|----|
| Communication Management         | 12 |
| Sustainability Management System | 13 |
| Materiality Assessment           | 16 |
| Stakeholder Engagement           | 19 |

### Material Topics

|                                    |    |
|------------------------------------|----|
| Response to Climate Change         | 21 |
| Sustainable Products and Solutions | 30 |
| Workplace Health and Safety        | 36 |
| Sustainable Supply Chain           | 49 |
| Ensuring Product Quality           | 55 |

## Connect Earth

|                                 |    |
|---------------------------------|----|
| Environmental Management        | 66 |
| Environmental Impact Management | 70 |
| Biodiversity Conservation       | 75 |

## Connect People

|                                                             |    |
|-------------------------------------------------------------|----|
| Human Rights Management                                     | 80 |
| Human Resources Management<br>and Fair Compensation System  | 84 |
| Community Engagement                                        | 89 |
| Information Security and<br>Personal Information Protection | 94 |

## Connect Company

|                                                    |     |
|----------------------------------------------------|-----|
| Board Structure and Governance                     | 101 |
| Ethical Management and<br>Strengthening Compliance | 107 |

## Appendix

|                                                          |     |
|----------------------------------------------------------|-----|
| ESG Data Book                                            | 112 |
| GRI Content Index                                        | 125 |
| SASB Index                                               | 127 |
| UN SDGs                                                  | 128 |
| ESG Ratings and Evaluations-<br>Membership Status-Awards | 129 |
| GHG Assurance Statement                                  | 130 |
| Independent Assurance Statement                          | 131 |

### INTERACTIVE GUIDE

2025 Hyosung Heavy Industries Sustainability Report has been published as an interactive PDF with features that allow navigation to related pages within the report.

-  Go to First Page
-  Go to the Table of Contents
-  Previous View
-  Related Web Page

# CEO Message



Dear Stakeholders,

We deeply appreciate your unwavering interest and support over the past year.

In 2025, Hyosung Heavy Industries solidified its foundation for growth amid a rapidly changing industrial environment and elevated its sustainability management to the next level. As the rapid growth of electrification and the AI industry drives a sharp rise in global power demand, the stability, efficiency, and sustainability of power infrastructure have emerged as critical challenges for both businesses and society. In response, Hyosung Heavy Industries continues to strengthen its technological competitiveness and sustainability, centered on its two core businesses: power systems and construction.

In 2025, Hyosung Heavy Industries achieved record-breaking performance, with consolidated revenue of KRW 5.97 trillion and operating profit of KRW 747 billion. Receiving the Minister's Award from the Ministry of Trade, Industry and Energy at the 2025 Korea Technology Awards and achieving the \$1 Billion Export Tower were meaningful achievements that reflect its export-driven growth strategy and expanded R&D investment.

In the Power & Industrial Systems Division, we completed the expansion of the ultra-high voltage transformer testing facility at the Changwon Plant to meet the anticipated rise in future power grid demand and held the groundbreaking ceremony for a dedicated HVDC transformer plant, laying the foundation for localizing the core technologies required for the West Coast Energy Highway. In addition, by securing an order for the world's largest 1,000 Mvar STATCOM for Korea Electric Power Corporation (KEPCO), we are contributing to greater stability and efficiency across the power grid.

In the Construction Division, we are strengthening our low-carbon construction capabilities through the expanded adoption of G-SEED certification, the establishment of biotopes, and the application of eco-friendly materials and high-efficiency facilities. Across a range of projects spanning residential, mixed-use, and industrial facilities, we are creating spaces where people and nature coexist in harmony, thereby contributing to the development of sustainable urban environments.

In 2025, Hyosung Heavy Industries adopted 'AI' and 'Communication' as key management keywords in responding to change. Under the management policy of

"A Robust Company United Through Communication", we are advancing communication management to swiftly collect customer requirements and frontline feedback and translate them into action. Through CEO-led employee meetings, we shared the company's performance and vision, and at our town hall meeting, we held an 'AI Competition' to explore ways to broaden the application of AI across our operations. We have also designated product quality as a core priority, enhancing customer trust by upgrading our quality inspection systems with AI and digital technologies.

In the environmental domain, we have raised our mid- to long-term GHG reduction target to a 31% reduction by 2035 from the 2018 baseline. We also installed additional solar power facilities at the Changwon Plant, increasing its total generation capacity to 5.3MW, and began procuring renewable power through a 1.6MW Power Purchase Agreement (PPA) from May 2026, further expanding our use of renewable energy. These efforts strengthen our ability to meet our GHG reduction targets.

In the social domain, we have strengthened our management of safety and supply chain responsibility. We identified workplace health and safety as the most material issue in the 2025 materiality assessment and continue to enhance our safety governance led by the Chief Safety Officer (CSO). In particular, through the Today's CSO Campaign, executives serve as CSOs for a day—personally inspecting worksites, identifying hazards at high-risk sites, and engaging in face-to-face dialogue with frontline workers.

In the governance domain, we established the ESG Management Committee and the Compensation Committee under the Board of Directors and operate the Outside Director Candidate Recommendation Committee to enhance the transparency, independence, and accountability of the Board's operations. We remain committed to enhancing stakeholder trust based on the Corporate Governance Charter and related governance policies.

Guided by our 'cONnect' philosophy, Hyosung Heavy Industries pursues sustainable growth that connects technology with nature, customers with society, and the company with the future. Building on AI-driven innovation, open communication, and quality-focused management, we will continue to advance as a company trusted by customers and society—one that is fully prepared for a sustainable future.

Chief Executive Officer,  
Hyosung Heavy Industries

**Tae-Hee Woo**

# Intro

|                                 |    |
|---------------------------------|----|
| Corporate Overview              | 06 |
| Corporate History               | 08 |
| Global Network                  | 09 |
| Business Areas and Key Products | 10 |



# Corporate Overview

## Corporate Introduction

|                                                                                                                              |                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Corporate Name</b><br><br>Hyosung Heavy Industries Co., Ltd.                                                              |                                                                                                                                                                                                                                                                                                                         |
| <b>Business Divisions</b><br><br>Manufacturing & Construction                                                                | <b>Key Products by Division</b><br><br><div>Power &amp; Industrial Systems</div> Transformers, Switchgears, Motors, Reducers, etc.<br><br><div>Construction</div> Residential Complexes, Apartments, Office Buildings, etc.                                                                                             |
| <b>Head Office</b><br><br>119, Mapo-daero, Mapo-gu,<br>Seoul, Republic of Korea<br>(Gongdeok-dong, Hyosung Building)         | <b>Chief Executive Officer</b><br><br>Tae-Hee Woo                                                                                                                                                                                                                                                                       |
| <b>Number of Employees</b><br><br>3,576<br>(based on Annual Report)                                                          | <b>Corporate Credit Rating (as of end of 2025)</b><br><br>Corporate Bond: A<br>(based on Korea Investors Service,<br>NICE Investors Service)                                                                                                                                                                            |
| <b>ESG Rating (2025)</b><br><br>Overall Grade: B<br>(based on Korea Institute of Corporate<br>Governance and Sustainability) | <b>Major Consolidated Subsidiaries</b><br><br><div>Power &amp; Industrial Systems</div> Nantong Hyosung Transformer Co., Ltd.<br>Hyosung T&D India Pvt. Ltd.<br>Hyosung HICO, Ltd.<br>HICO AMERICA Sales&Tech, INC<br>Hyosung Vina Industrial Machinery Co., Ltd.<br><br><div>Construction</div> ChinHung International |

## Hyosung Way, A value system that leads mankind to live a better life

### Our Value

The Hyosung Way is the value structure where all the Hyosung members around the world empower each other to make their dreams come true.

Through the practice of the Hyosung Way, Hyosung aims to become a world-class global enterprise and contribute to enhancing the quality of life for its customers.

### Mission

**Enhancing and enriching the quality of life for humanity through our leading technology and management capabilities.**

Hyosung exists so that the 'best people' can develop the 'leading technology' and the 'management capability' by offering products and services that maximize value for customers, and thus enhance the value of life for humanity.

### Core Values & Principles

|                                                                                                                      |                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Global Excellence</b><br><br> | <ul style="list-style-type: none"> <li>· Maximize the competitiveness with ceaseless self-improvement efforts to win in any situation</li> <li>· Blaze new trails in markets around the world with a global outlook</li> </ul> |
| <b>Innovation</b><br><br>       | <ul style="list-style-type: none"> <li>· Eliminate all inefficiencies that do not add value</li> <li>· Challenge new possibilities with a positive mindset</li> </ul>                                                          |
| <b>Accountability</b><br><br>   | <ul style="list-style-type: none"> <li>· Act like owners and take charge in actions</li> <li>· Never give up until achieving the goal</li> </ul>                                                                               |
| <b>Integrity</b><br><br>        | <ul style="list-style-type: none"> <li>· Uphold transparency and fairness based on facts and principles</li> <li>· Respect and cooperate with each other to make a great workplace</li> </ul>                                  |

# Corporate Overview

## BUSINESS PERFORMANCE

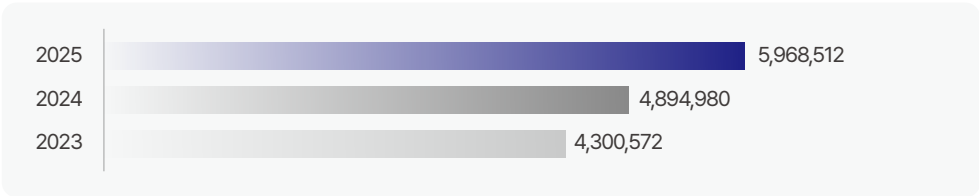
Consolidated Operating Performance (Unit: KRW million)

| Operating Performance | 2023      | 2024      | 2025      |
|-----------------------|-----------|-----------|-----------|
| Revenue               | 4,300,572 | 4,894,980 | 5,968,512 |
| Operating Profit      | 257,837   | 362,479   | 746,968   |
| Net Profit            | 131,922   | 222,929   | 502,838   |

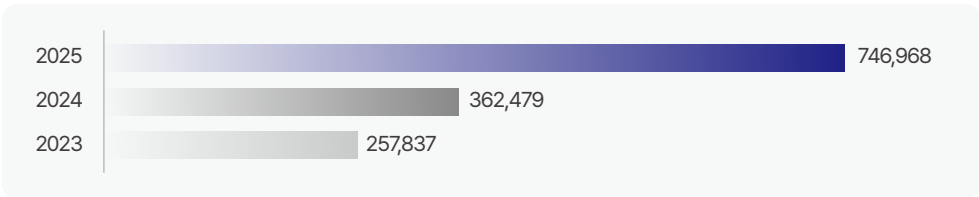
Revenue by Business Division (Unit: KRW million)

| Category                   | 2023      | 2024      | 2025      |
|----------------------------|-----------|-----------|-----------|
| Power & Industrial Systems | 2,576,345 | 3,098,831 | 4,149,258 |
| Construction               | 1,696,452 | 1,765,459 | 1,786,501 |
| Others                     | 27,775    | 30,690    | 32,753    |

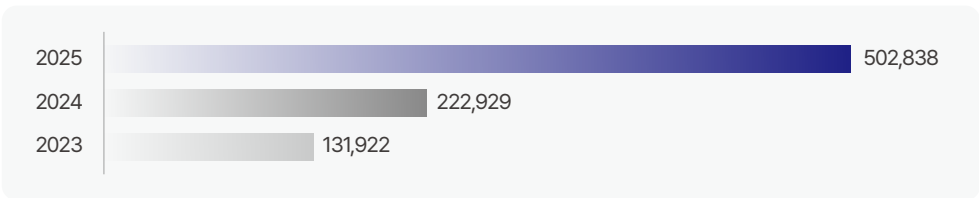
Revenue (Unit: KRW million)



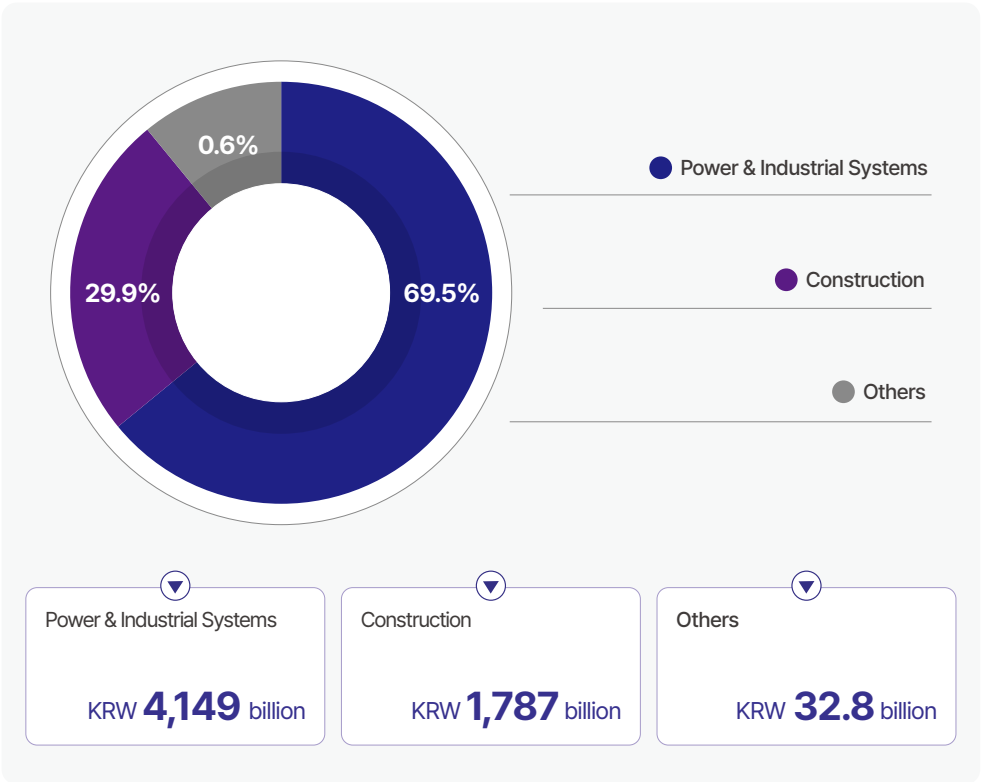
Operating Profit (Unit: KRW million)



Net Profit (Unit: KRW million)



Revenue Breakdown by Business Segment (2025)



# Corporate History

## 1962-1999

Emerging as an  
Industry Leader

**May.1962**

- Founded HanYoung Industrial Co., Ltd.

**Feb.1970**

- Established Daedong Construction Co., Ltd.

**Jul.1976**

- Began construction of Changwon Plant

**Nov.1977**

- Corporate name changed from Han-Young Industrial Co., Ltd. to Hyosung Heavy Industries

**Dec.1977**

- Corporate name changed to Hyosung Construction Co., Ltd.

**Nov.1984**

- Hyosung Heavy Industries absorbed Hyosung Construction Co., Ltd.

**Dec.1992**

- Developed 765kV ultra-high voltage transformer

## 2000-2018

Realizing Environmental  
and Social Responsibility

**Feb.2013**

- Launched 'Harrington Place' brand

**May.2012**

- Published the first Group Sustainability Report

**Dec.2011**

- Awarded '2011 Environmental Management Excellence Award'

**Apr.2008**

- Constructed a new Reliability Evaluation Center at the Changwon Plant

**Dec.1998**

- Developed 800kV GIS

**Apr.1995**

- Established Hyosung Construction Co., Ltd. as a separate corporation

## 2020-2025

Leading the Way  
in Green Growth

**Sep.2016**

- Commenced operation of switchgear manufacturing plant in Pune, India

**Jun.2018**

- Spun off as Hyosung Heavy Industries Co., Ltd.

**Oct.2020**

- Established liquefied hydrogen stations

**Feb.2021**

- Signed a joint venture investment agreement for liquefied hydrogen business with the Linde Group

**Oct.2021**

- Changwon Plant certified as an internationally accredited testing laboratory (KOLAS)

**Jun.2022**

- Signed a large-scale BESS (Battery Energy Storage System) supply agreement in South Africa

**Nov.2024**

- Received a commendation from the Minister of Trade, Industry and Energy for contributions to the hydropower industry
- Cumulative switchgear production at the Changwon Plant surpassed KRW 10 trillion

**Jul.2024**

- Developed Korea's first 200MW HVDC technology

**May.2024**

- Became the first in the world to commercialize a 100% hydrogen engine generator

**Oct.2023**

- Declared support for the TCFD (Task Force on Climate-related Financial Disclosures)

**May.2023**

- Opened the Europe R&D Center

**Feb.2023**

- Received the CDP 'Carbon Management Division Honors' award

**May.2025**

- Completed the expansion of the ultra-high voltage transformer testing facility at the Changwon Plant

**Jun.2025**

- Published the first Hyosung Heavy Industries Sustainability Report

**Jul.2025**

- Held a groundbreaking ceremony for the HVDC transformer plant

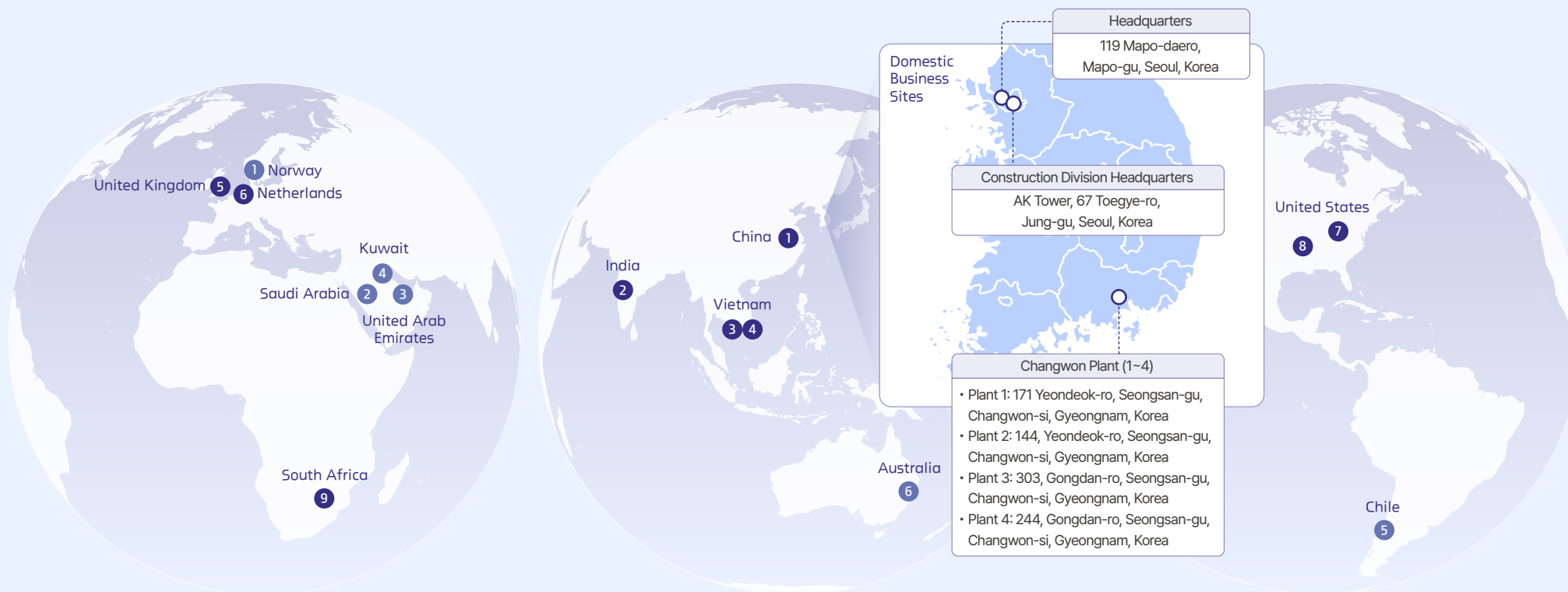
**Dec. 2025**

- Received the Minister's Award from the Ministry of Trade, Industry and Energy at the 2025 Korea Technology Awards
- Achieved the \$1 Billion Export Tower

**Jan.2026**

- Achieved KRW 10 trillion in cumulative ultra-high voltage transformer production

# Global Network



## Branch

|                     |                      |                                                            |
|---------------------|----------------------|------------------------------------------------------------|
| Europe              | Norway               | ① Hyosung Heavy Industries Corporation Norway Branch       |
|                     | Saudi Arabia         | ② Hyosung Heavy Industries Corporation Saudi Arabia Office |
| Middle East         | United Arab Emirates | ③ Hyosung Heavy Industries Corporation Abu Dhabi Office    |
|                     | Kuwait               | ④ Hyosung Heavy Industries Kuwait Office                   |
| South/North America | Chile                | ⑤ Hyosung Heavy Industries Corporation Chile Office        |
| Oceania             | Australia            | ⑥ Hyosung Heavy Industries Sydney Office                   |

## Entity

|                     |                |                                                                                              |
|---------------------|----------------|----------------------------------------------------------------------------------------------|
| Asia                | China          | ① Nantong Hyosung Transformer Co., Ltd.                                                      |
|                     | India          | ② Hyosung T&D India Pvt. Ltd.                                                                |
|                     | Vietnam        | ③ Hyosung Vina Construction Company Limited.<br>④ Hyosung Vina Industrial Machinery Limited. |
| Europe              | United Kingdom | ⑤ Hyosung UK Limited.                                                                        |
|                     | Netherlands    | ⑥ Hyosung Heavy Industries R&D Center Netherlands                                            |
| South/North America | United States  | ⑦ HICO AMERICA Sales&Tech, INC<br>⑧ Hyosung HICO, Ltd.                                       |
|                     | South Africa   | ⑨ Hyosung South Africa(Proprietary) Limited.                                                 |

# Business Areas and Key Products

## Shaping a New Energy World through Ambitious Business Goals

### Power Systems PU

Production of core products required for power grid construction in the global transmission and distribution market

Operation of overseas manufacturing bases in the United States, India, and China

|  |                                 |                                                                                                                                                                                   |
|--|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <b>Power Facilities</b>         | Ultra-high voltage transformers, Distribution transformers, Shunt reactors, High-voltage switchgears (GIS), Distribution boards, Mobile substations, Power facilities maintenance |
|  | <b>Power Systems</b>            | STATCOMs, High-Voltage Direct Current (HVDC), Energy Storage System (ESS), Microgrids, Solar solutions, Substation turnkey solutions                                              |
|  | <b>Digital Solutions</b>        | Asset Performance Management Solutions (ARMOUR), Preventive diagnosis system, Power automation solution, Process automation solution                                              |
|  | <b>Welding Solutions</b>        | Arc welding machine, Resistance welding machine, Robot package                                                                                                                    |
|  | <b>New and Renewable Energy</b> | Solar inverter, Solar EPC                                                                                                                                                         |

### Industrial Machinery PU

No. 1 in motor production in Korea  
System engineering business with a wide range of industries and product lineup

Developed 5.5MW/2MW wind power generation system  
Providing eco-friendly total solutions including wind power core components, wind turbines, and EPC

|  |                                      |                                                                                                                            |
|--|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
|  | <b>Motors &amp; Generators</b>       | High voltage motors, Low voltage motors, DC motors, Specialty motors, Commercial generators, Emergency generators, EC Fans |
|  | <b>Gear Solutions</b>                | Gearboxes, Geared motors, Specialty gears                                                                                  |
|  | <b>Industrial Machinery</b>          | Gas filling stations, Industrial gas supply equipment                                                                      |
|  | <b>Drive Solutions</b>               | Low voltage AC inverter, Regenerative energy device                                                                        |
|  | <b>Wind Energy Business Division</b> | Wind generators (5.5MW, 2MW)                                                                                               |
|  | <b>Hydrogen Energy</b>               | Hydrogen charging infrastructure                                                                                           |

### Construction PU

Participation in a wide range of construction fields, including housing that incorporates villa-type residential buildings, as well as building, civil engineering, and industrial construction

|  |                          |                                                                                 |
|--|--------------------------|---------------------------------------------------------------------------------|
|  | <b>Housing</b>           | Apartment/Villa, Residential complex, Terrace house, Reconstruction, Remodeling |
|  | <b>Architecture</b>      | Offices, Hotels, Officetel, Schools, Complexes                                  |
|  | <b>Civil Engineering</b> | Roads & Bridges, Railroads, Site planning, Golf courses                         |
|  | <b>Industrial</b>        | Factory facilities, Power facilities                                            |

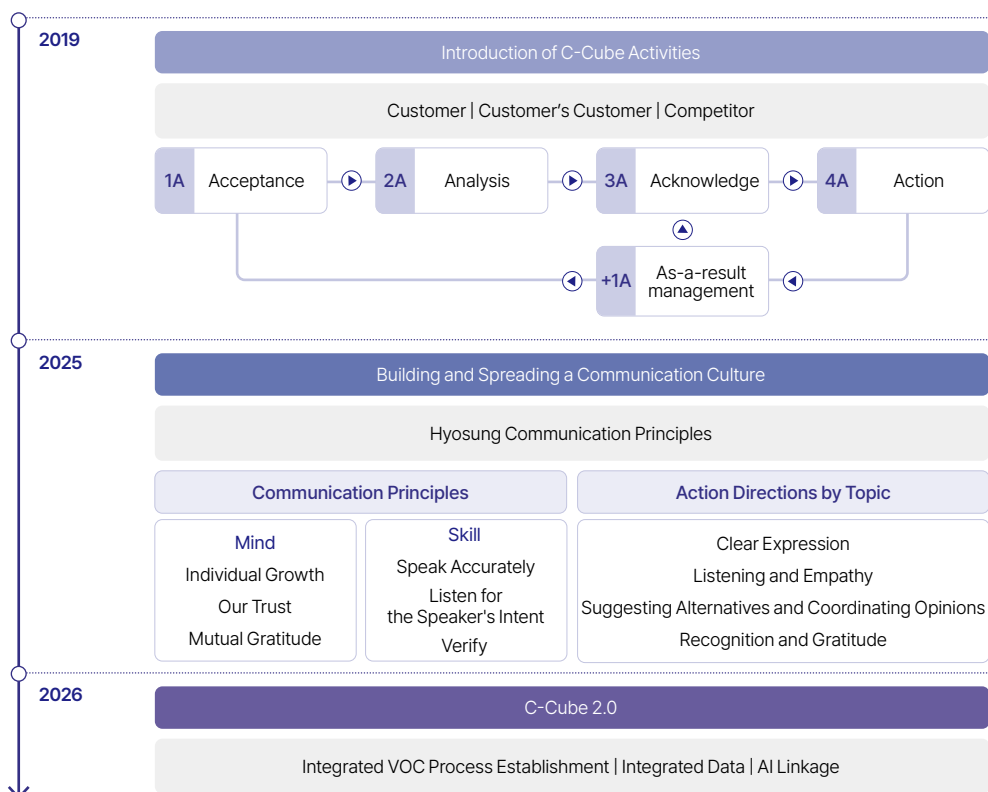
# Sustainable Management

|                                  |    |
|----------------------------------|----|
| Communication Management         | 12 |
| Sustainability Management System | 13 |
| Materiality Assessment           | 16 |
| Stakeholder Engagement           | 19 |

# Communication Management

## Stakeholder Opinion Gathering and Organizational Culture of Communication

Hyosung Group adopted 'A Robust Company United Through Communication' as its 2025 management policy to actively gather diverse opinions from internal and external stakeholders, and is advancing communication management grounded in trust and collaboration. The company defines communication as a fundamental mechanism for driving results by understanding customer needs and strengthening the organization's ability to execute. Through the Voice of Customer (VOC), the company promptly identifies market changes and on-site requirements, and, guided by these communication principles, it ensures consistent decision-making across the organization and delivers customer engagement management.



## Communication Culture Promotion Activities

### Strengthening Communication Between Management and Employees

#### Town Hall Meetings and Management Meetings

Hyosung Heavy Industries holds regular town hall meetings to foster communication among employees and strengthen direct engagement with management. The CEO holds quarterly employee meetings to openly share the company's performance and vision, along with town hall meetings twice a year, expanding communication channels through live YouTube streaming.



Hyosung Heavy Industries Town Hall Meeting

### Implementation of Communication Competency Training

#### Customized Communication Training by Position

Hyosung Heavy Industries embeds its communication principles and practical guidelines across the organization through communication training tailored to executives, team leaders, and team members.



Training for Team Leaders

#### Workplace Synergy Enhancement Program

Hyosung Heavy Industries strengthens team leaders' coaching and talent development capabilities and provides team members with training on how to foster intergenerational communication and apply it in the workplace.

### Communication Culture Campaign

Hyosung Heavy Industries produces and screens educational videos to help employees readily understand effective communication practices. It posts communication posters featuring well-known artworks to share key communication messages across the company, and distributes promotional items such as mouse pads and leaflets to encourage employees to practice a communication culture in their daily work.

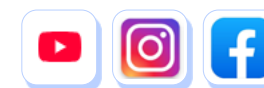


Communication Poster

### Communication Channel

Hyosung Heavy Industries operates both online and offline communication channels to ensure smooth communication with internal and external stakeholders.

The company runs an intranet that enables employees to freely exchange work-related information and opinions through the anonymous 'Tong-Tong Board' and the pen name 'Wagle-Wagle' board, while providing company-wide feedback on the suggestions and proposals submitted to the Tong-Tong Board. In addition, the company shares a range of information—including major company news and community engagement activities—through its internal and external news channels, such as the 'My FRIEND HYOSUNG' blog, the in-house broadcasting channel 'HBS', and its company newsletter. Finally, the company leverages online communication platforms, including digital channels such as YouTube, Instagram, Facebook, and its KakaoTalk channel, to introduce business information, products, and sustainability activities.



# Sustainability Management System

## Sustainability Management Governance Structure

Hyosung Heavy Industries operates an organizational system that systematically manages and communicates its sustainability efforts, embedding sustainability as a core management principle and building a foundation for long-term growth. The ESG Management Committee, a committee under the Board of Directors, serves as the highest decision-making body for all ESG matters, while the ESG Management Promotion Committee, a body under the CEO, manages company-wide ESG issues and leads their implementation. In addition, the ESG Management Team, together with the relevant working-level departments, forms a dedicated organization for company-wide ESG tasks and works closely with those departments. Furthermore, specialized committees by area strengthen the execution of ESG strategies in fields such as green management, health and safety, supply chain management, and risk & compliance management.

### Sustainability Management Organization



## ESG Management Committee and ESG Management Promotion Committee

Hyosung Heavy Industries established the ESG Management Committee in February 2025, enabling the Board of Directors to review and oversee agenda items that had previously been handled by the ESG Management Promotion Committee led by the CEO. As a key deliberative and decision-making body responsible for mid- to long-term sustainability strategies and company-wide risk management and oversight, the ESG Management Committee meets quarterly in line with its reporting cycle. The ESG Management Promotion Committee meets quarterly to manage key ESG issues and operates four sub-committees to systematically monitor the company's sustainability goals and their implementation progress.

### Status of Committees Under the ESG Management Promotion Committee

| Committee Name                         | Chair                                           | Frequency    | Committee Management Items                                                               |
|----------------------------------------|-------------------------------------------------|--------------|------------------------------------------------------------------------------------------|
| Green Management Committee             | ESG Management Executive                        | Quarterly    | • Monitoring the implementation status of climate change response strategies and others  |
| Safety & Health Committee              | Power & Industrial Systems and Construction CSO | Quarterly    | • Reviewing performance of health and safety activities and establishing plans           |
| Supply Chain Management Committee      | Procurement Executive                           | Quarterly    | • Managing risks and developing plans for sustainable supply chain operations            |
| Risk & Compliance Management Committee | Head of Corporate Strategy Office               | Semiannually | • Management and planning for compliance issues ESG Management Team and integrated risks |

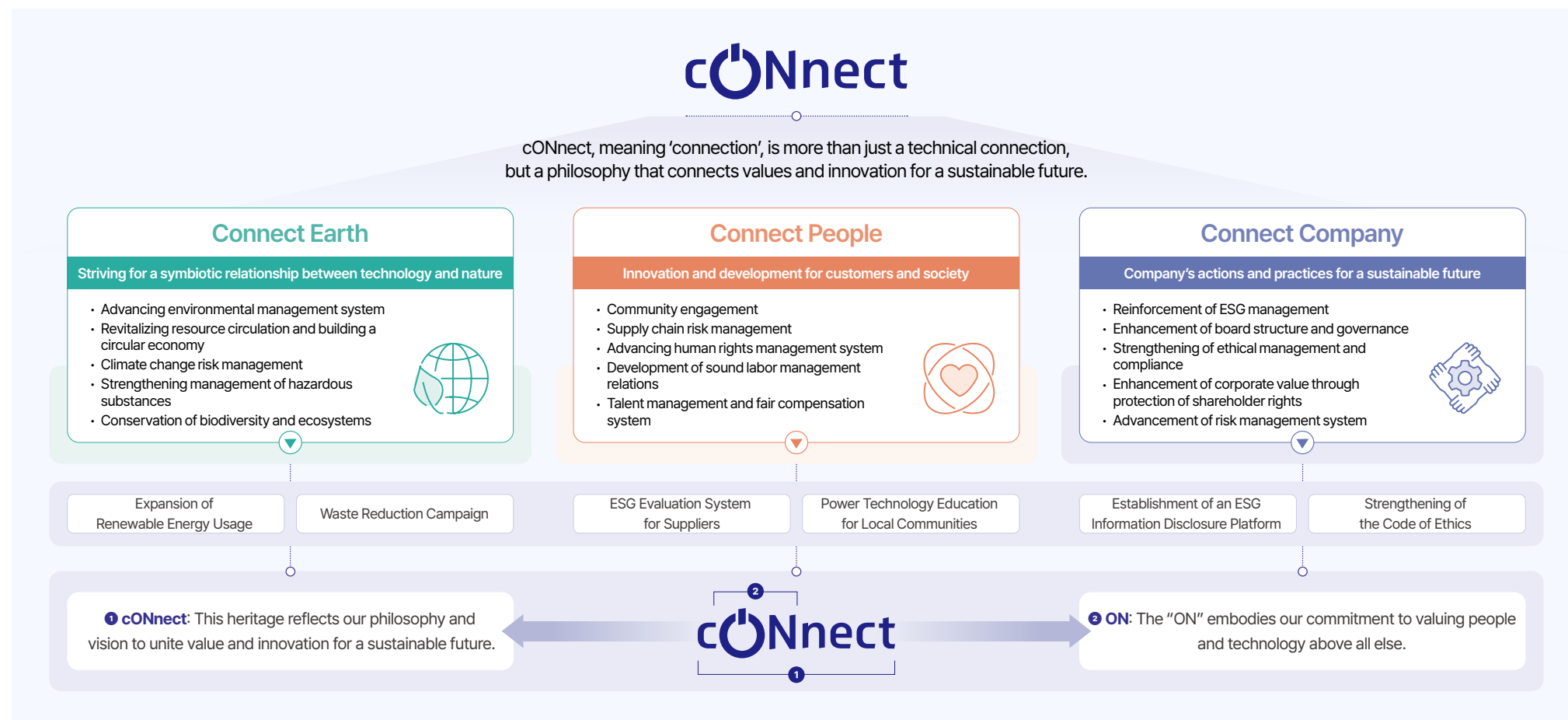
## ESG Management Team and Operational Departments

Hyosung Heavy Industries operates the ESG Management Team as a dedicated organization supporting the ESG Management Promotion Committee. The team serves as the secretariat for sustainability-related matters and helps build an environment for effective ESG management through communication with stakeholders and relevant departments. The company's working-level departments, led by the executives and staff in charge, incorporate sustainability goals into their KPIs, define initiatives for each ESG area, and report the progress of these KPIs and initiatives to the respective committees.

# Sustainability Management System

## Sustainability Management Strategy Framework

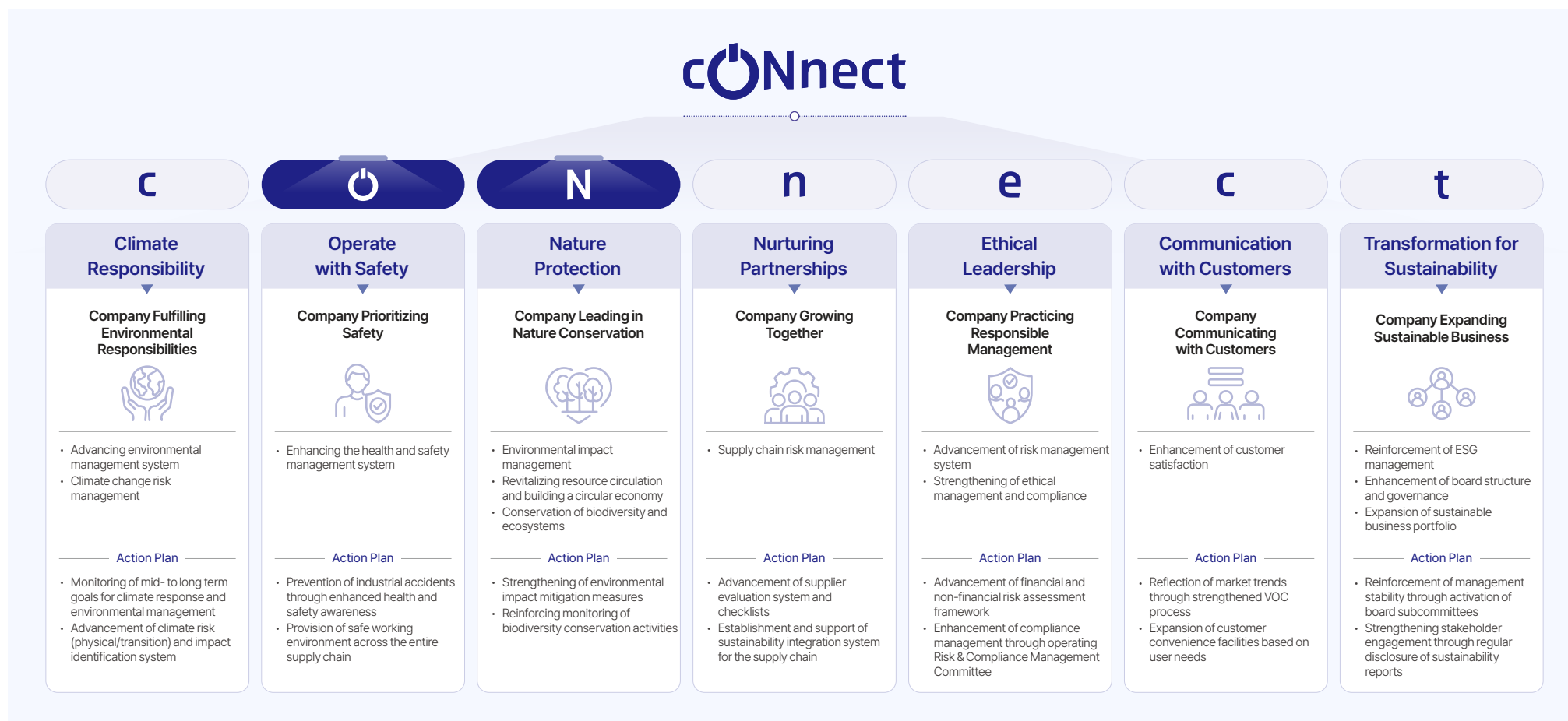
Hyosung Heavy Industries has established a sustainability strategy framework that spans all environmental, social, and governance (ESG) areas based on its 'cONnect' philosophy, giving structure to its sustainability direction and enhancing implementation.



# Sustainability Management System

Hyosung Heavy Industries systematically advances its sustainability management by aligning its seven core values with its strategic framework and an execution-focused Action Plan, all grounded in its 'cONnect' philosophy.

## cONnect 7 Core Values

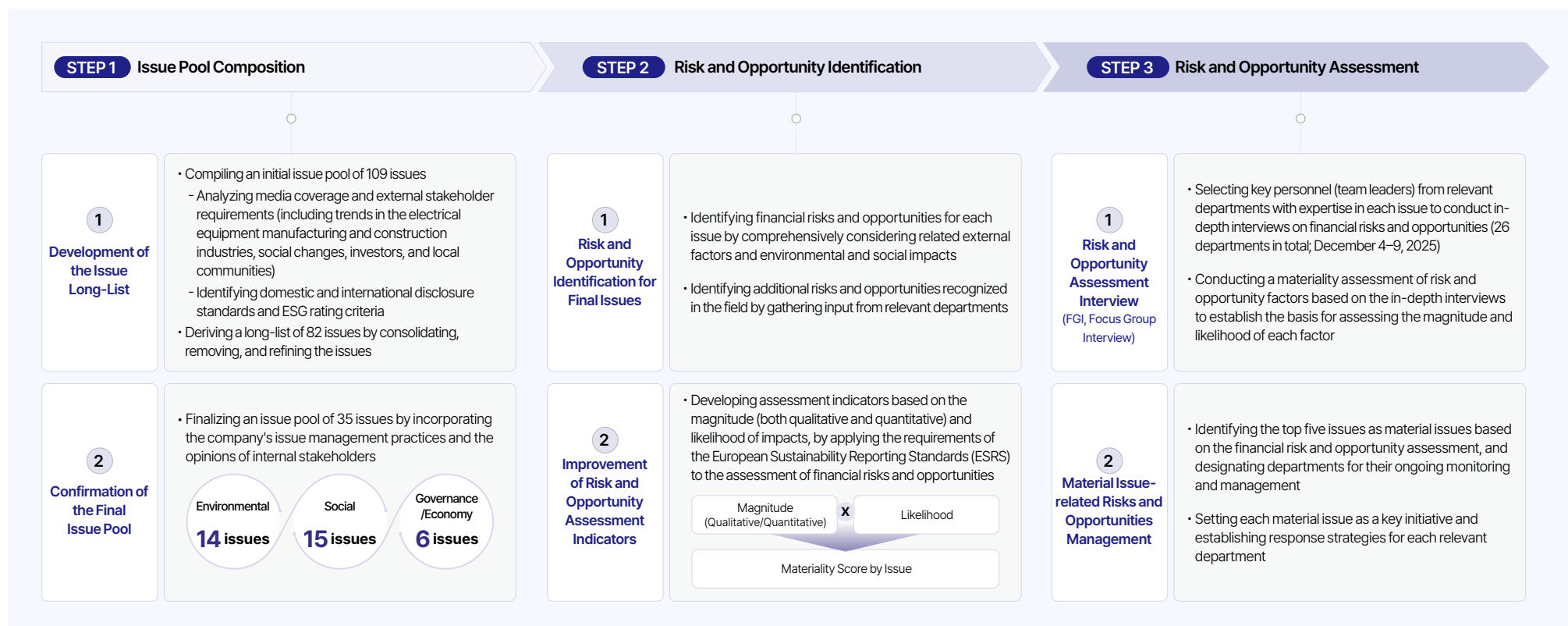


# Materiality Assessment

## Materiality Assessment Overview

Hyosung Heavy Industries conducts a materiality assessment to identify and analyze the actual and potential impacts of its activities on the economy, the environment, and people, as well as the impact of external factors on the company's financial position, and it conducts an integrated assessment of the impacts identified. The company carries out a detailed assessment of financial impacts, evaluating their magnitude and likelihood by engaging internal stakeholders with expertise in the relevant fields. It has also improved the process for compiling the issue pool and enhanced its assessment methodology to identify the most relevant material issues. The materiality assessment process and the resulting material issues are reported annually to the ESG Management Committee, the highest decision-making body for sustainability management, and the ESG Management Promotion Committee. Based on its sustainability management system, the company establishes action plans for these material issues and regularly reviews and monitors the implementation of these action plans.

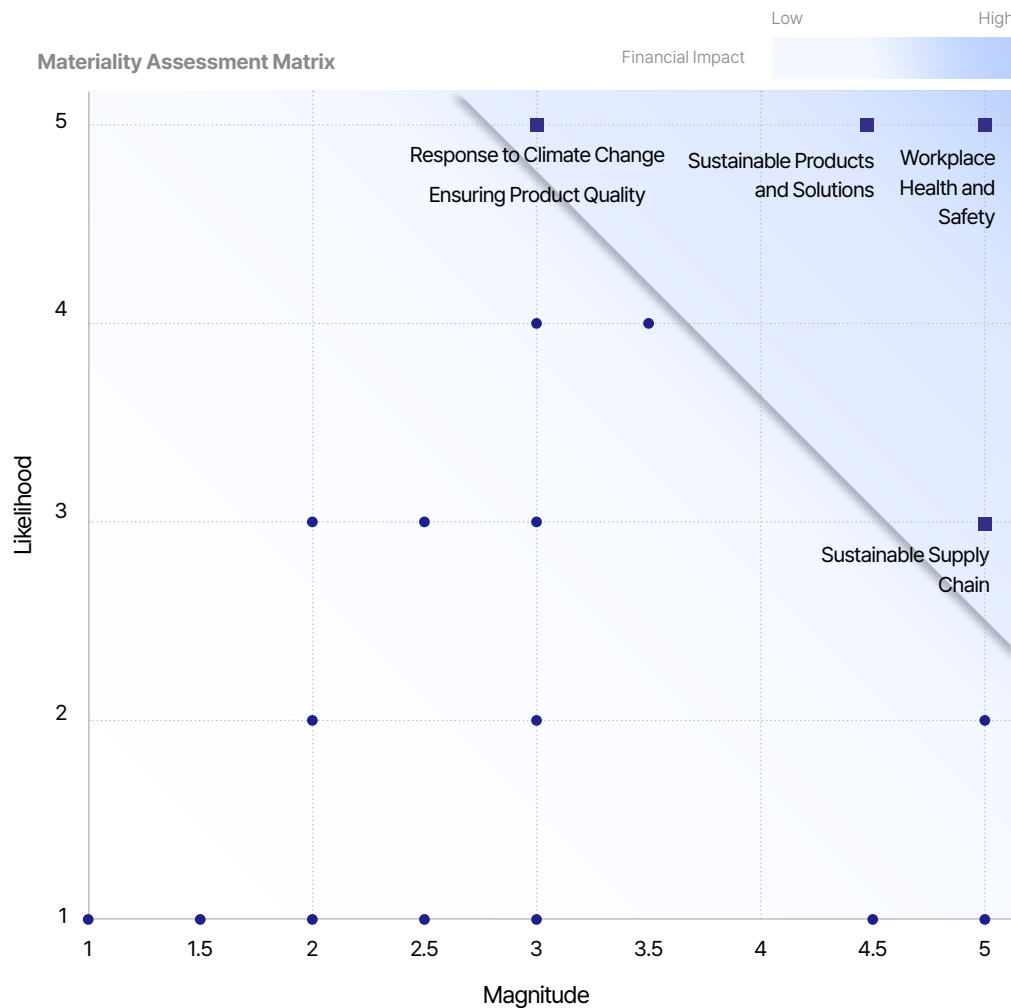
### Materiality Assessment Process



# Materiality Assessment

## Materiality Assessment Results

Hyosung Heavy Industries identifies its top five material issues (■) through a materiality assessment and discloses the related management activities and performance in detail in this Report.



### 2025 Materiality Assessment Results<sup>1)</sup>

| Rank | Issue Name                                                                                                    | Magnitude | Likelihood | Materiality |
|------|---------------------------------------------------------------------------------------------------------------|-----------|------------|-------------|
| 1    | Workplace Health and Safety                                                                                   | ●●●●●     | ●●●●●      | High        |
| 2    | Sustainable Products and Solutions                                                                            | ●●●●●     | ●●●●●      | High        |
| 3    | Sustainable Supply Chain                                                                                      | ●●●●●     | ●●●○○      | High        |
| 3    | Response to Climate Change                                                                                    | ●●●○○     | ●●●●●      | High        |
| 3    | Ensuring Product Quality                                                                                      | ●●●○○     | ●●●●●      | High        |
| 6    | Process Innovation and Digital Transformation/<br>Local Community Contribution                                | ●●●●○     | ●●●●○      | Medium-High |
| 8    | Talent Acquisition and Compensation/<br>Customer Management                                                   | ●●●○○     | ●●●●○      | Medium-High |
| 10   | Ethical Management/Stakeholder Communication                                                                  | ●●●●●     | ●●○○○      | Medium-High |
| 12   | Labor Relations/Welfare Benefits/Leadership                                                                   | ●●●○○     | ●●●○○      | Medium      |
| 15   | New Growth Engines                                                                                            | ●●●○○     | ●●●○○      | Medium      |
| 16   | Integrated Enterprise Risk Management                                                                         | ●●●○○     | ●●○○○      | Medium      |
| 16   | Other Environmental Regulations<br>(Site Noise Management, etc.)                                              | ●●○○○     | ●●●○○      | Medium      |
| 18   | ESG Framework/Information Security/<br>Hazardous Chemical Management                                          | ●●●●●     | ●○○○○      | Low-Medium  |
| 21   | Natural Disaster Risk                                                                                         | ●●○○○     | ●●○○○      | Low-Medium  |
| 22   | Air Pollutant Management                                                                                      | ●●●○○     | ●○○○○      | Low-Medium  |
| 23   | Environmental Management/Water Pollutant Management/<br>Soil Pollutant Management/Supply Chain ESG Management | ●●●○○     | ●○○○○      | Low         |
| 27   | Board Operation/Shared Growth with Suppliers/Waste and<br>Recycling Management/Human Rights Management        | ●●○○○     | ●○○○○      | Low         |
| 31   | Biodiversity Management/Use of Recycled Raw Materials                                                         | ●●○○○     | ●○○○○      | Low         |
| 33   | Water Resource Management/Diversity and Inclusion                                                             | ●○○○○     | ●○○○○      | Low         |

<sup>1)</sup> Changes in material issues compared to the previous year: Newly added (Ensuring Product Quality), removed (Customer Engagement Management)

# Materiality Assessment

## Management Plan for the Material Topics

Hyosung Heavy Industries incorporates the material issues identified through its materiality assessment into its management activities, thereby responding to stakeholders' needs and systematically managing the related risks and opportunities.

### 2025 Management Plan for the Material Topics

| Topic                              | Financial Impact                                                                                                                                                                                                         | Impact Type | 2025 Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Future Plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Workplace Health and Safety        | Financial losses due to legal sanctions, increased compensation costs, and production suspension in the event of major accidents caused by insufficient health and safety management                                     | Risk        | <ul style="list-style-type: none"> <li><b>Power &amp; Industrial Systems</b> Achieved zero serious accidents for two consecutive years</li> <li><b>Power &amp; Industrial Systems</b> Established a standardized system by developing and distributing company-wide safety management guidelines</li> <li><b>Construction</b> Achieved zero serious accidents for five consecutive years</li> <li><b>Construction</b> Achieved a 98% completion rate for the safety training certification program</li> </ul> | <ul style="list-style-type: none"> <li><b>Power &amp; Industrial Systems</b> Achieve zero serious accidents for three consecutive years</li> <li><b>Power &amp; Industrial Systems</b> Advance CSO-led, company-wide health and safety governance and strengthen its implementation systems</li> <li><b>Power &amp; Industrial Systems</b> Enhance the AI- and data-based real-time safety monitoring system</li> <li><b>Construction</b> Establish AI-based CCTV and operate a real-time monitoring system using AI drones</li> </ul> |
| Sustainable Products and Solutions | Weakened order competitiveness due to the absence of low-carbon products, and reduced access to investment and finance due to non-compliance with EU regulations and green taxonomy                                      | Risk        | <ul style="list-style-type: none"> <li>Expanded R&amp;D for next-generation power equipment such as SF<sub>6</sub>-Free GIS</li> <li>Built a new factory dedicated to HVDC transformers and expanded its manufacturing facilities</li> <li>Won an order for the world's largest 1,000 Mvar STATCOM from Korea Electric Power Corporation (KEPCO)</li> <li>Promoted green building certification and created biotopes</li> </ul>                                                                               | <ul style="list-style-type: none"> <li>Advance the sustainable business strategy and the 2030 mid- to long-term roadmap</li> <li>- Expand the next-generation transmission and distribution (T&amp;D) equipment business, such as HVDC</li> <li>- Provide grid construction solutions for renewable energy, such as ESS and STATCOM</li> <li>- Provide renewable energy solutions, such as hydrogen, solar, and wind power</li> <li>- Apply renewable energy in design</li> </ul>                                                      |
|                                    | Strengthening customer responsiveness and order competitiveness through the production of low-carbon products based on LCA and PCF, and securing a foothold in the low-carbon market and entering new markets            | Opportunity |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Sustainable Supply Chain           | Potential for direct financial losses such as revenue loss, breach of contract, and increased production costs due to production delays or suspension in case of unstable material supply during the procurement process | Risk        | <ul style="list-style-type: none"> <li>Strengthened compliance verification for suppliers in the areas of labor, human rights, safety, and the environment, in preparation for supply chain due diligence</li> <li>Established and implemented a supply chain due diligence system</li> <li>Increased the weight of ESG additional points in the regular supplier evaluation criteria</li> </ul>                                                                                                              | <ul style="list-style-type: none"> <li>Expand supply chain ESG due diligence</li> <li>Expand support to help suppliers mitigate their ESG risks, based on the supply chain due diligence results</li> </ul>                                                                                                                                                                                                                                                                                                                            |
| Response to Climate Change         | Potential financial risks such as increased electricity purchase costs due to rising electricity prices and increased emissions allowance purchase costs due to rising carbon emission credit prices                     | Risk        | <ul style="list-style-type: none"> <li>Expanded solar power generation capacity at the Changwon Plant to approximately 2,620 kW</li> <li>Improved workplace energy efficiency by introducing high-efficiency equipment, such as replacing aging heating and cooling systems</li> <li>Raised the greenhouse gas reduction target (a 31% reduction by 2035 from 2018 levels)</li> </ul>                                                                                                                         | <ul style="list-style-type: none"> <li>Install additional solar power generation facilities at the Changwon Plant</li> <li>Pursue solar power purchase agreements (PPAs)</li> <li>Review the electrification of its vehicle fleet</li> <li>Advance the greenhouse gas reduction roadmap</li> </ul>                                                                                                                                                                                                                                     |
|                                    | Potential to reduce operating costs through energy efficiency and renewable energy adoption and to attract investment or secure low-interest financing, including through green bond issuance                            | Opportunity |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Ensuring Product Quality           | Potential for revenue decline and financial loss due to recalls, damages, and loss of customer trust in case of insufficient product quality and safety                                                                  | Risk        | <ul style="list-style-type: none"> <li><b>Power &amp; Industrial Systems</b> Introduced AR-based vision inspection</li> <li><b>Construction</b> Implemented a nine-step quality inspection process at each site</li> </ul>                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li><b>Power &amp; Industrial Systems</b> Renew ISO 9001 (Quality Management System) certification and quality system certifications (UVDB and EN ISO 3834-2)</li> <li><b>Construction</b> Introduce AI-based drone crack inspection to improve concrete quality</li> </ul>                                                                                                                                                                                                                         |

# Stakeholder Engagement

## Stakeholder Communication Channels

Hyosung Heavy Industries identifies stakeholders' needs and expectations through a variety of communication channels and incorporates them into its key decision-making processes.

### Key Concerns and Communication Channels by Stakeholder



# Material Topics

|                                    |    |
|------------------------------------|----|
| Response to Climate Change         | 21 |
| Sustainable Products and Solutions | 30 |
| Workplace Health and Safety        | 36 |
| Sustainable Supply Chain           | 49 |
| Ensuring Product Quality           | 55 |

# Response to Climate Change

## Governance

### Climate Change Response Management System

Hyosung Heavy Industries has established and operates an enterprise-wide decision-making and collaboration system—comprising the Board of Directors, executives, management, and working-level consultative bodies—to ensure the continuity and execution of its climate change response strategies. As the highest decision-making body under the Board of Directors, the ESG Management Committee reviews major climate change-related issues identified through materiality assessments and, based on its deliberations and decisions on climate risks and opportunities, provides final oversight of the establishment and implementation of climate change response strategies. Chaired by the CEO, the ESG Management Promotion Committee deliberates on and approves agendas related to sustainability management—including goals and strategies for environmental management and related businesses—and submits necessary agendas to the ESG Management Committee. The Green Management Committee, a consultative body composed of key executives from headquarters, the Power & Industrial Systems Division, and the Construction Division, monitors the implementation status and performance of detailed activities in the environmental division, including climate change, as well as the results of setting key indicators such as internal carbon pricing. As the dedicated organization to climate change response, the ESG Management Team leads the planning and implementation of enterprise-wide response strategies and is responsible for quarterly monitoring and comprehensive management of climate change-related performance. The Business Management Team procures and allocates the budget based on an analysis of the company's holdings of greenhouse gas emission allowances and future projections. Finally, the Changwon Plant Environmental and Production Support Department and Environmental department in charge of construction sites are responsible for identifying and implementing greenhouse gas reduction measures at each business site.

#### Response to Climate Change Governance



### Incorporating Climate Change Factors into KPIs

Hyosung Heavy Industries defines its performance in managing the climate change impacts of its business activities, as well as the emission reductions achieved through its mitigation efforts, as key performance indicators (KPIs), and monitors them regularly.

#### Key KPIs by Business Division

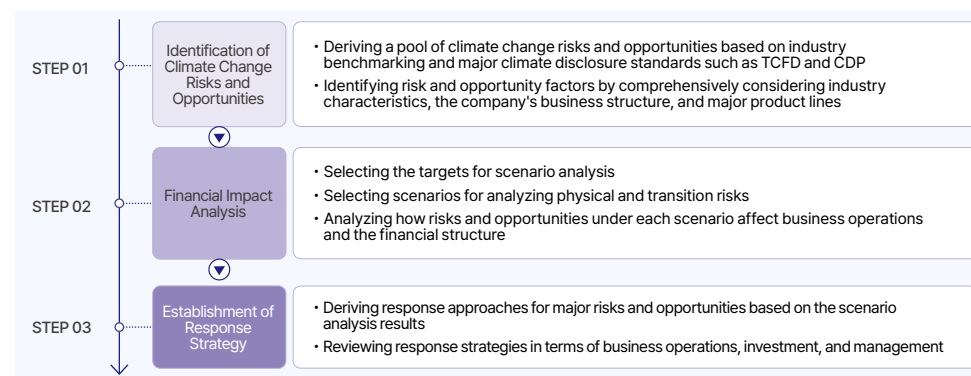
| Division of Business Area                       | Area                                 | Key KPIs                                                                                                                                                                                                          |
|-------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Headquarters and Directly Reporting Departments | Climate change impact management     | • Estimation and management of GHG emissions                                                                                                                                                                      |
| Power & Industrial Systems Division             | Climate change mitigation activities | • Annual target management of GHG emissions at the Changwon Plant<br>• Renewable energy usage and percentage<br>• Management of annual targets for environmental indicators (air/water/waste/hazardous chemicals) |
|                                                 | Climate change impact management     | • Conducting life cycle assessments (LCA) of transformers and switchgears                                                                                                                                         |
| Construction Division                           | Climate change mitigation activities | • Annual target management of GHG emissions at construction sites<br>• Annual target management of environmental indicators (water and waste)                                                                     |

## Strategy

### Climate Change Risk and Opportunity Management

#### Climate Change Risk and Opportunity Management Process

Hyosung Heavy Industries establishes its response strategies by identifying climate change risks and opportunities and conducting scenario analysis.



# Response to Climate Change

## Identification of Climate Change Risks and Opportunities

Hyosung Heavy Industries establishes a pool of risks and opportunities based on its business characteristics and identifies financial impact pathways by comprehensively considering the time horizon, likelihood, and expected magnitude of each factor.

### Results of Climate Change Risk and Opportunity Identification

| Risk and Opportunity Factors |            | Time Horizon <sup>1)2)</sup> | Likelihood        | Expected Magnitude <sup>3)</sup> | Financial Impact Pathway                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                       |
|------------------------------|------------|------------------------------|-------------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Physical Risks               | Acute      | Heat Stress                  | Short-Long term   | ●●●                              | High                                                                                                                                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"><li>Decreasing labor cost efficiency due to lower labor productivity</li><li>Increasing direct and indirect operating costs due to business and production interruptions</li></ul>                                                                  |
|                              |            | Flooding                     | Short-Long term   | ●●○                              | Mid-Low                                                                                                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"><li>Increasing asset recovery costs and business interruption losses due to flooding at business sites</li><li>Increasing upfront investment in additional facilities, such as drainage systems, to prevent flood damage</li></ul>                  |
|                              | Chronic    | Maximum Temperature          | Short-Long term   | ●●●                              | Mid-High                                                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"><li>Increasing additional operating costs, such as electricity costs, due to the need for enhanced storage of products</li><li>Increasing health and medical costs due to declining employee health (greater exposure to infection risks)</li></ul> |
|                              |            | Increasing Cooling Demand    | Short-Medium term | ●●≡                              | Mid-High                                                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"><li>Increase in facility investment costs due to the installation of additional heating and cooling systems</li><li>Increase in operating costs, such as electricity costs, due to higher power consumption</li></ul>                               |
|                              | Policy     | Long term                    | ●●○               | Low                              | <ul style="list-style-type: none"><li>Increasing the operating cost burden due to rising emission allowance prices under the Emissions Trading Scheme (ETS)</li></ul>                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                       |
| Transition Risks             | Technology | Short-Long term              | ●●≡               | High                             | <ul style="list-style-type: none"><li>Weakening the competitiveness of its high-carbon product portfolio due to stricter environmental standards, leading to lower sales</li></ul>                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                       |
|                              | Market     | Mid-Long term                | ●●○               | High                             | <ul style="list-style-type: none"><li>Weakening order competitiveness and reducing order volume due to an inadequate response to requirements such as LCA/EPD certification and carbon emission calculations, as climate-related information requirements in customer pre-qualification (PQ) increase</li><li>Increasing power purchase costs due to rising energy prices, such as electricity rates</li></ul> |                                                                                                                                                                                                                                                                                       |
|                              | Legal      | Short-Long term              | ●○○               | Mid-High                         | <ul style="list-style-type: none"><li>Facing potential sanctions, such as fines or asset seizure, if environmental performance is inadequately managed as supply chain environmental due diligence regulations are strengthened</li><li>Facing a potential cost burden from sanctions and fines in the event of non-compliance or improper disclosure, as mandatory ESG disclosure is strengthened</li></ul>   |                                                                                                                                                                                                                                                                                       |
|                              | Reputation | Mid-Long term                | ●●○               | High                             | <ul style="list-style-type: none"><li>Facing a potential decline in customer preference and sales due to the stigma of being seen as a company that fails to address climate change</li></ul>                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                       |
|                              | Technology | Short-Long term              | ●●●               | High                             | <ul style="list-style-type: none"><li>Increasing sales by strengthening its competitiveness in high-efficiency, eco-friendly power equipment and facility technologies</li></ul>                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                       |
| Opportunities                | Market     | Short-Long term              | ●●●               | High                             | <ul style="list-style-type: none"><li>Achieving mid- to long-term sales growth driven by expanding global demand for eco-friendly power infrastructure</li><li>Maintaining transactions with and expanding order-winning opportunities for companies possessing eco-friendly technology</li></ul>                                                                                                              |                                                                                                                                                                                                                                                                                       |

1) Time horizons for physical risks: Classified as short-term (2026–2030), medium-term (2030–2050), and long-term (2050–2085)

2) Time horizons for transition risks and opportunities: Classified as short-term (2026), medium-term (2027–2031), and long-term (2032–2050) (classification criteria adjusted from the previous year by referring to the Korea Sustainability Disclosure Standards)

3) Expected magnitude criteria: Set as Low (less than KRW 500 million/year), Mid (KRW 3 billion–7 billion/year), and High (KRW 18 billion or more/year)

# Response to Climate Change

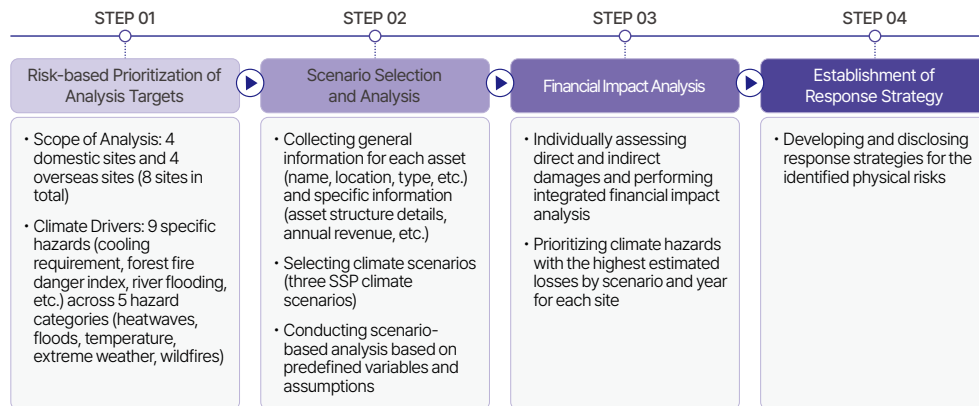
## Physical Risk Scenario Analysis

Hyosung Heavy Industries identifies the financial impacts of physical risks based on the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) and conducts scenario analysis to respond to risks proactively. For this analysis, the company selected business sites that perform core management and production functions and hold relatively high asset value. Using CAP (Climate Analytics Platform), a physical risk analysis tool, it conducted a quantitative assessment of physical risks by asset, drawing on the SSP<sup>1)</sup> climate scenarios from the IPCC<sup>2)</sup> Sixth Assessment Report. The company performed the scenario analysis for nine detailed hazard types based on the low-carbon scenario (SSP1-2.6), the middle-of-the-road scenario (SSP2-4.5), and the high-carbon scenario (SSP5-8.5).

### Physical Risk Analysis Process

Hyosung Heavy Industries identifies and evaluates physical risks through a four-step process: selecting the business sites and hazards for analysis, selecting and analyzing scenarios, analyzing financial impacts, and establishing response strategies.

#### Physical Risk Assessment Process



#### Business Sites for Analysis<sup>3)</sup>

| Location | Classification                        | Business Site                                                                                                  |
|----------|---------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Domestic | Headquarters and major business sites | Headquarters (Mapo), Construction Headquarters (Hoehyeon), Wellington CC (Icheon)                              |
|          | Major production sites                | Changwon Plants 1-4                                                                                            |
| Overseas | Major production sites                | Nantong Hyosung (China/Nantong), Hyosung T&D (India/Pune), HICO (USA/Memphis), Hyosung VINA (Vietnam/Dong Nai) |

1) Shared Socioeconomic Pathways, scenarios of socioeconomic pathways designed to analyze the impacts of climate change and policy responses

2) Intergovernmental Panel on Climate Change

3) In the previous year, the Sejong plant was included in the analysis and disclosure; however, following a review of the selection criteria for analysis subjects, it was determined that it does not perform core functions in management and production, and thus it was excluded from this year's scope.

### Climate Hazards and Expected Damages

| Major Hazard    | Specific Hazard                 | Expected Damage                                                                                         |
|-----------------|---------------------------------|---------------------------------------------------------------------------------------------------------|
| Heat            | Heat Stress                     | Productivity loss of employees due to increased heat stress                                             |
|                 | Cooling Requirement             | Annual increase in energy costs due to rising cooling requirement                                       |
| Flood           | Tidal Flooding                  | Risk of asset and facility inundation due to coastal flooding                                           |
|                 | Fluvial Flooding                | Risk of asset and facility inundation due to rising river levels                                        |
|                 | Pluvial Flooding                | Risk of site and facility inundation due to drainage limits during heavy rainfall                       |
| Temperature     | Increase in Maximum Temperature | Facility deterioration and damage, and increased asset recovery costs, due to high-temperature exposure |
| Extreme Weather | Tropical Cyclone                | Asset and facility damage due to typhoons                                                               |
|                 | Wind Gust                       | Asset and facility damage due to windstorms                                                             |
| Wildfire        | Forest Fire Danger Index        | Asset and facility damage in the event of wildfires                                                     |

### Analysis Scenarios

#### SSP1-2.6

- A sustainable development path based on the advancement of renewable energy technology and international cooperation
- Average temperature expected to rise by 1.8°C and sea level by 30-60 cm by 2100

#### SSP2-4.5

- A middle-of-the-road path maintaining current development trends and introducing partial climate policies
- Average temperature expected to rise by 2.7°C and sea level by 40-70 cm by 2100

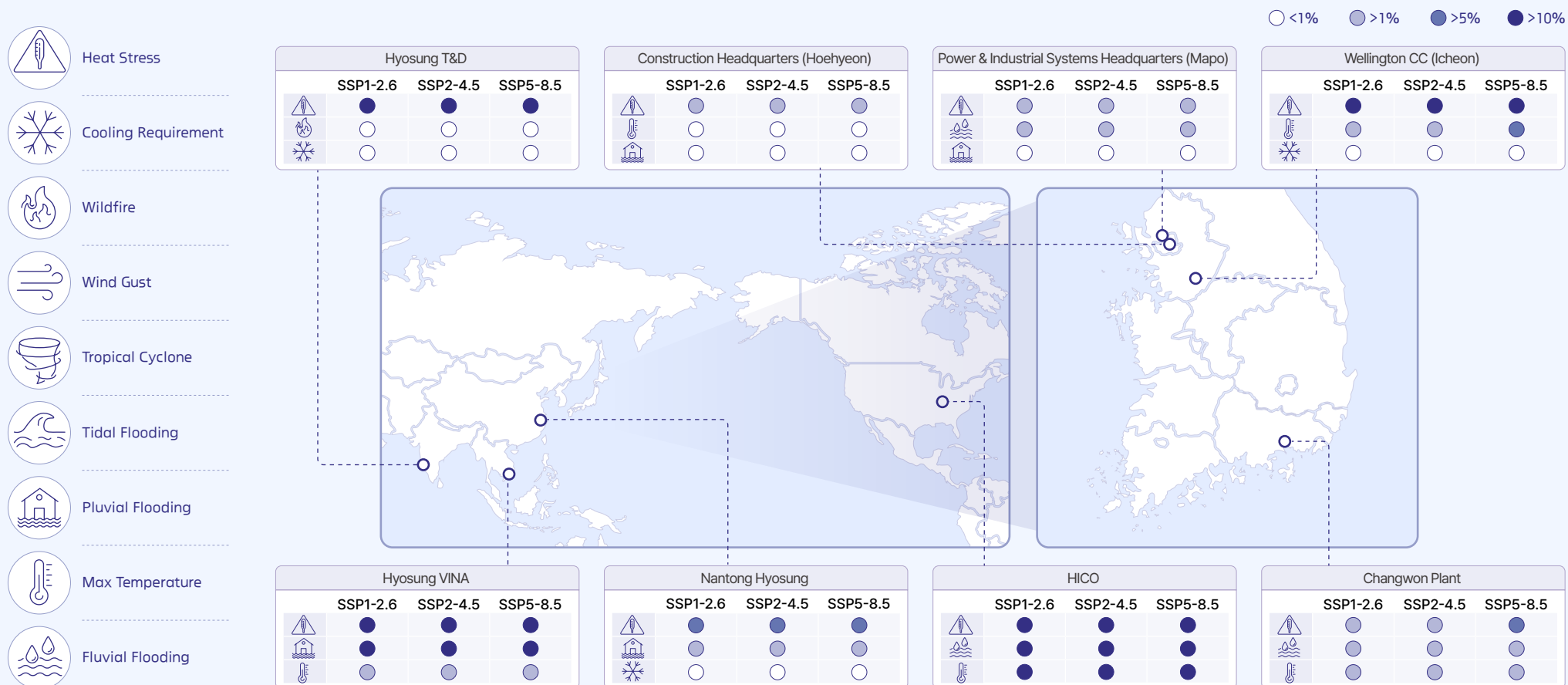
#### SSP5-8.5

- A path prioritizing fossil fuel-dependent development and economic growth
- Average temperature expected to rise by 4.4°C or more and sea level by 60-110 cm by 2100

# Response to Climate Change

## Physical Risk Scenario Analysis Results<sup>1)</sup>

Hyosung Heavy Industries conducted a physical risk analysis for its major domestic and overseas business sites by applying climate change scenarios (SSP1-2.6, SSP2-4.5, SSP5-8.5) and calculated the asset loss rates for each site by hazard type. For domestic sites, physical risks related to heat stress, fluvial flooding, and pluvial flooding were relatively high, and operational risks—such as increased cooling demand during heat waves—were identified at some sites. Among overseas sites, the Vietnam (VINA) and US (HICO) sites showed relatively high physical risk exposure, with heat stress, urban flooding, and river flooding identified as major risk factors.



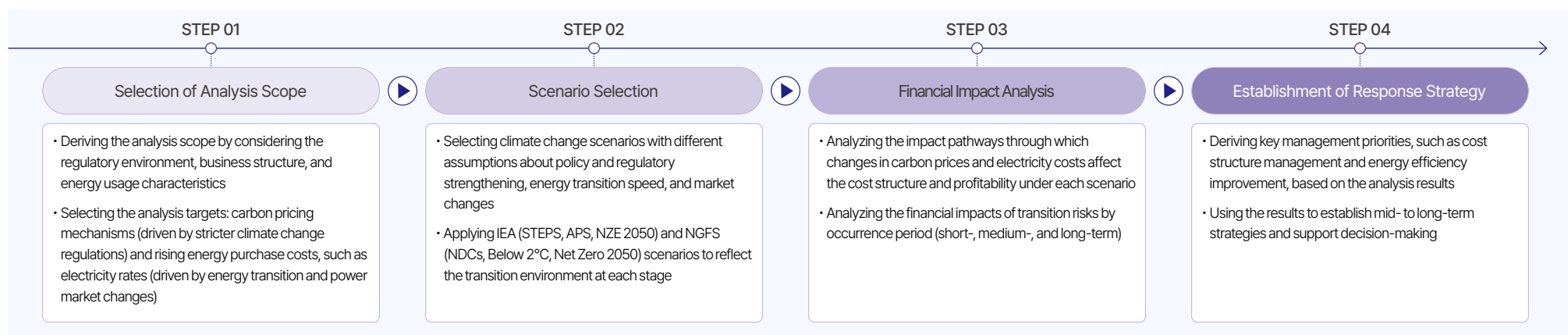
1) Physical risk analysis results as of 2030

# Response to Climate Change

## Transition Risk Scenario Analysis

Hyosung Heavy Industries conducted a scenario analysis to systematically identify transition risks and opportunities arising from policy, regulatory, market, and technological changes. The analysis was based on credible global climate change scenarios developed by the International Energy Agency (IEA) and the Network for Greening the Financial System (NGFS), in order to review the associated financial impacts.

### Transition Risk Analysis Process



### Analysis Scope

| Category        |                                                       | Description                                                                                                                                                       |
|-----------------|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transition Risk | Carbon Pricing Mechanism                              | Increase in financial burden due to rising costs of purchasing emission allowances as climate change regulations (Emissions Trading Scheme, ETS) are strengthened |
|                 | Increase in Energy Purchase Costs (Electricity Rates) | Increase in electricity purchase costs due to rising electricity prices driven by energy transition and power market changes                                      |

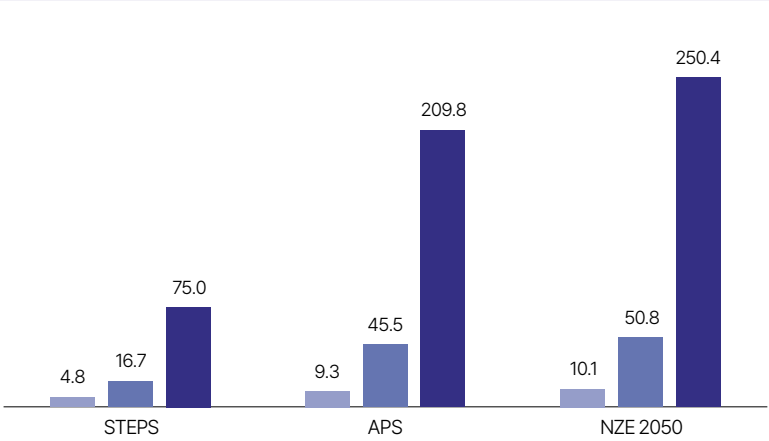
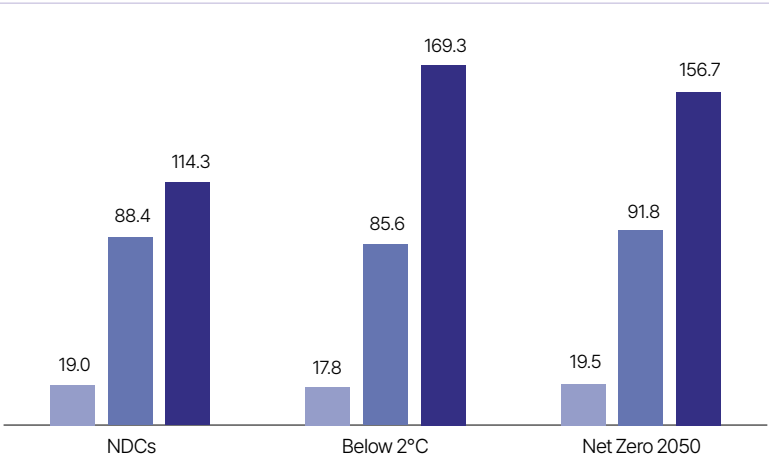
### Analysis Scenarios

| Category |               | Description                                                                                                                                                                                                                                 |
|----------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IEA      | STEPS         | (Stated Policies Scenario) A baseline scenario assuming the implementation of energy and climate change policies currently in effect or officially announced by each country                                                                |
|          | APS           | (Announced Pledges Scenario) A scenario assuming that climate response pledges—including the NDCs and long-term carbon neutrality goals announced by each country—are implemented as planned                                                |
|          | NZE 2050      | (Net Zero Emissions by 2050) A scenario for achieving global net-zero emissions by 2050 to limit the rise in the global average temperature to 1.5°C                                                                                        |
| NGFS     | NDCs          | (Nationally Determined Contributions) A scenario assuming the implementation of the current NDC-level reduction targets and policies submitted by each country to the UNFCCC (United Nations Framework Convention on Climate Change)        |
|          | Below 2°C     | A scenario assuming that each country's climate policies are gradually strengthened and mid- to long-term reduction efforts are expanded to limit the rise in the global average temperature to below 2°C compared to pre-industrial levels |
|          | Net Zero 2050 | (Net Zero 2050) A scenario for achieving global net-zero emissions by 2050 to limit the rise in the global average temperature to 1.5°C                                                                                                     |

# Response to Climate Change

## Transition Risk Analysis Results

■ Short-term (2026) ■ Mid-term (2027–2031) ■ Long-term (2032–2050)

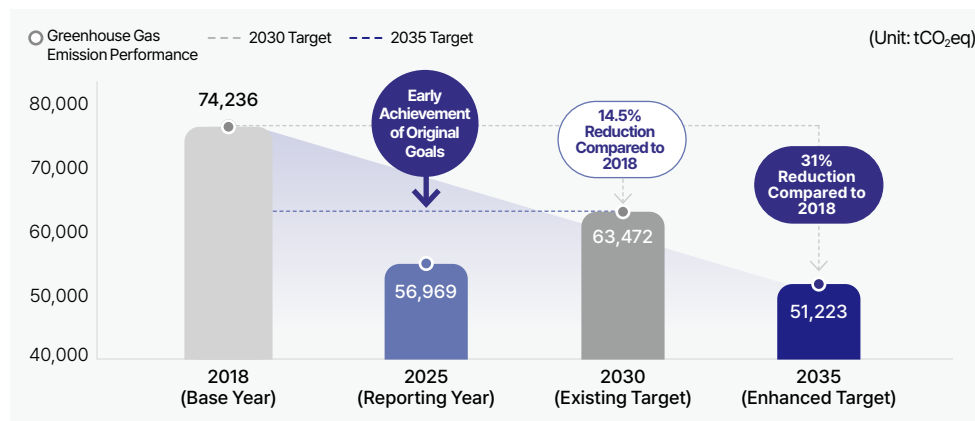
| Category                                                                              | Financial Impact Analysis<br>Methods and Approaches                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Average Annual Financial Impact<br>(Unit: KRW 100 million/year)                                                                                                                                                                                                                                                                                                                                                                                          | Response Measures     |                   |                      |                       |       |      |      |       |           |      |      |       |               |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|----------------------|-----------------------|-------|------|------|-------|-----------|------|------|-------|---------------|------|------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <div>Risk 1</div> <div>Carbon pricing mechanism</div>                                 | <ul style="list-style-type: none"><li>As a company subject to the Korea Emissions Trading Scheme (K-ETS), Hyosung Heavy Industries reviews how regulatory changes affect its cost structure.</li></ul> <hr/> <ul style="list-style-type: none"><li>Focusing on the potential for higher costs of purchasing emission allowances, the company analyzes the financial impacts using key assumptions such as projected future emissions, emission allowance price levels based on IEA scenarios, and changes in the total allocation and the free allocation ratio.</li></ul>                                         |  <table><thead><tr><th>Scenario</th><th>Short-term (2026)</th><th>Mid-term (2027–2031)</th><th>Long-term (2032–2050)</th></tr></thead><tbody><tr><td>STEPS</td><td>4.8</td><td>16.7</td><td>75.0</td></tr><tr><td>APS</td><td>9.3</td><td>45.5</td><td>209.8</td></tr><tr><td>NZE 2050</td><td>10.1</td><td>50.8</td><td>250.4</td></tr></tbody></table>               | Scenario              | Short-term (2026) | Mid-term (2027–2031) | Long-term (2032–2050) | STEPS | 4.8  | 16.7 | 75.0  | APS       | 9.3  | 45.5 | 209.8 | NZE 2050      | 10.1 | 50.8 | 250.4 | <ul style="list-style-type: none"><li>Minimize demand for purchasing emissions allowances and mitigate financial burdens from rising allowance costs by strengthening greenhouse gas emissions management</li></ul> <ul style="list-style-type: none"><li>Promote phased greenhouse gas reduction activities, including the introduction of high-efficiency equipment, process improvements, and the expansion of renewable energy utilization</li></ul> <ul style="list-style-type: none"><li>Continuously monitor changes in the emissions trading scheme and trends in emissions allowance prices, and advance its response strategies</li></ul> |
| Scenario                                                                              | Short-term (2026)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Mid-term (2027–2031)                                                                                                                                                                                                                                                                                                                                                                                                                                     | Long-term (2032–2050) |                   |                      |                       |       |      |      |       |           |      |      |       |               |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| STEPS                                                                                 | 4.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 16.7                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 75.0                  |                   |                      |                       |       |      |      |       |           |      |      |       |               |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| APS                                                                                   | 9.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 45.5                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 209.8                 |                   |                      |                       |       |      |      |       |           |      |      |       |               |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| NZE 2050                                                                              | 10.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 50.8                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 250.4                 |                   |                      |                       |       |      |      |       |           |      |      |       |               |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <div>Risk 2</div> <div>Increase in energy procurement costs (electricity costs)</div> | <ul style="list-style-type: none"><li>Hyosung Heavy Industries reviews how future fluctuations in international electricity prices and changes in its power procurement structure driven by the expansion of renewable energy use could increase electricity procurement costs and affect its cost structure.</li></ul> <hr/> <ul style="list-style-type: none"><li>Hyosung Heavy Industries estimates the potential financial impact of electricity price fluctuations by applying NGFS scenarios to define the range of price volatility and drawing on its Scope 2 electricity consumption estimates.</li></ul> |  <table><thead><tr><th>Scenario</th><th>Short-term (2026)</th><th>Mid-term (2027–2031)</th><th>Long-term (2032–2050)</th></tr></thead><tbody><tr><td>NDCs</td><td>19.0</td><td>88.4</td><td>114.3</td></tr><tr><td>Below 2°C</td><td>17.8</td><td>85.6</td><td>169.3</td></tr><tr><td>Net Zero 2050</td><td>19.5</td><td>91.8</td><td>156.7</td></tr></tbody></table> | Scenario              | Short-term (2026) | Mid-term (2027–2031) | Long-term (2032–2050) | NDCs  | 19.0 | 88.4 | 114.3 | Below 2°C | 17.8 | 85.6 | 169.3 | Net Zero 2050 | 19.5 | 91.8 | 156.7 | <ul style="list-style-type: none"><li>Systematically manage electricity consumption through the replacement of high-efficiency equipment and optimization of energy use</li></ul> <ul style="list-style-type: none"><li>Gradually reduce reliance on external power by expanding the use of renewable energy, such as solar power facilities within business sites</li></ul> <ul style="list-style-type: none"><li>Manage cost impacts from electricity price fluctuations through energy consumption and electricity cost monitoring systems</li></ul>                                                                                             |
| Scenario                                                                              | Short-term (2026)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Mid-term (2027–2031)                                                                                                                                                                                                                                                                                                                                                                                                                                     | Long-term (2032–2050) |                   |                      |                       |       |      |      |       |           |      |      |       |               |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| NDCs                                                                                  | 19.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 88.4                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 114.3                 |                   |                      |                       |       |      |      |       |           |      |      |       |               |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Below 2°C                                                                             | 17.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 85.6                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 169.3                 |                   |                      |                       |       |      |      |       |           |      |      |       |               |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Net Zero 2050                                                                         | 19.5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 91.8                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 156.7                 |                   |                      |                       |       |      |      |       |           |      |      |       |               |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

# Response to Climate Change

## Climate Risk Response Strategy

### Establishment of the 2035 Greenhouse Gas Reduction Target

Hyosung Heavy Industries achieved its existing 2030 greenhouse gas reduction target—a 14.5% reduction from the 2018 base year—ahead of schedule in 2024, and subsequently recognized the need to raise its reduction target. Accordingly, the company reset its 2035 greenhouse gas reduction target to a 31% reduction from the 2018 base year, reflecting internal and external demands for climate change response, including the strengthening of the Nationally Determined Contribution (NDC). To achieve its mid- to long-term reduction targets, the company has designated energy efficiency improvements, the expanded use of renewable energy, the transition to electric vehicles, and the review of hydrogen energy applications as core implementation measures, and has established a phased energy-saving strategy on this basis.



### Greenhouse Gas Reduction through Eco-friendly Investment and Related Activities

Hyosung Heavy Industries establishes an annual investment plan for reduction activities—such as replacing equipment with high-efficiency models and installing solar power generation facilities—to improve energy efficiency, and continuously manages its implementation performance. The company expects the introduction of high-efficiency equipment to deliver direct greenhouse gas reductions along with mid- to long-term cost savings, while the installation of solar power generation facilities is expected to reduce reliance on external power, lower energy costs, and generate Scope 2 emission reduction effects.

| Site of Operation | Investment Activities                             | Investment Cost (KRW million) | GHG Reduction (tCO <sub>2</sub> eq/year) |
|-------------------|---------------------------------------------------|-------------------------------|------------------------------------------|
| Changwon Plant    | Equipment Replacement (air conditioners, etc.)    | 45                            | 8                                        |
|                   | Installation of Solar Power Generation Facilities | 2,914                         | 1,678                                    |
|                   | Others                                            | 191                           | 74                                       |
| Total             |                                                   | 3,150                         | 1,760                                    |

### Establishment of Internal Carbon Pricing

Hyosung Heavy Industries systematically manages its greenhouse gas and energy reduction performance by establishing an internal carbon price. The internal carbon price serves as an indicator that converts the outcomes of energy and greenhouse gas reduction activities—such as facility replacement—into quantitative monetary value, and the company establishes and operates this price through regular annual reviews.

### Renewable Energy Self-Generation

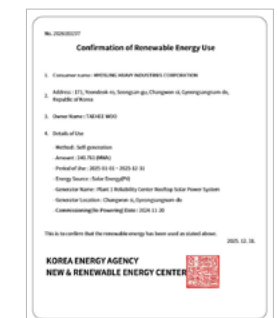
Hyosung Heavy Industries expanded its outdoor solar power generation facilities at the Changwon Plant in 2025. By adding 2,620.26 kW of generation capacity to the existing 1,146.61 kW facility, Hyosung Heavy Industries increased the total generation capacity to 3,766.87 kW. In 2025, the company produced a total of 1,692,843 kWh of electricity through self-generation and completed the issuance of a Confirmation of Renewable Energy Use from the Korea Energy Agency, based on the generation performance of the solar power facilities (12 units in total) within the Changwon Plant.

Hyosung T&D (India), a manufacturing site in the Pune region of India, newly introduced 190 kW solar power generation facilities in 2024 to establish a self-generation system. In 2025, this site produced a total of 240,468.04 kVAh (apparent power) of electricity through self-generation.

### Changwon Plant Solar Power Installation Site (2025 Expansion)



### 2025 Confirmation of Renewable Energy Use



### Hyosung T&D India Solar Power Installation Site



# Response to Climate Change

## Improvement and Management of Factory Drainage Infrastructure

Hyosung Heavy Industries maintains and improves its major production support facilities in consideration of physical risks such as heavy rainfall and flooding driven by climate change—as well as the potential for product and material damage and safety accidents during high tides and heavy downpours—because the Changwon Plant is located in a low-lying area. The company has invested in drainage pump facilities, focusing on plants prone to flooding, and has installed automatic sluice gates and a real-time water level detection system at its two major discharge sluice gates to enable rapid response during heavy rainfall. It has also strengthened the overall stability of its drainage infrastructure by maintaining irrigation channels and rainwater conduits and by relocating certain channel sections running beneath roads. It has addressed the limitations of rainwater conduits that were originally designed and constructed based on pre-1977 precipitation levels and lacked sufficient processing capacity, implementing flood-prevention measures such as the installation of drainage pumping stations that mitigate the risk of operational suspension caused by heavy rainfall and flooding.

### Changwon Plant Main Pumping Station



## Construction Site Safety Infrastructure and Disaster Response Management

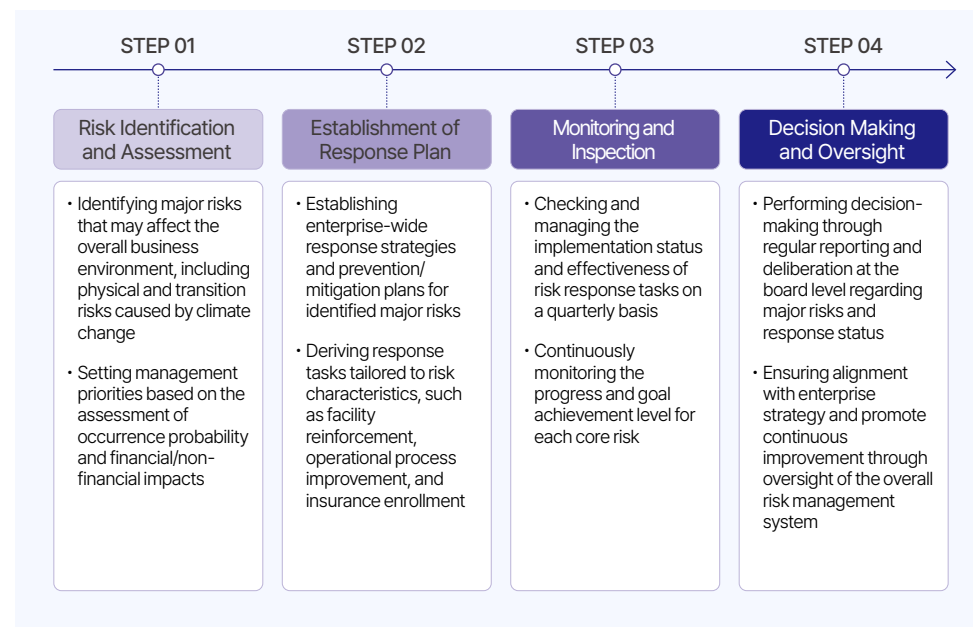
Hyosung Heavy Industries, through its Construction Division, pursues response strategies centered on strengthening facility safety at its business sites to prepare for physical risks caused by climate change, such as heavy snowfall and heavy rainfall. The company mitigates the negative financial impacts of unexpected natural disasters by requiring construction insurance for all construction projects. In the event of an accident at a construction site, the Construction Division minimizes construction delays by implementing prompt recovery measures—such as reinforcement work and the allocation of damage recovery costs for each site—thereby enhancing the operational stability and resilience of its construction sites and mitigating the impact of physical risks on business execution.

## Risk Management

### Climate Change Risk Management

Hyosung Heavy Industries systematically identifies and evaluates major risks across its entire business environment—including physical and transition risks caused by climate change—and operates an enterprise-wide risk management process to address them. By operating a board-centered oversight system for this process and by reporting, deliberating on, and resolving major risks and their response status, Hyosung Heavy Industries ensures alignment with its enterprise strategy and strengthens the linkage with its mid- to long-term management strategies. Within this governance structure, the Board of Directors holds final oversight responsibility for risk management and receives reports on climate change-related risks and response status through the ESG Management Promotion Committee to deliberate on and resolve major matters. As the dedicated organization to climate change response, the ESG Management Team leads the planning and implementation of enterprise-wide climate change response strategies and manages the progress and performance of major tasks such as greenhouse gas reduction, energy management, and climate risk response activities.

### Company-wide Risk Management Process



# Response to Climate Change

## Metrics & Targets

### Climate Change Response Metrics and Targets

To respond to climate change, Hyosung Heavy Industries has established 'greenhouse gas emissions' and 'renewable energy usage' as its key management indicators. The company systematically manages and monitors its implementation status and strengthens its climate change response capabilities through performance management and continuous improvement of these indicators.

#### Greenhouse Gas Emissions<sup>1)</sup>

Hyosung Heavy Industries calculates its annual greenhouse gas emissions on a consolidated basis, including major subsidiaries, and is currently establishing an annual management plan for greenhouse gas emissions on a separate (non-consolidated) basis.

| Category                                                                   |                       |                                           | Unit   | Hyosung Heavy Industries |        |                |                       | Subsidiaries |        |      |
|----------------------------------------------------------------------------|-----------------------|-------------------------------------------|--------|--------------------------|--------|----------------|-----------------------|--------------|--------|------|
|                                                                            |                       |                                           |        | 2023                     | 2024   | 2025<br>(Plan) | 2025<br>(Performance) | 2023         | 2024   | 2025 |
| Direct GHG Emissions<br>(Scope 1)                                          | Stationary combustion | tCO <sub>2</sub> eq                       | 7,468  | 8,730                    | 9,547  | 9,662          | 4,188                 | 3,720        | 3,814  |      |
|                                                                            | Mobile combustion     | tCO <sub>2</sub> eq                       | 844    | 768                      | 819    | 783            | 1,121                 | 958          | 1,206  |      |
|                                                                            | Process emissions     | tCO <sub>2</sub> eq                       | -      | -                        | -      | -              | -                     | -            | -      |      |
|                                                                            | Waste disposal        | tCO <sub>2</sub> eq                       | 53     | 53                       | 58     | 23             | -                     | -            | 55     |      |
|                                                                            | Other emissions       | tCO <sub>2</sub> eq                       | 211    | 284                      | 313    | 299            | -                     | -            | 184    |      |
|                                                                            | Subtotal              | tCO <sub>2</sub> eq                       | 8,576  | 9,835                    | 10,737 | 10,767         | 5,310                 | 4,677        | 5,260  |      |
| Indirect GHG Emissions <sup>2)</sup><br>(Scope 2)                          | Electricity           | tCO <sub>2</sub> eq                       | 39,289 | 42,651                   | 46,632 | 46,211         | 20,212                | 22,566       | 20,292 |      |
|                                                                            | Steam                 | tCO <sub>2</sub> eq                       | 12     | 114                      | 125    | -              | 7,223                 | 7,246        | 7,578  |      |
|                                                                            | Subtotal              | tCO <sub>2</sub> eq                       | 39,301 | 42,765                   | 46,757 | 46,211         | 27,434                | 29,812       | 27,869 |      |
| Total GHG emissions <sup>3)</sup><br>(Scope 1 and 2)                       |                       | tCO <sub>2</sub> eq                       | 47,877 | 52,593                   | 57,494 | 56,969         | 32,744                | 34,490       | 33,129 |      |
| Revenues (based on separate financial statements)                          |                       | KRW 100 million                           | 30,964 | 33,603                   | 36,964 | 40,978         | 16,970                | 22,123       | 29,325 |      |
| GHG emissions Intensity <sup>4)</sup><br>(Total GHG emissions/<br>revenue) | Scope 1               | (tCO <sub>2</sub> eq/<br>KRW 100 million) | 0.277  | 0.293                    | 0.290  | 0.263          | 0.313                 | 0.211        | 0.179  |      |
|                                                                            | Scope 2               | (tCO <sub>2</sub> eq/<br>KRW 100 million) | 1.269  | 1.273                    | 1.265  | 1.128          | 1.617                 | 1.348        | 0.950  |      |
|                                                                            | Subtotal              | (tCO <sub>2</sub> eq/<br>KRW 100 million) | 1.546  | 1.565                    | 1.555  | 1.390          | 1.930                 | 1.559        | 1.130  |      |

#### Renewable Energy Usage

Hyosung Heavy Industries has set its renewable energy usage performance as a Key Performance Indicator (KPI) to continuously manage its implementation status, and it manages this performance by categorizing it according to the type of renewable energy procurement.

| Category                                                                 |                                                           | Unit | Hyosung Heavy Industries |       |                |                       | Subsidiaries |       |       |
|--------------------------------------------------------------------------|-----------------------------------------------------------|------|--------------------------|-------|----------------|-----------------------|--------------|-------|-------|
|                                                                          |                                                           |      | 2023                     | 2024  | 2025<br>(Plan) | 2025<br>(Performance) | 2023         | 2024  | 2025  |
| Energy Intensity <sup>4)</sup><br>(Total energy consumption/<br>revenue) | TJ/KRW<br>100<br>million                                  |      | 0.033                    | 0.033 | 0.032          | 0.029                 | 0.023        | 0.019 | 0.012 |
|                                                                          | Purchased <sup>2)</sup><br>(PPA/REC/<br>Green<br>Premium) | TJ   | -                        | -     | -              | -                     | -            | 0.95  | 0.85  |
| Renewable<br>energy<br>Consum-<br>ption                                  | Purchased<br>(Heat from<br>Waste<br>incineration)         | TJ   | 45.54                    | 32.81 | 36.00          | 44.34                 | -            | -     | -     |
|                                                                          | Self-produced <sup>2)</sup><br>(solar energy)             | TJ   | 0.06                     | 3.24  | 6.00           | 6.09                  | -            | -     | -     |
|                                                                          | Subtotal                                                  | TJ   | 45.60                    | 36.05 | 42.00          | 50.44                 | -            | 0.95  | 0.85  |

1) Based on the certified emissions volume submitted for the reporting year, in accordance with the Korea Ministry of Environment's guidelines on the reporting and certification of emissions under the Greenhouse Gas Emissions Trading Scheme (ETS) and its conformity assessment.

2) The 2024 solar power generation of subsidiaries was confirmed to be electricity procured through PPAs; accordingly, it has been reclassified and reflected as PPA usage rather than self-generation. As a result, the Scope 2 emissions of subsidiaries are calculated using the market-based method.

3) Only CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O are emitted among greenhouse gases. The total emissions above differ from the company's greenhouse gas emissions disclosed in the Annual Report, as the totals are calculated by summing each business site's emissions after rounding down decimals.

4) Intensity is calculated based on separate (non-consolidated) revenue.

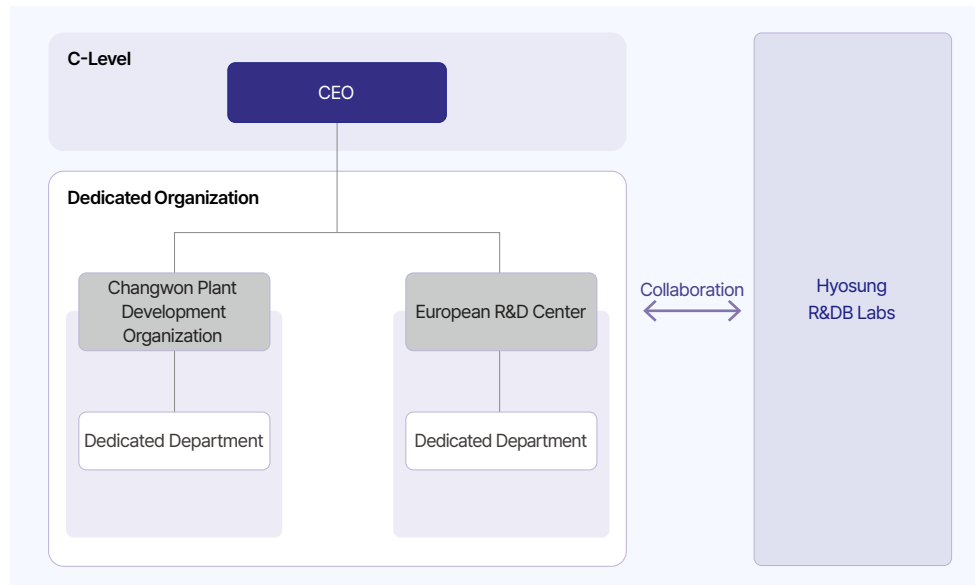
# Sustainable Products and Solutions

## Governance

### Sustainable Product Management System

To expand its Clean Tech-based products and solutions, Hyosung Heavy Industries conducts R&D projects centered on the Changwon Plant Development Organization and the European R&D Center, and has established a collaboration system with Hyosung R&DB Labs. For the R&D of commercialized products, the executives responsible for each product or business area within the respective PUs establish strategies based on the relevant Business Roadmaps (BRMs), while advanced research and core technology development are carried out in collaboration with Hyosung R&DB Labs. In addition, Hyosung Heavy Industries has established dedicated organizations to carry out research projects at the Changwon Plant Development Organization and the European R&D Center, and it formulates and implements mid- to long-term R&D plans on an annual basis.

### Sustainable Products and Solutions Governance

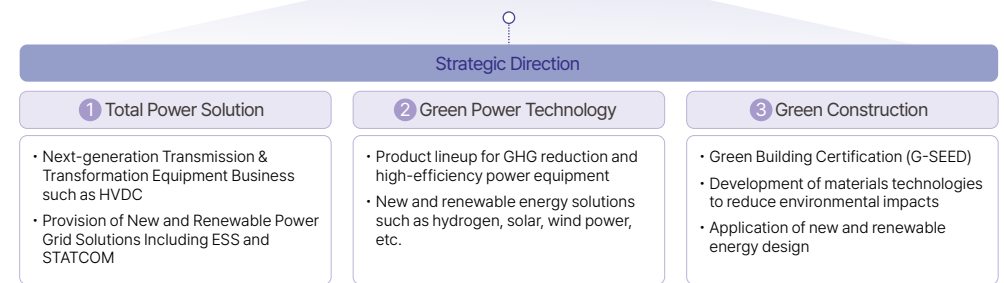


## Strategy

### Sustainable Business Strategy and 2030 Roadmap

#### Mission

#### Total Power Solution Leader for Tomorrow



|                                     |                                          | Short-term                                                                                             | Mid-term                                                                                                                        | Long-term                                                                                                       |
|-------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 1                                   | Transmission and Distribution Facilities | Build SF <sub>6</sub> -Free GIS Lineup                                                                 | Expand SF <sub>6</sub> -Free GIS to Larger Capacity                                                                             | Build Natural Gas-Applied GIS Lineup                                                                            |
|                                     | Power Grid Establishment                 | Advanced PCS, EMS, BMS                                                                                 |                                                                                                                                 | Securing High-Efficiency, High-Capacity Next-Generation Products                                                |
|                                     |                                          | Commercialize HVDC                                                                                     |                                                                                                                                 |                                                                                                                 |
| 2                                   | Hydrogen Production                      |                                                                                                        | Establishment of a Liquefied Hydrogen Plant (Start of production in 2024)                                                       | Commencement of Offshore Wind Power Assembly Plant Construction in the Jeonnam Region                           |
|                                     | Hydrogen Transport & Storage             | Transportation and Sale of Liquefied Hydrogen Using Tank Trailers                                      |                                                                                                                                 |                                                                                                                 |
|                                     |                                          | Expansion of PM Product Lineup for Ships                                                               |                                                                                                                                 | Supply of Hydrogen Supply Facilities for Power Plant Electricity Generation                                     |
|                                     | Hydrogen Utilization                     | Establishment and Operation of Liquefied Hydrogen Fueling Station                                      |                                                                                                                                 |                                                                                                                 |
|                                     |                                          | Commercialization of Hydrogen Engine Generators                                                        |                                                                                                                                 | Supply of Hydrogen Engine Systems                                                                               |
|                                     |                                          |                                                                                                        | Provision of Solutions for Eco-friendly Equipment such as OCCS (Onboard Carbon Capture System) and ALS (Air Lubrication System) |                                                                                                                 |
|                                     |                                          | Securing Electric Propulsion Package References and Optimizing the System                              |                                                                                                                                 |                                                                                                                 |
|                                     | High-efficiency Power Equipment          | Development and Supply of IE4 Motors                                                                   | Development of IE6 Motors and Provision of High-Efficiency Solutions                                                            |                                                                                                                 |
| Supply of Motor + Inverter Packages |                                          | Developing Dedicated Inverter Specifications to Commercialize Inverter Packaging and Automatic Control |                                                                                                                                 |                                                                                                                 |
| 3                                   | Green Building                           | Review Renewable Energy Design & Landscaping based on G-SEED certification requirements                |                                                                                                                                 | Review of the Application of Zero-Energy Building Certification in Line with the 2050 Carbon Neutrality Roadmap |

# Sustainable Products and Solutions

## Total Power Solution

### Expansion of Supply for Biodegradable Insulating Oil Transformers

Hyosung Heavy Industries is expanding its supply of transformers that use biodegradable insulating oil as the insulating medium. By replacing mineral oil—the conventional insulating medium for transformers—with biodegradable insulating oil, which has lower toxicity and penetrates the soil more slowly than conventional mineral oil, Hyosung Heavy Industries mitigates environmental impact. These biodegradable insulating oil transformers deliver excellent fire-prevention performance, with a fire point of approximately 300°C and self-extinguishing properties that maintain a high level of safety even in the event of a fire.

#### Biodegradable Insulating Oil Transformer Supply Performance

|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2023 | Following the first delivery of 154 kV high-efficiency vegetable-oil transformers to Korea Electric Power Corporation(KEPCO), additional orders and deliveries have continued                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 2024 | <ul style="list-style-type: none"> <li>Achieved a cumulative order record of more than 300 ester oil and vegetable oil transformers, including 400kV-class ester oil transformers for the UK</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 2025 | <ul style="list-style-type: none"> <li>Successfully conducted the internal arc fault test<sup>1)</sup> for a 154kV biodegradable insulating oil transformer for the first time in Korea, verifying safety against explosion and fire risks with our own technology</li> <li>Secured technical capabilities to verify the safety of ultra-high voltage transformers domestically without relying on overseas institutions by independently developing internal arc test circuit designs, test methodologies, and measurement technologies, and establishing a safety management and verification system in cooperation with the Korea Electrotechnology Research Institute (KERI)</li> </ul> |
| 2026 | <ul style="list-style-type: none"> <li>Pursuing Pre-Qualification (PQ) for biodegradable insulating oil transformers from the Saudi Electricity Company</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

1) Internal arc fault test: A safety test that verifies the ability to control the risk of explosion and fire in the event of an internal arc phenomenon in a transformer

### Expansion of SF<sub>6</sub>-Free GIS Supply

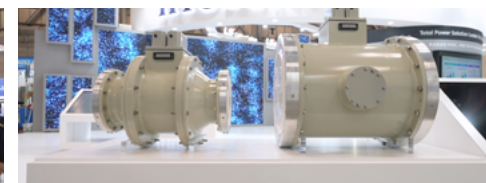
Hyosung Heavy Industries is developing and expanding its SF<sub>6</sub>-Free GIS (Gas Insulated Switchgear). To reduce the use of SF<sub>6</sub> gas—which has a Global Warming Potential (GWP) approximately 23,900 times higher than that of CO<sub>2</sub>—Hyosung Heavy Industries developed a 72.5 kV GIS based on a Vacuum Interrupter (VI) and Dry Air in 2023.

#### 2025 Key Achievements

|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Domestic | <ul style="list-style-type: none"> <li>Successfully commercialized C4-FN mixed gas-based SF<sub>6</sub>-Free GIS products in the domestic market in 2024, and announced a phased transition plan for the SF<sub>6</sub>-Free GIS portfolio applying C4-FN mixed gas by 2030</li> <li>Announced a strategic roadmap for expanding the SF<sub>6</sub>-Free GIS product lineup</li> <li>Exhibited SF<sub>6</sub>-Free GIS solutions at the 2025 World Climate Industry Expo (WCE) in Busan</li> </ul>                                                                                                                                                                 |
| Overseas | <ul style="list-style-type: none"> <li><b>Hong Kong</b> Expanded applicable product models and sales regions, including entry into the eco-friendly market</li> <li><b>India</b> Unveiled SF<sub>6</sub>-Free GIS products at the ELECRAMA 2025 exhibition held in New Delhi</li> <li><b>Europe</b> Conducted testing and development activities for SF<sub>6</sub>-Free GIS, centered on the R&amp;D center, since 2025</li> <li><b>Spain</b> Signed a Framework Agreement (2025–2027) with Unión Fenosa Distribución (UFD), a subsidiary of the power distributor Naturgy, for the supply of 72.5 kV / 31.5 kA GIS applying "VI + Dry Air" technology</li> </ul> |



2025 World Climate Industry Expo in Busan



2025 India ELECRAMA Exhibition



# Sustainable Products and Solutions

## Provision of Grid Efficiency and Renewable Energy Integration Solutions

Hyosung Heavy Industries provides integrated solutions for improving power grid efficiency and integrating renewable energy, based on ESS (Energy Storage System), STATCOM (Static Synchronous Compensator), and HVDC (High Voltage Direct Current) technologies. By applying its proprietary grid analysis and engineering technologies, Hyosung Heavy Industries directly designs and manufactures the converters and controllers that are the core components of STATCOM, and supplies related integrated solutions.

### Renewable Energy Integration Solutions

#### Solution Type

##### Microgrid Solution

###### ESS

An energy storage system that stores electrical energy generated from power grids or power consumption points and re-supplies it when needed

##### Grid Stabilization Solutions

###### STATCOM

A device that controls instability factors in transmission and distribution grids, optimizes transmission capacity, and plays a key role in grid stabilization for renewable energy power sources

##### High Voltage Direct Current

###### HVDC

DC power transmission method based on converters, suitable for large-capacity, long-distance transmission, and highly efficient when integrated with DC-based renewable energy

#### Key Achievements

**2024**

- Completed the Yangju 200MW BTB HVDC project
- Completed the KEPCO Busan North Grid Stabilization ESS project

**2025**

- Secured a STATCOM project linked to a U.S. data center
- Signed a contract for the supply of a large-capacity STATCOM in India
- Continued construction of a BESS project in the UK (in progress)
- Secured an order from KEPCO for a 1,000 Mvar STATCOM, the world's largest in scale

**2026**

- Secured a domestic long-duration ESS order
- Secured first-ever ESS project orders in Australia and Japan
- Secured a U.S. wind power-linked STATCOM order

## Expansion of Asset Management Solutions ARMOUR and ARMOUR+

Hyosung Heavy Industries develops and supplies ARMOUR and ARMOUR+, asset management platforms optimized for enhancing operational and maintenance efficiency through condition-based predictive diagnostics. As lifecycle management and operation platforms, ARMOUR and ARMOUR+ minimize downtime and equipment-related costs while improving facility reliability. In 2025, Hyosung Heavy Industries launched the asset management platform ARMOUR+ and is expanding exports through pilot projects with the power authorities of Mozambique and Malaysia.

### Features and Advantages

Real-time facility status diagnosis, monitoring, and failure prediction via online systems

Provision of maintenance schedules

Extension of power facility lifespan

Provision of real-time reporting services on power facility status

Provision of constant monitoring and customer consultation services

Provision of maintenance scenarios



Recipient of the 2025 Korea Technology Award



Completion Report Meeting for the Joint Development of the ARMOUR+ Transmission Cable Diagnostic Solution

# Sustainable Products and Solutions

## Green Power Technology

### Wind Power Generation Systems

Hyosung Heavy Industries has led Korea's wind power system industry by successfully developing the country's first 750 kW and 2 MW wind power systems, as well as a 5 MW offshore wind power system.

#### 2025 Onshore and Offshore Wind Power System Revenue

| Onshore Wind Power EPC <sup>1)</sup> | Fee-Based Services |
|--------------------------------------|--------------------|
| KRW 126.3 billion                    | KRW 3.1 billion    |

### Strengthening the Hydrogen Value Chain

Hyosung Heavy Industries is developing liquid hydrogen refueling stations as a supplier serving commercial vehicles. In 2025, Hyosung Heavy Industries signed a Memorandum of Understanding (MOU) for technology development to establish a hydrogen economy ecosystem, including the construction of urban hydrogen refueling stations.

#### 2025 Orders for Gaseous and Liquid Hydrogen Refueling Stations

| Gaseous Hydrogen Refueling Station | Liquid Hydrogen Refueling Station | 2025<br>Pohang Hydrogen Transportation<br>Complex KRW 2.8 billion, etc.<br><br><b>KRW 8.6 billion<br/>orders</b> |
|------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------|
| 1 location                         | 1 location                        |                                                                                                                  |
| KRW 6.6 billion                    | KRW 8.6 billion                   |                                                                                                                  |

### Inverter Efficiency Improvement

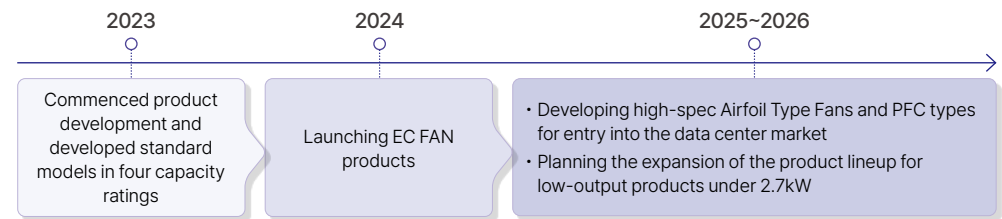
Hyosung Heavy Industries is promoting energy efficiency improvement projects by expanding its inverter product line. When applied to motors and load equipment such as fans and pumps, inverters deliver energy savings by controlling output in response to load fluctuations. Following the 2024 launch of the FM3 (general-purpose) and FM5 (high-spec)<sup>2)</sup> models, Hyosung Heavy Industries launched the FM1 (for the price-competitive market)<sup>2)</sup> in 2025 to secure a full inverter lineup. The company also obtained high-efficiency inverter certification from the Korea Energy Agency, expanding its energy efficiency improvement projects starting in July 2025.

1) EPC (Engineering, Procurement, Construction): Turnkey project for design, procurement, and construction

2) FM: Frequency Modulation

### EC FAN Development

Hyosung Heavy Industries has contributed to improving energy efficiency by developing EC FAN<sup>3)</sup> products based on permanent magnet motors.



### High-Efficiency and Greenhouse Gas-Reducing Power Equipment

Hyosung Heavy Industries contributes to improving energy efficiency and reducing greenhouse gas emissions through its high-efficiency premium motors, shaft generator motor systems, and hydrogen engine generators.

| Product                                           | Characteristic                                                                                                                                                                                                                                                                                                              | Key Achievements                                                                                                                                                                                 |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| High-Efficiency Premium Motors                    | <ul style="list-style-type: none"> <li>High-efficiency motors exceeding the IE3 (Premium)<sup>4)</sup> minimum energy performance standard</li> <li>A plan to progressively upgrade the minimum energy performance standard across the full motor capacity range to IE4 (Super Premium)<sup>4)</sup> by 2026</li> </ul>     | <ul style="list-style-type: none"> <li>IE4 (Super Premium) 60 models development completed (2025)</li> <li>IE6 (Hyper Premium)<sup>4)</sup> efficiency development in progress</li> </ul>        |
| Shaft Generator Motor System (SGM <sup>5)</sup> ) | <ul style="list-style-type: none"> <li>Rotating machinery that utilizes the rotational force of the engine shaft to generate the power required for ship propulsion</li> <li>Reduced reliance on engine generators, resulting in improved fuel efficiency and reductions in carbon dioxide and methane emissions</li> </ul> | <ul style="list-style-type: none"> <li>Orders for 16 sets of SGM for 8 ships (2025), achieved through an SGM System Package sales strategy that includes drive and system integration</li> </ul> |
| Hydrogen Engine Generator                         | <ul style="list-style-type: none"> <li>An engine generator that uses hydrogen as fuel to reduce greenhouse gases</li> <li>Contribution to zero-carbon power generation through the commercialization of engine generators that use 100% by-product hydrogen at the Hyosung Chemical Yongyeon Plant</li> </ul>               | <ul style="list-style-type: none"> <li>Plan to enter new markets by developing business models for off-grid green hydrogen production and power generation systems</li> </ul>                    |

3) EC FAN (Electronically Commutated FAN): An electronically commutated fan that uses a permanent magnet motor to increase energy efficiency in coupling and operational efficiency compared to conventional induction motors.

4) International Efficiency Classification

5) SGM: Shaft Generator Motor

# Sustainable Products and Solutions

## Green Construction

### Green Building Certification

Hyosung Heavy Industries is pursuing Green Standard for Energy and Environmental Design (G-SEED) certification to reduce environmental impact throughout the entire process of building design, construction, and maintenance.

#### Green Building Certification Status

|                  | Under Construction<br>(Preliminary Certification) | Completion<br>(Final Certification) |
|------------------|---------------------------------------------------|-------------------------------------|
| Acquired in 2025 | 3 cases                                           | 5 cases                             |
| Planned for 2026 | 1 case                                            | 9 cases                             |

### Creation of Biotopes in Residential Complexes for Biodiversity Conservation

Hyosung Heavy Industries creates terrestrial and aquatic biotopes within its residential complexes to create habitats for wildlife and build urban environments where humans and nature can coexist. In 2025, Hyosung Heavy Industries incorporated biotope designs at two sites and completed construction at one, and it plans to incorporate a biotope design at one additional site in 2026.

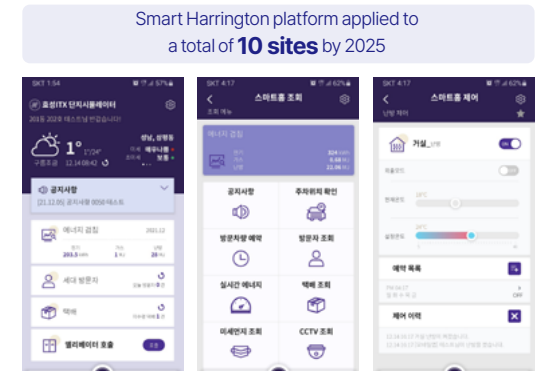
#### Biotope

A habitat space where living organisms such as plants, animals, and microorganisms can coexist stably; a physical space within a natural ecosystem unit where relatively identical biological species inhabit.



### Application of the Harrington Place 'Smart Harrington' Platform

Hyosung Heavy Industries uses the 'Smart Harrington' mobile app, a home IoT (Internet of Things) platform, to help residents check and control the status of lighting, heating, elevator calls, and standby power cutoff within their units in real time. By optimizing energy and resource use based on the analysis of residents' usage patterns, the 'Smart Harrington' mobile app contributes to improving resource efficiency.



Smart Harrington platform applied to  
a total of **10 sites** by 2025

### New and Renewable Energy Design

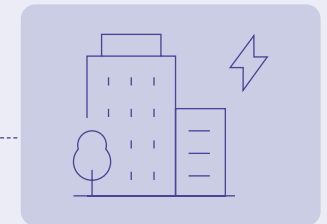
To reduce residents' energy consumption during the building operation phase, Hyosung Heavy Industries reviews plans for introducing new and renewable energy both inside and outside the building from the architectural planning stage.

#### New and Renewable Energy Design Status



Installation of solar panels on roofs and  
exterior walls of apartment complexes

Total power generation  
capacity of 1,078 kW  
at 3 sites in 2025



Used to power common areas and facilities,  
including elevators

# Sustainable Products and Solutions

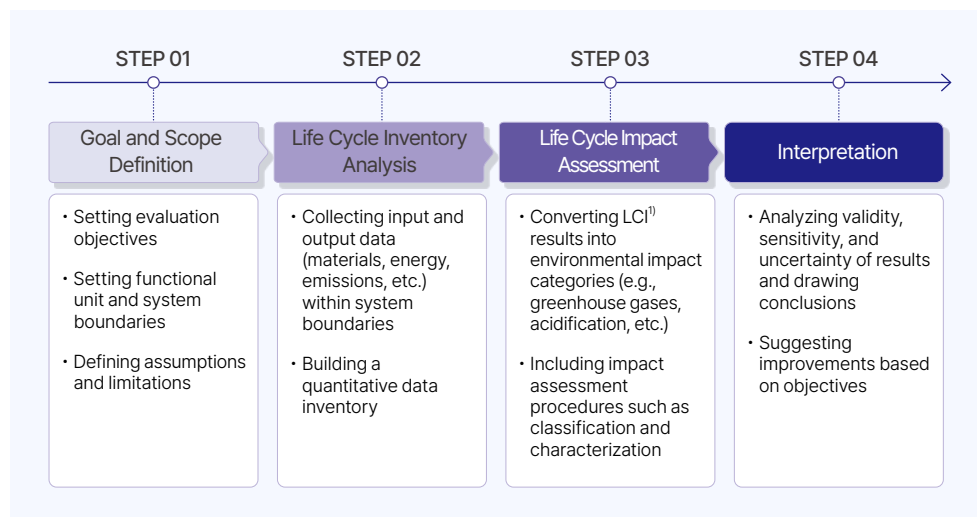
## Risk Management

### Sustainable Product Risk Management

Hyosung Heavy Industries applies Life Cycle Assessment (LCA) to respond to the tightening of global environmental standards and to quantitatively manage the environmental impact risks of its major products. In 2025, Hyosung Heavy Industries applied LCA to two types of ultra-high voltage transformers (a 420 kV 300 MVA transformer and a 400 kV 200 MVA reactor) and one type of circuit breaker (a 145 kV GIS), and it plans to conduct LCA for three types of circuit breakers in 2026. These assessments covered 13 indicators, including Global Warming Potential, in accordance with the ISO 14040/14044 and EN 15804 standards.

LCA enables Hyosung Heavy Industries to simulate a product's carbon footprint and environmental impact from the bidding and design stages. The simulation spans the entire life cycle, from raw material production to the recovery stage, and analyzes the contribution and impact levels at each stage across 16 areas, including climate change, acid rain, ozone depletion, and water consumption. Based on the LCA results, Hyosung Heavy Industries systematized its raw material requirements and key process energy data to build a Life Cycle Inventory (LCI) database, thereby establishing a carbon emission calculation system that can be used during the bidding and design stages.

#### ISO 14040/ISO 14044-based LCA Execution Process



1) LCI: Life Cycle Inventory

## Metrics & Targets

### Sustainable Product Metrics and Targets

Hyosung Heavy Industries continues its efforts to enhance product sustainability by setting goals aligned with its sustainable business strategy and 2030 mid- to long-term roadmap.

#### Sustainable Product and Solution Goals

|                                                                |                                                                                                                                                                                                                                                                                                                                                          |                                |                                                         |      |                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                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| Securing a Low-Carbon Raw Material Supply Chain                | <ul style="list-style-type: none"><li>• In 2025, low-carbon raw materials were applied to electrical steel sheets, and verification of actual application following the procurement of low-carbon products was completed.</li><li>• Plan to transition existing suppliers to low-carbon products and identify new suppliers for wires by 2027.</li></ul> |                                |                                                         |      |                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                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| Establishment of SF <sub>6</sub> -Free GIS Development Roadmap | Gas-Insulated Switchgear (C4-FN Mix Gas)                                                                                                                                                                                                                                                                                                                 | Available Now<br>170kV<br>50kA | 2026<br>145kV<br>40kA<br>420kV<br>63kA<br>245kV<br>50kA | 2027 | 2028<br>245kV<br>63kA<br>420kV<br>80kA<br>145kV<br>63kA | 2029<br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br>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To manage issues related to 'Sustainable Products and Solutions', Hyosung Heavy Industries has established goals at the working-level department and manages performance indicators for eco-friendly product and service sales. In 2025, its eco-friendly product and service<sup>3)</sup> sales reached KRW 1,588.3 billion.

2) CRP: Contra-rotating propeller

3) Definition of criteria for eco-friendly products and services

○ Products and services that comply with the K-Taxonomy (Green Economic Activity Classification System) or © products and services recognized by the state or a third party for reducing environmental impact.

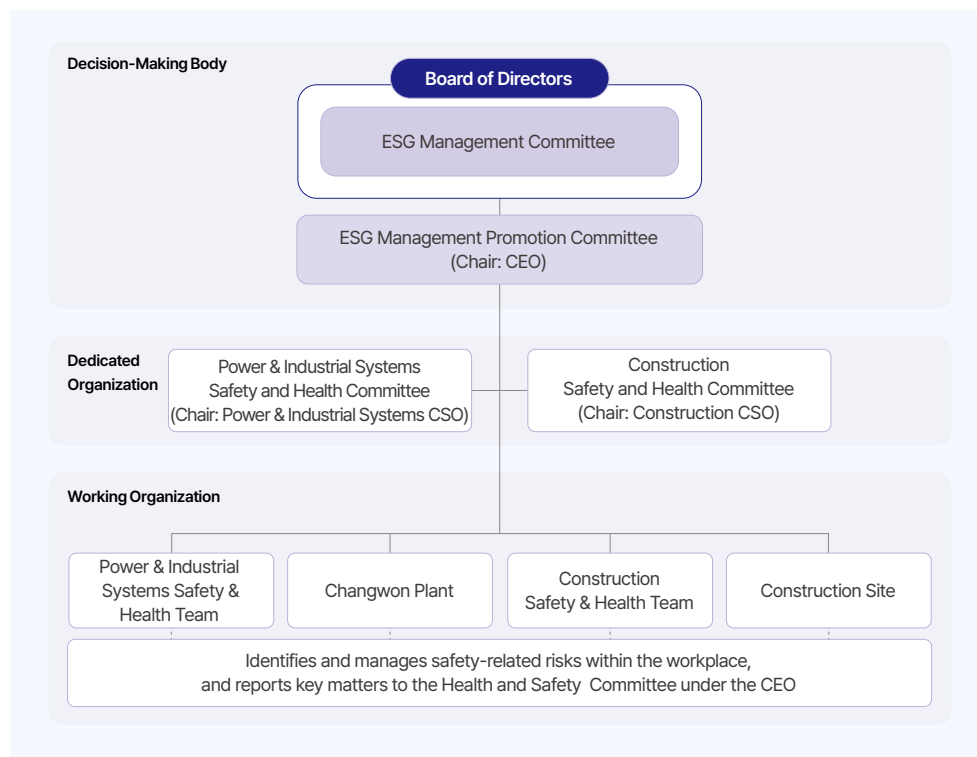
# Workplace Health and Safety

## Governance

### Health and Safety Management System

Hyosung Heavy Industries has established a governance system to manage safety and health across its entire value chain, from manufacturing to installation and after-sales service. The company operates this system by combining a field-oriented execution structure centered on the Chief Safety Officer (CSO) with board-level governance. To this end, Hyosung Heavy Industries has established a safety and health reporting line that runs from the workplace safety and environment organization to the General Safety and Health Manager, the CSO, and the CEO. In addition, the company operates consultative bodies to address safety and health issues across the company and its divisions, and it assigns safety and health-related KPIs to each executive and team leader to ensure the responsible management of these issues.

#### Health and Safety Management Organization



#### Health and Safety Reporting System

| Category                                                                                        | Roles                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CEO                                                                                             | <ul style="list-style-type: none"> <li>• Approving compliance results for safety and health obligations under the Serious Accidents Punishment Act</li> <li>• Making final decisions on management policies, mid- to long-term goals, and overall safety and health management</li> </ul> |
| CSO                                                                                             | <ul style="list-style-type: none"> <li>• Inspecting compliance with safety and health obligations under the Serious Accidents Punishment Act</li> <li>• Establishing and auditing management policies, mid- to long-term goals, and overall health and safety management</li> </ul>       |
| General Safety and Health Manager<br>(In case of emergency, Head of On-site Emergency Response) | <ul style="list-style-type: none"> <li>• Approving of site-specific goals and provision of support for their achievement</li> <li>• Assisting with practical matters such as workplace risk assessment</li> </ul>                                                                         |
| Workplace Safety and Environment Organization                                                   | <ul style="list-style-type: none"> <li>• Establishing workplace health and safety goals and objectives</li> <li>• Planning and executing workplace health and safety budgets</li> </ul>                                                                                                   |

#### Health and Safety Councils

| Category                            | Items                                                                     | Frequency                 |
|-------------------------------------|---------------------------------------------------------------------------|---------------------------|
| Common Division                     | Safety and Health Committee                                               | Quarterly                 |
|                                     | Health and Safety Workshop                                                | Quarterly                 |
|                                     | CSO-organized supplier meeting                                            | Semi-annually             |
| Power & Industrial systems Division | Health and Safety council for suppliers/ construction companies           | Semi-annually             |
|                                     | Health and Safety Council of the Three Heavy Electric Machinery Companies | Semi-annually             |
|                                     | Labor-Management Consultation Meeting                                     | Every 2 months (per site) |
| Construction Division               | Meeting with CEOs of suppliers                                            | Semi-annually             |

#### Health and Safety Executive KPIs

| Category    | KPI ratio                                                        | Items                                                                                                                                                                |
|-------------|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Executive   | 15%                                                              | <ul style="list-style-type: none"> <li>• Number of safety incidents</li> <li>• Number of safety and health regulation violations</li> </ul>                          |
|             | 20% (Manufacturing, Installation, A/S, Construction Departments) | <ul style="list-style-type: none"> <li>• Safety inspections</li> <li>• Safety training</li> </ul>                                                                    |
| Team leader | 10% (Non-manufacturing Departments)                              | <ul style="list-style-type: none"> <li>• Risk assessment</li> <li>• Accident investigation and response</li> <li>• Safety incidents/regulation violations</li> </ul> |

# Workplace Health and Safety

## Strategy

## Health and Safety Strategy

### Health and Safety Vision and Strategy

Considering the industrial characteristics of its Power & Industrial Systems Division and Construction Division, Hyosung Heavy Industries has established a health and safety vision and strategy for each division. Each division carries out its activities in accordance with its own health and safety vision and strategy, striving to achieve mid- to long-term goals such as ZERO serious accidents and the establishment of a strong health and safety culture.

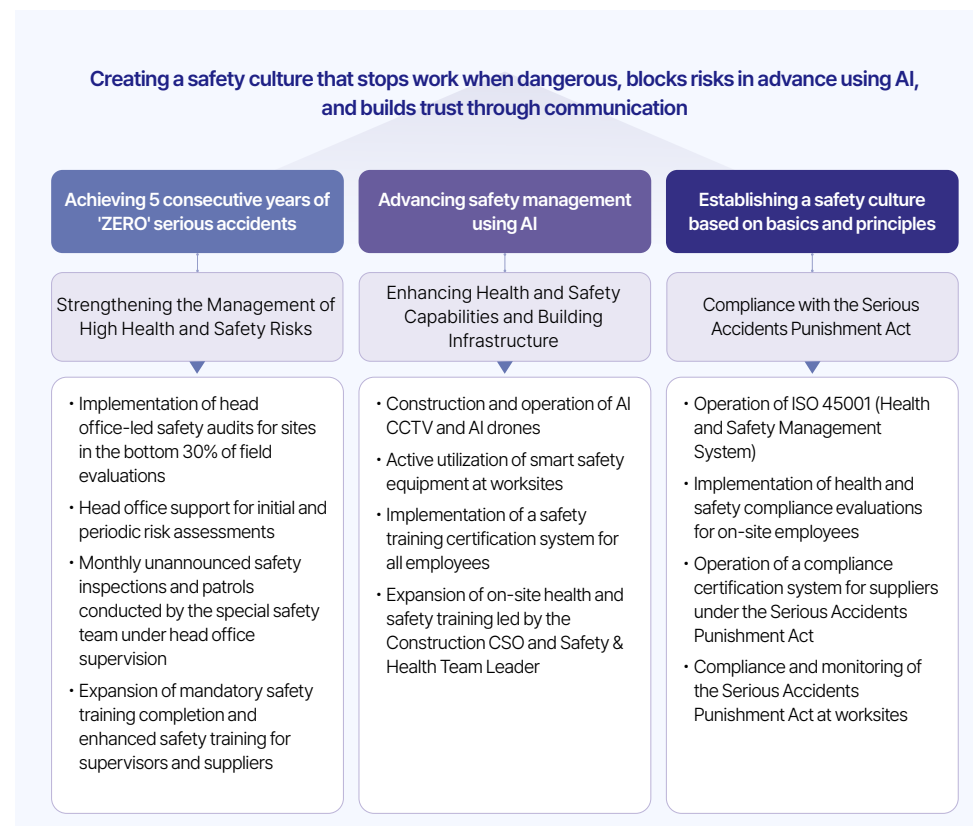
#### Health and Safety Vision of the Power & Industrial Systems Division

| Vision      | A Safe and Healthy Workplace without Industrial Accidents                                                   |                                                                                                          |                                                                                                               |
|-------------|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| 2026 Goal   | LTIR <sup>1)</sup> 0.39                                                                                     | Industrial accident rate 0.40                                                                            | Safety culture score <sup>2)</sup> 3.5                                                                        |
| Strategy    | Strengthening Safety Leadership                                                                             | Proactive Accident Prevention                                                                            | Risk Factor Management                                                                                        |
| Action Plan | <br><b>Competence</b>      | <br><b>Preparedness</b> | <br><b>Risk Evaluation</b>   |
|             | <br><b>Communication</b> | <br><b>Prevention</b> | <br><b>Risk Control</b>    |
|             | <br><b>Co-working</b>    | <br><b>Protection</b> | <br><b>Risk Monitoring</b> |

1) LTIR (Lost Time Injury Rate): An indicator calculating the frequency of accidents resulting in lost workdays per 200,000 hours worked, calculated as (Number of occupational accidents / Total hours worked) \* 200,000

2) ISRS (International Sustainability Rating System): DNV's global HSE and sustainability management evaluation framework, a system that indexes and evaluates an organization's safety management maturity, including its safety culture

#### Health and Safety Vision of the Construction Division



# Workplace Health and Safety

## Safety & Health Policy and Certification

Based on its company-wide Safety & Health Policy, Hyosung Heavy Industries establishes health and safety policies for each division and implements a procedure through which the CEO signs off on each policy. The company has standardized its operational guidelines and procedures for each division by developing a total of 57 detailed work manuals—16 for the common division, 28 for the safety division, and 13 for the health division. Hyosung Heavy Industries also regularly reviews and revises its health and safety regulations to reflect amendments to domestic and international health and safety laws, customer requirements, and the results of accident investigations.

To prevent occupational accidents and ensure systematic health and safety management, Hyosung Heavy Industries obtains domestic and international occupational health and safety certifications. The headquarters and plants (the Changwon Plant and Anyang Plant) are maintaining and renewing their ISO 45001 certification (May 2024 – April 2027), while the Construction Division completed its renewal audit in 2025 and is scheduled to undergo a surveillance audit in 2026 (certification valid until December 4, 2028).

### Health and Safety Policy of the Power & Industrial Systems Division

The Power & Industrial Systems Division prepares phased health and safety operational guidelines that apply to its entire value chain—including its manufacturing plant (Changwon), installation and commissioning sites, after-sales service (A/S) sites, and subcontractor activities—and carries out health and safety activities based on detailed regulations and procedures that reflect the division's business characteristics and inherent risks. All health and safety regulations are enacted based on laws, company-wide policies, customer requirements, and industry standards, and they specify the necessary control procedures—such as work permits, facility safety, and subcontractor management—for each process operation and business stage. In addition, the division produces and distributes a Safety Field Manual in both Korean and English for use at its plants and at off-site installation and A/S locations. Consisting of a total of 6 volumes and 152 chapters that take into account various internal and external work environments and hazardous machinery, the manual presents the risk factors that may arise during work as well as safety guidelines. It is also used as a reference for enacting and revising work standards, conducting safety inspections, and carrying out accident investigations.

### Safety Field Manual of the Power & Industrial Systems Division

| Classification | Category                                             | Item                                                                               |
|----------------|------------------------------------------------------|------------------------------------------------------------------------------------|
| Volume 1       | General Safety                                       | Workplace management, restriction of access to hazardous areas, work permits, etc. |
| Volume 2       | Industrial Machinery/Equipment                       | Forklifts, cranes, aerial work platforms, excavators, etc.                         |
| Volume 3       | Fire, Explosion, and Leakage Prevention and Response | Handling of chemical substances, fire prevention and response, etc.                |
| Volume 4       | General Health                                       | Material Safety Data Sheets (MSDS), prevention of health impairment, etc.          |
| Volume 5       | Climate and Natural Disasters                        | Winter fires, falling objects due to strong winds, etc.                            |
| Volume 6       | Protective Equipment                                 | Safety helmets, safety belts, dust masks, welding masks, etc.                      |

Hyosung Heavy Industries conducts risk assessments based on its Safety & Health Policy to identify hazards at each business stage, and it reflects the identified risk factors in its detailed regulations. The company regularly reviews and revises its health and safety regulations to reflect legal amendments, process changes, customer Pre-Qualification (PQ) requirements, and accident investigation results. It applies the revised regulations and procedures in the field through job-specific training and verifies compliance through inspections of compliance with health and safety obligations, monitoring of laws and regulations, and on-site inspections.

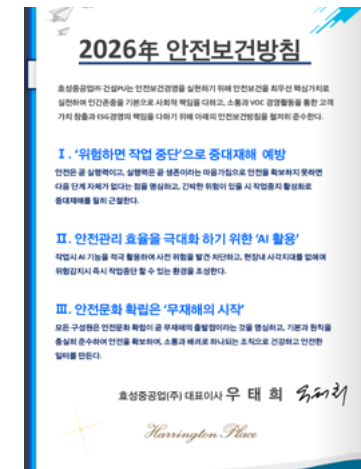
### Health and Safety Policy of the Construction Division

The Construction Division conducts regular risk assessments by establishing a Safety Field Manual and a joint risk checklist, and it strengthens its prevention-focused management system on this basis. The division mandates compliance with the health and safety manual during construction activities and fosters an environment in which work can be stopped immediately whenever safety is not secured.

### Health and Safety Policy of the Power & Industrial Systems Division and Construction Division



Health and Safety Policy of the Power & Industrial Systems Division



Health and Safety Policy of the Construction Division

\* As of May 13, 2026, the person in charge was changed from the CEO to the CSO to clarify authority and responsibility related to environment, safety, and health and to strengthen the CSO-centered management system.

# Workplace Health and Safety

## Enhancing Health and Safety Awareness

### Health and Safety Training

Hyosung Heavy Industries operates health and safety training programs tailored to different job levels and functions, in addition to the mandatory statutory health and safety training required for each division. The company also provides health and safety training programs not only to its own employees but also to workers at its suppliers, in order to raise their awareness of workplace hazards and risks, and it continues its efforts to mitigate health and safety-related risks.

#### Health and Safety Training in the Power & Industrial Systems Division

The Power & Industrial Systems Division operates training programs that reflect the characteristics of each job level and duty in order to strengthen its execution capabilities related to health and safety. A total of 222 members of the HSE (Health, Safety and Environment) organization and supervisors (such as team leaders and foremen) completed the professional health and safety course organized by the CSO, for a total of 3,136 training hours, and professional first-aid training was provided to 170 employees to enhance on-site emergency response. The division also conducts preliminary safety training for new hires, visitors, and suppliers to prevent exposure to workplace hazards, and it strengthens the learning foundation for workers by sharing accident cases and safety guidelines through bulletin boards.

#### Health and Safety Training Performance in the Power & Industrial Systems Division

| Category                              | Target Personnel                                                     | Content                                                                                                                                                      | Number of Trainees (Training Hours) |
|---------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Statutory Health and Safety Training  | Upon hiring, upon work change, regular/special (workers/supervisors) | Statutory health and safety training conducted according to target personnel classification                                                                  | 2,485 people (81,080 hours)         |
| In-house First Aid Personnel Training | Supervisors, safety personnel, safety managers                       | Action guidelines for each emergency situation (airway obstruction, bleeding, cardiac arrest, etc.), CPR, and how to use an automated external defibrillator | 170 people                          |
| Safety Training Videos                | Visitors to Changwon Plant, new employees, construction companies    | Production of safety training videos for 3 courses created at the Changwon Plant site and implementation of training                                         | -                                   |
| Professional Training Hosted by CSO   | Safety Professionals                                                 | Implementation of professional enhancement training for 6 courses including safety leadership and risk assessment                                            | 222 people (3,136 hours)            |

#### Health and Safety Training in the Construction Division

The Construction Division conducts special safety training for hazardous and high-risk work every quarter and operates customized safety training programs for the CSO, team leaders, and supplier workers. Since 2024, the Construction Division has operated a safety training certification system for site managers, supervisors, and Safety and Health Managers. Certification is granted upon completion of all courses—including Construction CSO training, Safety and Health Team leader/team training, statutory training, Korea Occupational Safety and Health Agency (KOSHA) online training, and practical training—which supports the improvement of the health and safety capabilities of suppliers and their workers. In 2025, the Construction Division conducted 81 safety training sessions for suppliers in the structural framing, civil engineering, and finishing divisions at 24 sites, reaching 2,268 participants, and it achieved a 98% completion rate for the safety training certification system that year.

#### Health and Safety Training Performance in the Construction Division

| Quarter | Content                                              | Number of Trainees (Training Hours) |
|---------|------------------------------------------------------|-------------------------------------|
| 2025 Q1 | Special Safety Training for Hazardous-High-Risk Work | 7,428 people (14,856 hours)         |
| 2025 Q2 |                                                      | 6,178 people (12,356 hours)         |
| 2025 Q3 |                                                      | 7,666 people (15,332 hours)         |
| 2025 Q4 |                                                      | 8,279 people (16,558 hours)         |
| 2025    | Construction CSO and Team Leader Safety Training     | 2,065 people                        |
|         | Supplier Worker Safety Training                      | 2,268 people                        |
|         | Safety Training Certification Completion             | 298 people                          |

# Workplace Health and Safety

## Safety Training

Hyosung Heavy Industries conducts emergency response training for situations such as workplace fires in each division to enhance its ability to respond to unexpected emergencies.

### Safety Training (Emergency Evacuation Drill) in the Power & Industrial Systems Division

The Power & Industrial Systems Division conducts regular emergency evacuation drills at its Changwon, Sejong, and Anyang Plants to ensure a rapid and systematic response in the event of emergencies such as fires. In January 2026, Changwon Plant 4 conducted a joint public-private firefighting drill in cooperation with the local fire station (Seongsan Fire Station) and carried out scenario-based training simulating actual disaster situations. The training covered practical response procedures, including the initial response to a fire, the evacuation of employees, the performance of duties by role, and cooperation systems with relevant organizations.

Through this employee-participatory training, the Power & Industrial Systems Division enhanced employees' understanding of their individual and departmental response roles. Through the joint public-private drill, the Division verified the effectiveness of its emergency response system and identified and implemented improvements, thereby continuously strengthening its company-wide emergency response capabilities and the level of on-site safety management.

### Emergency Evacuation Drill Performance of the Power & Industrial Systems Division

| Workplace      | Number of Target Personnel                 | Training Date          |
|----------------|--------------------------------------------|------------------------|
| Headquarters   | All personnel (On-Site Supplier Personnel) | October 10, 2025       |
| Changwon Plant |                                            | November 24 - 25, 2025 |
| Anyang Plant   |                                            |                        |
| Sejong Plant   |                                            | October 11, 2025       |



Changwon Plant 4  
Joint Public-Private  
Firefighting Drill

### Safety Training (Emergency Evacuation Drill) in the Construction Division

The Construction Division has prepared manuals for responding to serious accidents and conducts emergency preparedness drills to verify its emergency response measures. The division carries out this training quarterly by establishing various emergency scenarios tailored to each site, such as fires, collapses, falls, and electric shocks. Before each drill, the Construction Division reviews and revises its emergency response manual, and it shares the training results with all workers.

### Emergency Preparedness Drill Performance of the Construction Division

| Classification | Number of Sites | Number of Participants<br>(Hyosung Heavy Industries Personnel/On-Site Supplier Personnel) |
|----------------|-----------------|-------------------------------------------------------------------------------------------|
| Q1 2025        | 21sites         | 1,742 (314/1,428)                                                                         |
| Q2 2025        | 21sites         | 2,326 (322/2,004)                                                                         |
| Q3 2025        | 15sites         | 1,709 (251/1,458)                                                                         |
| Q4 2025        | 21sites         | 2,680 (374/2,306)                                                                         |



Construction Division  
Emergency  
Preparedness Drill

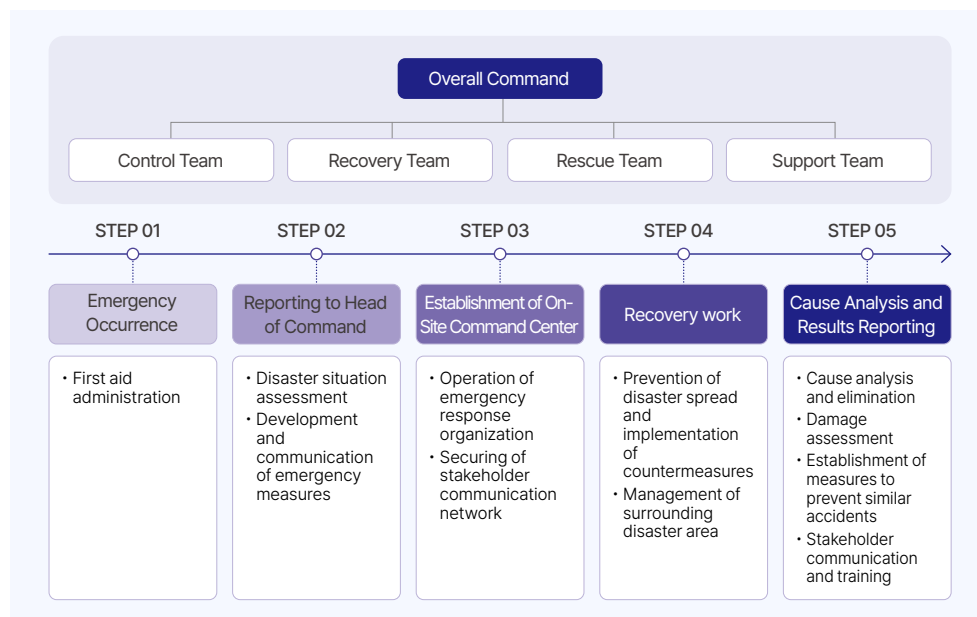
# Workplace Health and Safety

## Workplace Health and Safety Management

### Emergency Response Process

Hyosung Heavy Industries establishes and operates a standardized emergency response process to prepare for accidents and emergencies that may occur throughout the entire process of production, installation/commissioning, after-sales service (A/S) activities, and construction. In the event of an accident, Hyosung Heavy Industries analyzes the cause according to the procedure of 'accident investigation → reporting → follow-up management' and establishes and implements measures to prevent the recurrence of identical or similar accidents. In the event of an emergency, the company activates a functional response organization—consisting of a control team, recovery team, rescue team, and support team under the emergency command—to enable a rapid initial response and minimize damage, with each response team carrying out step-by-step actions in accordance with predefined roles and responsibilities. Hyosung Heavy Industries has designed an emergency response system that covers the entire process, from situation awareness and reporting, through on-site control and rescue activities and recovery work, to cause analysis and results reporting, and it continuously verifies the system's effectiveness through regular training and inspections.

#### Decision-making System and Process for Emergency Response



### Health and Safety Compliance Inspection and Regulatory Monitoring

Hyosung Heavy Industries periodically conducts health and safety compliance inspections and monitors relevant laws and regulations in order to assess the health and safety management systems of each division and site. In the event of an accident, Hyosung Heavy Industries analyzes the cause by classifying it into technical/facility factors, work-related factors, and management/education factors, and it implements measures to prevent similar accidents.

#### Health and Safety Compliance Inspection and Regulatory Monitoring in the Power & Industrial Systems Division

The Power & Industrial Systems Division conducts regular health and safety compliance inspections twice a year to check the operating status of its health and safety management system, identify issues arising in the work process, and implement improvement measures. In the event of a safety accident, the Division reviews whether any relevant laws—including the Serious Accidents Punishment Act—have been violated and analyzes the cause of the accident. Based on the results of this analysis, the Division establishes and implements improvement and recurrence-prevention measures based on the identified causes, and it shares the results with relevant departments to strengthen the prevention of similar accidents and the management of legal risks.

#### Health and Safety Compliance Inspection and Regulatory Monitoring in the Construction Division

The Construction Division also conducts health and safety compliance inspections and monitors relevant laws and regulations to prevent safety accidents and their recurrence. In 2025, the Construction Division identified the causes of accidents in detail and established response plans for each cause.

#### Status of the Construction Division's Health and Safety Compliance Inspection and Regulatory Monitoring Response in 2025

| Classification              | Cause                                                                                                                             | Response plan                                                                                                                                                      |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Technical/Facility Factors  | Insufficient prior awareness and prevention facilities for collisions during operation of heavy equipment (excavators, forklifts) | Installation of anti-entrapment systems for excavators and forklifts on site completed, and establishment of installation standards for new equipment introduction |
| Work-Related Factors        | Insufficient provision of manuals by work situation for workers to refer to on site                                               | Established and distributed the Safety Field Manual to all sites                                                                                                   |
| Management/Training Factors | Insufficient communication and education for foreign workers and sharing of work details                                          | Introduction of AI translation system at safety briefing areas and training centers to strengthen foreign language education and communication                     |

# Workplace Health and Safety

## Health and Safety Inspection Activities

### Health and Safety Inspection Activities in the Power & Industrial Systems Division

The Power & Industrial Systems Division conducts regular on-site safety inspections led by management, including the CSO once a month to intensively manage major high-risk factors. To create a safe working environment, the Division has established a continuous inspection system under the supervision of its field departments. It has also established a process whereby, upon identifying hazardous work conditions, work is immediately stopped and recurrence-prevention measures are formulated, with work resuming only after approval. In 2025, the Division identified and improved a total of 4,995 risk factors through its health and safety inspection activities, of which 151 cases involved immediate risk control through work stoppage measures.

### 2025 Results of Health and Safety Inspection Activities in the Power & Industrial Systems Division

| Category                                            | Inspection Name                                                   | Key Inspection Items                                                                                                                                                                                                                                                                                                                                    | Inspection Cycle                                                                                                                                         | Action Rate |
|-----------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Led by management                                   | Safety and Health Management (General) Manager and CSO Inspection | <ul style="list-style-type: none"> <li>Identification of critical risk factors in high-risk workplaces (7 groups)</li> <li>Confirmation of on-site improvements and communication</li> <li>Monitoring of accident recurrence prevention measures and on-site verification</li> </ul>                                                                    | Once a week                                                                                                                                              | 100%        |
|                                                     | Today's CSO Campaign (TCC)                                        | <ul style="list-style-type: none"> <li>Executives serve as daily CSOs to conduct on-site safety inspections and identify risk factors centered on high-risk workplaces</li> <li>Face-to-face safety communication between executives and field workers; immediate improvement of identified risk factors and verification of action results</li> </ul>  | Twice a month                                                                                                                                            | 100%        |
| Led by Operational Departments                      | Safety inspection by supervisors before work                      | <ul style="list-style-type: none"> <li>Performance of duties specified in the Occupational Health and Safety Act, such as daily safety inspections before work</li> <li>Health and Safety inspection of machinery, equipment, and facilities</li> <li>Inspection of workers' work clothes, personal protective equipment, and machine guards</li> </ul> | Once a day                                                                                                                                               | 100%        |
| Departmental Autonomy                               | Autonomous safety inspection                                      | <ul style="list-style-type: none"> <li>On-site verification of autonomous safety inspection improvement measures and thematic inspections</li> <li>Responsible Executive: Inspection of critical risk improvements</li> <li>Team Leader: Inspection of field issues and improvements</li> <li>Safety Manager: Safety inspections by theme</li> </ul>    | <ul style="list-style-type: none"> <li>Executive: Twice a month</li> <li>Team Leader: once a week</li> <li>Safety Manager: three times a week</li> </ul> | 100%        |
| (Changwon Plant) Led by Safety and Environment Team | Unannounced safety patrol                                         | <ul style="list-style-type: none"> <li>Identification and improvement of accident risks and regulatory non-compliance factors</li> </ul>                                                                                                                                                                                                                | Once a day                                                                                                                                               | 100%        |
|                                                     | Joint labor-management safety inspection (including suppliers)    | <ul style="list-style-type: none"> <li>Identification and improvement of workplace hazards and risk factors; communication of worker opinions for on-site improvements</li> </ul>                                                                                                                                                                       | Once a quarter                                                                                                                                           | 100%        |
|                                                     | Thematic safety inspection (fire, high-altitude, etc.)            | <ul style="list-style-type: none"> <li>Thematic safety inspections for critical disaster risk factors and hazardous equipment</li> <li>Derivation of fundamental improvement measures through observation of high-risk process workers' behavior</li> </ul>                                                                                             | As needed                                                                                                                                                | 100%        |
|                                                     | Construction Contractor Inspections                               | <ul style="list-style-type: none"> <li>Inspection of preliminary safety measures and implementation status for critical risk work (falls, falling objects, caught-in, electric shock, etc.)</li> </ul>                                                                                                                                                  | Upon occurrence                                                                                                                                          | 100%        |
| Led by External Organizations                       | Safety consulting                                                 | <ul style="list-style-type: none"> <li>Improvement of risk factors and linkage of work standards and safety standards through safety behavior observation analysis and consulting for high-risk work (20 selected tasks)</li> </ul>                                                                                                                     | Twice a year                                                                                                                                             | 100%        |

### Health and Safety Inspection Activities in the Construction Division

The Construction Division conducts on-site health and safety inspection activities once a month under the leadership of the CEO and CSO. The Division periodically reports site-related health and safety issues to the CEO, who issues improvement instructions based on health and safety management and activity plans for high-risk work. In 2025, the Construction Division conducted 305 unannounced safety inspections led by headquarters and issued 350 nonconformance reports based on risk factors identified through integrated control monitoring. As part of its 'Safety Hyosung 119' activities, it improves at least one risk factor per day and carries out proactive accident prevention activities by making daily risk assessments a routine practice. It has also established and operates a safety communication channel to enable rapid communication with suppliers and workers at construction sites.

### 2025 Results of Health and Safety Inspection Activities in the Construction Division

| Category                      | Inspection Name                               | Key Inspection Items                                                                                                                                                                                                                                                                                                    | Inspection Cycle           | Action Rate |
|-------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------|
| Led by Management             | On-site safety inspection led by the CEO      | <ul style="list-style-type: none"> <li>Inspection of on-site safety management performance and management practices</li> <li>Verification of accident cases and inspection of implementation status of recurrence prevention measures</li> </ul>                                                                        | Once a month               | 100%        |
|                               | Unannounced safety inspection by CSO          | <ul style="list-style-type: none"> <li>Inspection of safety management status and provision of safety training at sites with insufficient safety management and high-risk work sites</li> </ul>                                                                                                                         | As needed                  | 100%        |
| Led by Headquarters           | Unannounced safety inspection by headquarters | <ul style="list-style-type: none"> <li>Safety management evaluation proactive identification of risk factors, and verification of improvement measures</li> <li>1) Unannounced on-site safety inspection</li> <li>2) High-risk site inspection</li> <li>3) Feedback inspection</li> <li>4) Patrol inspection</li> </ul> | Once a quarter (as needed) | 100%        |
|                               | Safety audit                                  | <ul style="list-style-type: none"> <li>Safety audits for sites with low quarterly evaluations and the establishment of future safety management improvement plans</li> </ul>                                                                                                                                            | Once a quarter             | 100%        |
|                               | Safety Day Joint safety inspection            | <ul style="list-style-type: none"> <li>Joint labor-management inspections conducted by headquarters executives and team leaders through attendance at Safety Day events</li> </ul>                                                                                                                                      | Once a month               | 100%        |
| Led by Site Management        | Site Manager's patrol inspection              | <ul style="list-style-type: none"> <li>Patrol inspections by the site manager to verify the implementation of safety measures based on inspection results</li> </ul>                                                                                                                                                    | Once a day                 | 100%        |
|                               | Joint labor-management safety inspection      | <ul style="list-style-type: none"> <li>Identification of workplace hazards and risk factors and implementation of improvement measures through joint labor-management safety inspections</li> </ul>                                                                                                                     | Once every two months      | 100%        |
|                               | Daily safety inspection                       | <ul style="list-style-type: none"> <li>Daily inspections of on-site measures by safety and health managers</li> </ul>                                                                                                                                                                                                   | Once a day                 | 100%        |
|                               | Thematic safety inspection                    | <ul style="list-style-type: none"> <li>Safety inspections on the 4th, 14th, and 24th of each month, with selected themes such as Safety Day, fall accident prevention, and construction machinery and equipment inspection</li> </ul>                                                                                   | Once a week                | 100%        |
| Led by External Organizations | Autonomous safety consulting                  | <ul style="list-style-type: none"> <li>Internal safety inspections and the identification and improvement of risk factors through external specialized institutions designated by the Ministry of Employment and Labor</li> </ul>                                                                                       | Once a month               | 100%        |

# Workplace Health and Safety

## Health and Safety Management Activities

### Establishment of Safety Management Measures for Older Workers

The Power & Industrial Systems Division establishes safety management standards that take into account the health status of workers from on-site subcontractor, construction contractors, and off-site installation and service suppliers, while establishing detailed safety management measures specifically for older workers. In consideration of older workers' declining physical and cognitive functions, the Division has established criteria to restrict their assignment to high-risk tasks, such as those performed at heights or in confined spaces. For individuals with findings such as hypertension or diabetes, the Division determines their suitability for field deployment by reviewing follow-up management measures and medical opinions.

### Subscription to a Global Comprehensive Safety Management Service

The Power & Industrial Systems Division subscribed to a safety management service in 2025 to ensure the safety of overseas employees working at its 14 global subsidiaries. Because existing insurance focused on damage compensation had limitations in providing local medical services and initial responses during emergencies, the Division introduced a global comprehensive safety management service capable of 24/7 emergency response. By subscribing to this service, the Division receives advance information on health and safety at its overseas workplaces, enabling it to establish a rapid company-wide response system and minimize related damages.

### Usage Status of Global Comprehensive Safety Management Service

| Period                       | Service Inquiry Request Count | Service Usage Count | Remarks (Detailed Count)                                   |
|------------------------------|-------------------------------|---------------------|------------------------------------------------------------|
| April 2024 ~<br>January 2026 | 210 cases                     | 11 cases            | - Medical 5 cases<br>- Security 5 cases<br>- Travel 1 case |

### Establishment of Safety Business Intelligence (BI)

The Power & Industrial Systems Division has established a Safety BI system that integrates and analyzes accident and risk data, enabling it to manage key safety indicators in real time and operate a data-driven risk prediction and safety management system. Through this Safety BI system, the Division ensures the reliability of company-wide health and safety decision-making and enhances its response speed.



Safety BI

### Advancement of the Health and Safety Management System Based on the Council of the Three Major Heavy Electric Machinery Companies

The Power & Industrial Systems Division has established a system to proactively respond to various safety requirements by cooperating with the Health and Safety Council of the Three Major Heavy Electric Machinery Companies and with Pre-Qualification (PQ) clients such as AusNet and TenneT. Based on discussions with this council and PQ clients, the Division has established a global-level health and safety management system and is pursuing an integrated health and safety strategy that includes strengthening the management of suppliers and installation sites, enhancing emergency response, and improving training systems. The Division holds council meetings on a semi-annual basis to share the results of mandatory measure inspections and the status of its health and safety management.



Safety Council of the Three Major Heavy Electric Equipment Companies

# Workplace Health and Safety

## Safety Talk Program

Hyosung Heavy Industries has continuously operated the 'Safety Talk' program—which shares safety-related topics before meetings begin—since March 2025 to enhance employees' voluntary safety awareness and establish a culture of practicing safety in daily life. In 2025, the company advanced the implementation of Safety Talk for company-wide meetings from the establishment stage to the enhancement stage, promoting safety communication activities centered on employee participation rather than the simple delivery of information. Meeting organizers conduct Safety Talk using content registered on the 'Safety Hyosung 119' bulletin board, the company's in-house safety management platform, thereby fostering a shared safety consensus and autonomous risk-prevention activities based on various topics such as seasonal risk factors, changes in the work environment, accident cases, and near misses.



Safety Talk Content

## Health and Safety Campaign

The Power & Industrial Systems Division regularly conducts a 'Commuter Safety Campaign' twice a year (in March and September 2025) for employees at the Changwon Plant to raise health and safety awareness and promote a culture of voluntary safety. To build a shared awareness of safety from the moment employees arrive at work, the Division ran the campaign during commuting hours at the main gate and general entrance of Changwon Plant 1 and at the main gate of Changwon Plant 3, refreshing employees' safety awareness through safety-related audio broadcasts and the posting of visual materials. Beyond basic safety rules—such as in-house traffic safety rules (using two-wheeled vehicles only for business purposes, wearing safety helmets, and observing speed limits) and the use of pedestrian walkways—the Division also communicated key measures for preventing serious accidents, including wearing personal protective equipment, managing high-risk facilities, and following the Safety Golden Rule.



Commuter Safety Campaign Activities

The Construction Division plans and operates various health and safety campaigns to enhance employees' health and safety awareness.

## Health and Safety Campaign Performance

| Classification                                                 | Date/Frequency   | Content                                                                                                                                                                                                                      |
|----------------------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Quarterly Health and Safety Evaluation Outstanding Site Awards | Once a quarter   | • Support for coffee and snack trucks for the highest-performing sites in the health and safety evaluation and sites with significantly improved levels compared to the previous quarter, and awards for outstanding workers |
| Heat-related Illness Prevention Campaign                       | July–August 2025 | • Provision of support items for preventing heat-related illnesses during the summer season (conducted twice)                                                                                                                |
| Safety Day Event                                               | Once a month     | • Joint health and safety inspections and activities to award outstanding suppliers<br>• Expanded to twice a month from August 2025                                                                                          |
| Resolution Rally for Achieving 'ZERO' Serious Accidents        | March 2025       | • Rally held to achieve 'ZERO' serious accidents for 4 consecutive years                                                                                                                                                     |



Construction Division Resolution Rally for Achieving 'ZERO' Serious Accidents



Quarterly Health and Safety Evaluation Outstanding Site Awards

# Workplace Health and Safety

## Employee Health Promotion

### Employee Health Promotion Activities

#### Employee Health Checkups

Hyosung Heavy Industries provides health checkups for all employees and offers group accident insurance to ensure a safe working environment, while also providing special health checkups for employees exposed to hazardous factors.

- Health Checkup Participation Rate<sup>1)</sup>: 99.1%

#### Occupational Health Physician Consultation

Hyosung Heavy Industries operates a customized health management program—including consultations with occupational health physicians and the prescription of medication—for employees in the high-risk group among those with findings of diabetes. In 2025, Hyosung Heavy Industries operated a total of 20 consultation programs for 853 employees.

#### Implementation of a Smoking Cessation Program

Hyosung Heavy Industries operates a smoking cessation program for employees who wish to quit smoking, helping them improve their lifestyle habits and prevent diseases. To improve employees' health, Hyosung Heavy Industries encourages smoking cessation through occupational health physician consultations, health education, and individual management support.

#### Conclusion of Emergency Medical Agreements at Changwon Plant

Hyosung Heavy Industries has entered into emergency medical agreements with six medical institutions in Changwon (two general hospitals and four hospitals) to ensure the rapid transport and appropriate treatment of patients in the event of an emergency. Through these partnerships with designated hospitals capable of providing specialized treatment by accident type, Hyosung Heavy Industries has established a 24-hour emergency response system.

1) Non-examinees were excluded as they were all on industrial accident leave or leave of absence (as of 2025).

## Supply Chain Health and Safety Management Activities

### Supplier Health and Safety Competency Assessment

#### Supplier Health and Safety Competency Assessment in the Power & Industrial Systems Division

To systematically manage the health and safety management capabilities of its suppliers for contracting, service, and outsourcing, the Power & Industrial Systems Division has introduced and operated a semi-annual health and safety assessment for qualified suppliers since 2025, and it has established and operated a supply chain safety management system on this basis. The Division pre-diagnoses the health and safety management level of its suppliers and selects excellent suppliers based on the assessment results, while promoting capability-building activities through consultations for suppliers that require improvement. The Division also assesses construction companies for each project to check the level of health and safety management during the site operation process.

#### Qualified Supplier Assessment Results in the Power & Industrial Systems Division

| Classification Target                          |                          | Assessment    | Assessment Results |                                            |
|------------------------------------------------|--------------------------|---------------|--------------------|--------------------------------------------|
|                                                |                          |               | Qualified          | Disqualified                               |
| 2025 First Half Qualified Supplier Assessment  | Contractors              | 179 companies | 178 companies      | 1 company<br>(Bidding restriction measure) |
|                                                | Construction Contractors | 95 companies  | 95 companies       | -                                          |
| 2025 Second Half Qualified Supplier Assessment | Contractors              | 107 companies | 107 companies      | -                                          |
|                                                | Construction Contractors | 61 companies  | 61 companies       | -                                          |

#### Supplier Health and Safety Competency Assessment in the Construction Division

The Construction Division conducts multifaceted competency diagnoses to regularly evaluate the health and safety management level of its suppliers. It requires all suppliers applying for new registration to submit the results of health and safety level assessments from credit rating agencies. For suppliers currently performing construction work, it conducts semi-annual health and safety management assessments, providing incentives such as guaranteed bidding opportunities to excellent suppliers while applying penalties such as bidding restrictions to poor-performing suppliers. In addition, suppliers that experience accidents during construction or conceal accidents that have occurred are restricted from participating in bids for a certain period.

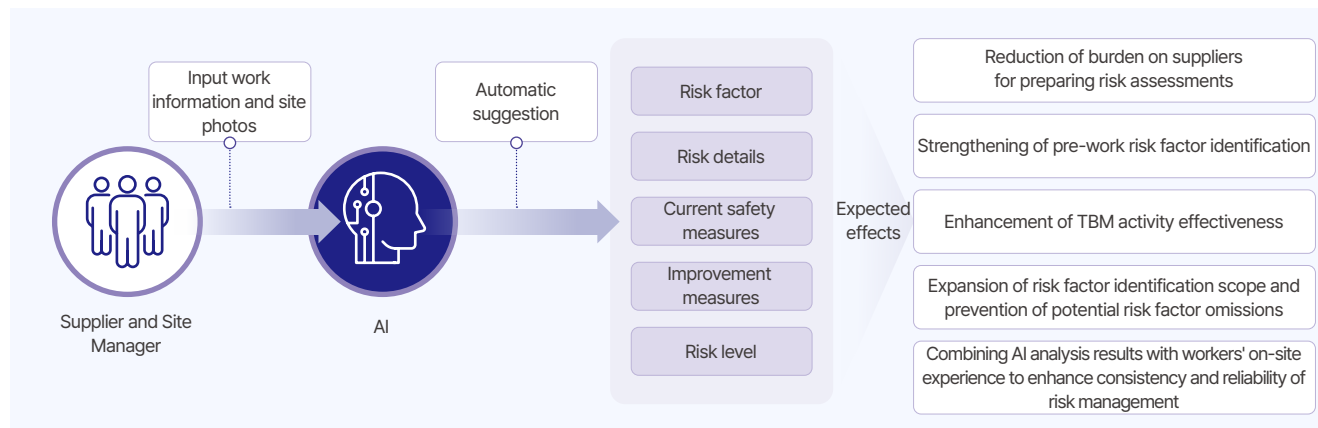
# Workplace Health and Safety

## Introduction of AI Risk Assessment System

Hyosung Heavy Industries establishes and operates an AI risk assessment system to create a safer work environment together with its suppliers and to improve the level of health and safety across the entire supply chain. The assessment results generated by the AI are designed so that the person in charge can modify and supplement them to reflect site conditions, and these results are used for on-site training and as materials to be shared before work. Hyosung Heavy Industries built the system in an open web environment accessible to anyone, enhancing accessibility so that not only its suppliers but also external companies can use it.

In March 2026, Hyosung Heavy Industries first distributed the AI risk assessment system to 77 on-site suppliers, and in April 2026, it was rolled out to external suppliers through the Supplier Relationship Management (SRM) system. Going forward, Hyosung Heavy Industries plans to continuously identify potential risk factors at its sites using the AI risk assessment system and to establish improvement measures for the identified factors. The company also plans to strengthen its monitoring of the implementation of these measures, thereby establishing a management system that connects the discovery, improvement, and verification of risk factors.

## AI Risk Assessment System



## Regular Health and Safety Meetings for On-Site Supplier Representatives

As part of its industrial accident prevention measures, the Power & Industrial Systems Division holds monthly consultations with on-site supplier representatives on health and safety matters, such as work process adjustments and evacuation methods in the event of an accident. Through these regular health and safety meetings, the Division helps to bridge the health and safety gap between prime contractors and subcontractors and to prevent safety accidents at the workplace.

## 2025 Performance of Regular Health and Safety Meetings for On-Site Supplier Representatives

| Classification      | Number of regular meetings held | Opinion gathering and improvement |
|---------------------|---------------------------------|-----------------------------------|
| Target              | 12 cases                        | 29 cases                          |
| Performance         | 12 cases                        | 29 cases                          |
| Implementation rate | 100%                            | 100%                              |



Health and Safety Meeting for In-house Partner Representatives

# Workplace Health and Safety

## Risk Management

### Health and Safety Risk Management

#### Workplace Risk Assessment

The Power & Industrial Systems Division systematically conducts health and safety risk assessments to proactively identify potential hazards and prevent industrial accidents across all manufacturing, installation, commissioning, and after-sales service activities. The Division applies these risk assessments to all of its business sites, including Changwon Plant, Anyang Plant, Sejong Plant, and Headquarters. It operates the system by dividing assessments into regular and ad-hoc assessments, conducting regular assessments periodically to reflect the specific processes and work characteristics of each site. When new equipment is introduced, processes or work procedures change, or accidents or near misses occur, the Division identifies additional hazards through ad-hoc risk assessments and establishes immediate control measures.

The Power & Industrial Systems Division establishes improvement measures for the hazards identified through these assessments and implements them in stages, tracking and managing improvement performance through regular monitoring and health and safety meetings. In 2025, the Division completed improvement measures for a total of 2,297 risk factors, continuously reducing the level of risk at its work sites. After implementing improvement measures, it compares and analyzes residual risk through re-assessment and verifies the effectiveness of its mitigation measures, ensuring that risk assessment results lead to practical on-site improvements.

The Construction Division operates a four-stage assessment system: an initial risk assessment (conducted once for all work types at the start of construction), a regular risk assessment (re-assessed once a year), an ad-hoc risk assessment (conducted twice a month to identify and address hazards in current work types), and a daily risk assessment (sharing risks with all workers during morning briefings). The headquarters provides technical support<sup>1)</sup> when the Division conducts initial and regular risk assessments, while ad-hoc risk assessments are performed immediately whenever conditions requiring a non-periodic assessment arise, allowing the Division to proactively identify and manage on-site hazards. In 2025, the headquarters provided technical support on 11 occasions to help resolve hazards identified through risk assessments and conducted 38 implementation inspections<sup>2)</sup> to check the appropriateness of assessment implementation and identify any omissions or deficiencies.

#### Risk Assessment Cycle

| Classification          | Cycle and Implementation Conditions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Regular Risk Assessment | Once a year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Ad-hoc Risk Assessment  | Conducted immediately upon the occurrence of the following conditions for ad-hoc risk assessment<br>1) When new processes and work procedures are introduced or changed<br>2) When new equipment is introduced or expanded (if there is a possibility of additional risk exposure even for existing equipment, an assessment is performed)<br>3) When there are processes or activities subject to changes in regulations<br>4) When there is a change in important products or raw materials produced or used<br>5) When industrial accidents or near-misses occur within the company |

1) Technical support: Support for drafting initial/regular risk assessments through site visits by headquarters personnel  
2) Implementation inspection: Verification and supplementation of the appropriateness of assessments and identification of omissions or deficiencies

#### Power & Industrial Systems Division Risk Assessment Results (Unit: cases)

| Classification                            | Head-quarters | Chang-won Plant | Anyang Plant | Sejong Plant | Total       |
|-------------------------------------------|---------------|-----------------|--------------|--------------|-------------|
| Total risk factors identified (High risk) | 253 (3)       | 655 (113)       | 349 (11)     | 10 (4)       | 2,321 (131) |
| Improvements completed (High risk)        | 253 (3)       | 631 (89)        | 349 (11)     | 10 (4)       | 2,297 (107) |

#### Effectiveness evaluation results of health and safety mitigation measures in the Power & Industrial Systems Division<sup>3)</sup>

| Classification | Before improvement | After improvement |
|----------------|--------------------|-------------------|
| Headquarters   | 3.3 points         | 1.3 points        |
| Changwon Plant | 3.1 points         | 2.4 points        |
| Anyang Plant   | 3.1 points         | 1.4 points        |

3) Scoring of items with a risk grade of C or higher on a scale from A (5 points) to E (1 point) and calculation of pre- and post-improvement averages (maximum score: 5 points)

#### Construction Division Risk Assessment Results

| Classification                 | Cycle     | Number of hazards identified |             |             |             |             |
|--------------------------------|-----------|------------------------------|-------------|-------------|-------------|-------------|
|                                |           | Q1                           | Q2          | Q3          | Q4          | Total       |
| Risk assessment implementation | Bi-weekly | 1,094 cases                  | 1,205 cases | 1,414 cases | 1,644 cases | 5,357 cases |

# Workplace Health and Safety

## Metrics & Targets

### Health and Safety Metrics and Targets

Hyosung Heavy Industries manages and monitors its performance by establishing health and safety management metrics that reflect the characteristics of each division.

#### Power & Industrial Systems Division Health and Safety Target Status

| Metric                             | Unit                | 2025 Performance | 2026 Target | 2028 Target | 2030 Target |
|------------------------------------|---------------------|------------------|-------------|-------------|-------------|
| Industrial Accident Rate           | %                   | 0.69             | 0.40        | 0.31        | 0.24        |
| LTIR <sup>1)</sup>                 | Cases/200,000 Hours | 0.66             | 0.39        | 0.29        | 0.23        |
| Safety Culture Score <sup>2)</sup> | Points              | 3.0              | 3.5         | 4.5         | 6.0         |

#### Power & Industrial Systems Division Health and Safety Metrics

| Metric                                                                      | Unit   | 2023 | 2024  | 2025  |
|-----------------------------------------------------------------------------|--------|------|-------|-------|
| Serious Accidents (Fatalities, etc.)                                        | Cases  | 1    | 0     | 0     |
| Major Injuries (Hospitalization of 1 month or more)                         | Cases  | 0    | 0     | 2     |
| Minor Injuries (Hospitalization of less than 1 month)                       | Cases  | 9    | 16    | 20    |
| Number of Training Completers <sup>3)</sup>                                 | Person | -    | 284   | 322   |
| Number of Safety Certification Holders <sup>3)</sup>                        | Person | -    | 2     | 11    |
| Worker Opinion Collection <sup>3)</sup>                                     | Cases  | -    | 145   | 275   |
| Number of On-site Consultations by Safety Experts                           | Times  | 50   | 34    | 62    |
| Unsafe Condition Improvement <sup>3)</sup>                                  | Cases  | -    | 3,679 | 4,995 |
| Safety Investment and Maintenance <sup>3)</sup>                             | Cases  | -    | 14    | 56    |
| Number of Employees Completing Specialized First Aid Training <sup>3)</sup> | Person | -    | 128   | 170   |
| Potential Hazard Improvement                                                | Cases  | 607  | 835   | 1,058 |
| Work (Use) Stoppage <sup>3)</sup>                                           | Cases  | -    | 78    | 151   |
| Excluded Suppliers <sup>3)</sup>                                            | EA     | -    | 1     | 1     |

1) Frequency of lost-time injuries per 200,000 hours

2) A score calculated by evaluating the organization's safety culture maturity based on DNV's International Safety Rating System (ISRS) (The highest level of safety culture score achievable in the manufacturing industry is 6.0)

- Base Year: 2024 (Score: 2.7)

- Final Target: 2030 (Score: 6.0)

3) Data collected from 2024

#### Construction Division Health and Safety Target Status

| Metric                           | Unit | 2025 Performance | 2026 Target | 2027 Target | 2028 Target |
|----------------------------------|------|------------------|-------------|-------------|-------------|
| Fatality Rate per 10,000 Workers | ‰    | 0                | 0           | 0           | 0           |

#### Construction Division Health and Safety Metrics

| Metric                                                                                              | Unit   | 2023   | 2024   | 2025        |
|-----------------------------------------------------------------------------------------------------|--------|--------|--------|-------------|
| Non-Reporting and Concealment of Industrial Accidents                                               | Cases  | 0      | 0      | 0           |
| On-site Safety Education Conducted by Construction CSO and Construction Safety & Health Team Leader | Times  | 91     | 91     | 91          |
| ISO 45001 (Health and Safety Management System) Operation and Surveillance Audit Passed             | Cases  | 1      | 1      | 1           |
| Initial and Regular Risk Assessment Head Office Support                                             | Times  | -      | 22     | 11          |
| Establishment and Dissemination of Risk Assessment Guidelines                                       | Times  | 1      | 1      | 1           |
| Unannounced Inspection of Risk Assessment Implementation Level                                      | Times  | -      | 29     | 38          |
| Safety Education Certification Completion Rate                                                      | %      | -      | 93     | 98          |
| Special Safety Education Completion                                                                 | Person | 22,246 | 20,855 | 34,799      |
| Worker Health Checkup                                                                               | Person | 2,724  | 4,678  | 8,489       |
| Work Environment Measurement                                                                        | Times  | 55     | 46     | 47          |
| Risk Assessment                                                                                     | Times  | 3,312  | 3,295  | 4,744       |
| Safety Consulting                                                                                   | Times  | 71     | 174    | 219         |
| Worker Opinion Collection                                                                           | Cases  | 515    | 157    | 347         |
| Outstanding Worker Awards <sup>4)</sup>                                                             | Times  | 205    | 293    | 602(Person) |
| Joint Labor-Management Safety Inspection                                                            | Times  | 245    | 208    | 323         |

4) The unit was changed due to a change in the 2025 data collection method (Times > Person)

# Sustainable Supply Chain

## Governance

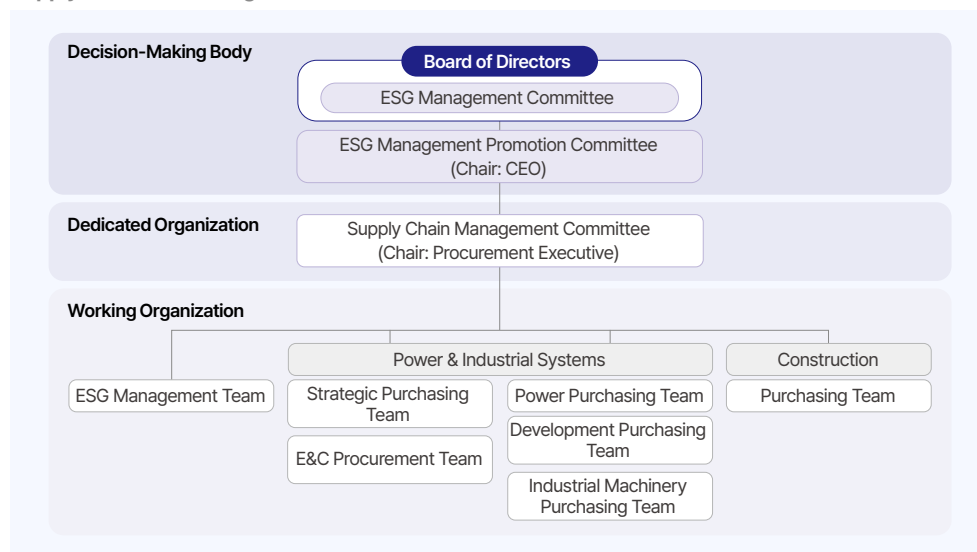
### Sustainable Supply Chain Management System

Hyosung Heavy Industries has established and operates a company-wide management system centered on the purchasing departments of each business site to build a sustainable supply chain.

At the highest level, the ESG Management Committee serves as the top decision-making body under the Board of Directors. It reviews key supply chain-related issues identified through materiality assessments and holds ultimate management and oversight responsibility for establishing and implementing sustainable supply chain strategies, based on its deliberation and decision-making on risks and opportunities across the entire supply chain. The ESG Management Promotion Committee, chaired by the CEO, deliberates and approves agenda items related to sustainability management—such as supply chain management goals and strategies—and refers items requiring reporting, deliberation, or decision-making to the ESG Management Committee under the Board of Directors.

At the execution level, the Supply Chain Management Committee, operating under the procurement executives of the Power & Industrial Systems Division and Construction Division, oversees the tasks necessary for sustainable supply chain operations, including supplier sustainability assessments, risk management, improvement activity planning, and training, while regularly monitoring their progress and performance. Supporting these efforts, the ESG Management Team is responsible for the quarterly monitoring and comprehensive management of supply chain risks. Finally, the Power & Industrial Systems and Construction Purchasing Teams, centered on the purchasing organizations of each business site, carry out sustainable procurement tasks such as supplier sustainability assessments, risk identification and improvement activities, and training and monitoring.

#### Supply Chain ESG Management Governance



## Strategy

### Sustainable Supply Chain Management Strategy

#### Supply Chain Management Strategy

Hyosung Heavy Industries has established a supply chain management strategy to strengthen the stability and sustainability of its supply chain and build long-term partnerships with suppliers to realize 'Nurturing Partnerships'.

#### Sustainable Supply Chain Management Strategy



# Sustainable Supply Chain

## Sustainable Supply Chain Management Policy

Hyosung Heavy Industries establishes and operates various supply chain management policies to foster a fair trade culture with its suppliers and build trust-based partnerships.

- Sustainable Supply Chain Policy: Established to manage risks within the supply chain and enhance the competitiveness and sustainability capabilities of suppliers, this policy strengthens the ESG risk management system across the entire supply chain by incorporating a due diligence framework based on the OECD Guidelines in October 2025.
- Supplier Code of Conduct: Established by reflecting international standards such as the Universal Declaration of Human Rights, the Ten Principles of the UN Global Compact (UNGC), the core conventions of the International Labour Organization (ILO), and the OECD Guidelines, this code aims to achieve shared growth by forming transparent and fair trade relationships with suppliers.
- Procurement Code of Ethics and Guidelines for Practice: Hyosung Heavy Industries has established six key guidelines for the purchasing department to ensure compliance with laws and regulations and to establish a fair trade culture.

## Supplier Code of Conduct Compliance Pledge

To establish a cooperation framework for due diligence in compliance with the EU Corporate Sustainability Due Diligence Directive (CSDDD) and the Hyosung Heavy Industries Supplier Code of Conduct, Hyosung Heavy Industries includes relevant clauses in all contracts with its suppliers. Since August 2024, the company has expanded the scope of those required to sign the pledge to include overseas suppliers.

## Request for Compliance with Supplier Sustainability Management Requirements

Hyosung Heavy Industries raises ESG awareness across its entire supply chain by providing suppliers with guidance on its 'Sustainability Management Compliance Requirements'. In March, July, and September 2025, the company shared global regulatory trends and response measures with suppliers that had order records (1,264 domestic and 375 overseas suppliers) covering topics such as the eradication of forced labor and human trafficking, the prohibition of conflict minerals, and responsible mineral sourcing.

In addition, Hyosung Heavy Industries conducted a full investigation of 1,639 suppliers in the Power & Industrial Systems Division and 881 suppliers in the Construction Division to check for human rights risks such as forced labor and child labor. As a result, the company confirmed that it had no transaction records involving products produced in human rights-vulnerable regions and reported the findings to the ESG Management Promotion Committee (as of 2025).

## Fair Trade Activities

Hyosung Heavy Industries has adopted the Fair Trade Commission's recommendations—the 4 Key Fair Trade Practices—as internal regulations to prohibit in principle retaliatory acts, such as the unilateral restriction or suspension of transactions, and to strengthen rational and transparent cooperative relationships with its suppliers.

### Key Fair Trade Practices



Hyosung Heavy Industries complies with the standard subcontracting agreement published by the Fair Trade Commission and applies it to its contracts. This standard subcontracting agreement includes clauses that safeguard the tangible and intellectual property rights of suppliers, such as the prohibition of the forced provision of technical data, the escrow of technical data, the licensing and warranty of intellectual property rights, and the transfer of ownership of the subject matter.

# Sustainable Supply Chain

## Supply Chain Collaborative Partnership

### Supply Chain Collaborative Partnership Program

Hyosung Heavy Industries recognizes the competitiveness of its suppliers as a key driver of sustainable growth and operates various supply chain collaborative partnership programs to strengthen their competitiveness in quality, delivery, and price, as well as their sustainability management capabilities. Through these programs—which include sustainability management training and consulting, energy-saving consulting and equipment support, improvements in safety, quality, and productivity, and support for better working environments—the company enhances the ESG capabilities of its suppliers. As a result of establishing a fair trade order and promoting collaborative partnership activities, Hyosung Heavy Industries achieved an "Excellent" rating in the 2025 Win-Win Growth Index evaluation announced by the Korea Commission for Corporate Partnership (KCCP).

#### 2025 Supply Chain Collaborative Partnership Performance<sup>1)</sup>

| Theme                                            | Program Name                                                                 | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2025 Performance                                                                                                                                                                                      | Support Amount (KRW million) |
|--------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Climate Change Response                          | Energy-saving consulting and equipment support                               | <ul style="list-style-type: none"> <li>Identify and support measures to reduce energy loss and consumption through on-site diagnosis of suppliers</li> <li>Support for reducing energy costs and carbon emissions for suppliers</li> </ul>                                                                                                                                                                                                                                                        | Conducted on-site diagnosis and consulting for 2 companies and supported energy efficiency improvements through the introduction of air compressors and replacement of inverter-type air conditioners | 90                           |
|                                                  | Support for air pollution prevention facilities                              | <ul style="list-style-type: none"> <li>Reduction of air pollutant emissions and improvement of local air quality through the replacement of aging air pollution prevention facilities</li> <li>Promote improvement of supplier working environments and product quality through enhanced dust collection performance</li> </ul>                                                                                                                                                                   | Supported the replacement of aging filtration and dust collection facilities for 1 company                                                                                                            |                              |
| Supply Chain ESG Management Support              | ESG management training and consulting support                               | <ul style="list-style-type: none"> <li>Diagnosis of supplier sustainability management capability levels and provision of result reports</li> <li>Expert training and consulting support to strengthen supply chain risk management capabilities</li> </ul>                                                                                                                                                                                                                                       | Provided ESG diagnosis and result reports to 352 companies, and sustainability management training and consulting support to 30 companies                                                             | 151                          |
|                                                  | Support for Serious Accidents Punishment Act compliance certification        | <ul style="list-style-type: none"> <li>Support for risk assessment and consulting for suppliers in connection with law firms</li> <li>Granting Serious Accidents Punishment Act compliance certification to companies that have completed the improvement of identified issues</li> </ul>                                                                                                                                                                                                         | Provided training and consulting to 41 companies to support SCC (Safety Certificate for Contractors) certification                                                                                    |                              |
| Safety & Working Environment Improvement Support | Support for Voluntary Safety Consulting                                      | <ul style="list-style-type: none"> <li>Provision of voluntary safety consulting and safety management capability-building training for suppliers in partnership with external specialized institutions designated by the Ministry of Employment and Labor</li> <li>Support for suppliers in establishing their own voluntary safety management systems through on-site safety inspections, the identification of risk factors, and the proposal of improvement measures via consulting</li> </ul> | Provided voluntary safety consulting and training to 149 suppliers at 20 sites                                                                                                                        | 307                          |
|                                                  | Safety supplies support                                                      | <ul style="list-style-type: none"> <li>Conducting safety diagnosis and training for suppliers</li> <li>Improvement of supplier health and safety environments and creation of safe working environments through support for AI scream recognition safety systems, forklift safety devices (AI forklift black box, safety sensors, rear cameras), airbag vests, and aerial work platforms</li> </ul>                                                                                               | Supported 10 companies with safety equipment to prevent industrial accidents such as caught-in and fall accidents                                                                                     |                              |
|                                                  | Working environment improvement support                                      | <ul style="list-style-type: none"> <li>Support for supplies to protect workers and prevent industrial accidents in response to heat waves and cold waves</li> <li>Support for facilities to improve working environments and prevent respiratory diseases, such as portable dust collectors and cleaning vehicles</li> </ul>                                                                                                                                                                      | Supported 15 companies with working environment improvement supplies                                                                                                                                  |                              |
| Quality and Productivity Improvement             | Quality and productivity improvement equipment support                       | <ul style="list-style-type: none"> <li>Support for quality-related equipment such as quality inspection and testing equipment for suppliers</li> <li>Support for productivity improvement equipment such as process improvement and automation facilities</li> </ul>                                                                                                                                                                                                                              | Supported 4 companies in introducing cutting fluid pressurized direct injection tool holder systems                                                                                                   | 79                           |
| Other Support                                    | Excellent supplier reward support                                            | <ul style="list-style-type: none"> <li>Encouraging performance and strengthening sustainable collaborative partnerships by awarding prizes to excellent suppliers</li> <li>Select and award outstanding ESG suppliers based on assessment results to improve supply chain ESG performance</li> </ul>                                                                                                                                                                                              | Awarded 9 excellent suppliers, including 1 outstanding ESG supplier                                                                                                                                   | 192                          |
|                                                  | Supplier PC renewal support                                                  | <ul style="list-style-type: none"> <li>Cleaning in-house idle PCs and providing them along with new PC accessories to improve supplier office environments and extend PC lifespan</li> </ul>                                                                                                                                                                                                                                                                                                      | Supported 61 companies with PCs, monitors, keyboards, etc.                                                                                                                                            |                              |
|                                                  | Management consulting support                                                | <ul style="list-style-type: none"> <li>Supporting financial structure improvement and strategic management decision-making by providing self-management diagnosis and consulting reports through an online platform</li> </ul>                                                                                                                                                                                                                                                                    | Provided management diagnosis consulting reports to 156 companies                                                                                                                                     |                              |
|                                                  | Revitalization of collaborative partnerships in the welding machine industry | <ul style="list-style-type: none"> <li>Support for the conclusion and implementation of collaborative partnerships agreements with the Korea Welding Industry Cooperative for collaborative partnerships in the welding machine industry</li> </ul>                                                                                                                                                                                                                                               | Sponsored 10 welding machines for the National Welding Skills Competition and supported booth fees twice (28 booths for SMEs)                                                                         |                              |
|                                                  | Performance Sharing System                                                   | <ul style="list-style-type: none"> <li>Selecting and executing performance sharing projects jointly with suppliers, and distributing performance results to provide incentives</li> </ul>                                                                                                                                                                                                                                                                                                         | Signed performance sharing contracts and provided incentives to 25 companies                                                                                                                          |                              |
|                                                  | Support for appreciation gifts for excellent suppliers                       | <ul style="list-style-type: none"> <li>Build trust and promote sustainable cooperative relationships by conveying appreciation to excellent suppliers.</li> </ul>                                                                                                                                                                                                                                                                                                                                 | Supported 250 excellent suppliers with appreciation gifts                                                                                                                                             |                              |

1) The table above was prepared based on Collaborative Partnership Deliberation criteria, and support for safety supplies and working environment improvement are projects from the previous year (2024) that were extended through 2025.

# Sustainable Supply Chain

## Supply Price Linkage System

Hyosung Heavy Industries operates a supply price linkage contract system to ease the burden on suppliers arising from the risk of price fluctuations in major raw materials. Under this system, the supply price is adjusted by the extent of the fluctuation whenever the price of a major raw material changes by more than a certain percentage, helping suppliers respond to high volatility in the raw material market and secure a stable foundation for their business operations. To operate this system effectively, Hyosung Heavy Industries analyzes the international market prices and exchange rate fluctuations of core raw materials such as steel and copper on a monthly basis. As of 2025, a total of 51 supply price linkage contracts have been signed.

## Fair Trade Agreements with Outstanding Suppliers

Hyosung Heavy Industries strengthens its collaborative partnership with suppliers by signing Fair Trade Agreements with outstanding suppliers selected through supplier evaluations. These agreements specify provisions such as compliance with the Fair Trade Act, cash payment, and participation in collaborative partnership support programs, and the company also requires suppliers to sign a pledge to comply with the Supplier Code of Conduct. In addition, Hyosung Heavy Industries helps improve its suppliers' cash flow by providing benefits such as cash payment within 10 days after the issuance of a tax invoice and payments made three times a month.

### 2025 Status of Support for Outstanding Suppliers

|                                                |                                                |
|------------------------------------------------|------------------------------------------------|
| Number of Suppliers with Fair Trade Agreements | Pledge to Comply with Supplier Code of Conduct |
| 590 companies                                  | 590 companies (100%)                           |
| Cash Payment Amount                            | Estimated Interest Reduction                   |
| KRW 1,260.6 billion                            | KRW 6.8 billion                                |

## Supplier Meetings

Hyosung Heavy Industries holds supplier meetings twice a year to facilitate communication and gather feedback, and it builds a foundation for strengthening practical partnerships by conducting various programs, such as tree-planting activities and awards ceremonies for outstanding suppliers.



2025 Supplier Meetings

### 2025 Status of Supplier Meeting Activities

| Period      | Date             | Location                                | Participating Suppliers | Activity Details                                                                                                                                        |
|-------------|------------------|-----------------------------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| First Half  | April 25, 2025   | Sangam-dong Noeul Park                  | 16 companies            | <ul style="list-style-type: none"> <li>Performed planting activities in Noeul Park</li> <li>Listened to suppliers' concerns and communicated</li> </ul> |
| Second Half | December 3, 2025 | Grand Mercure Ambassador Changwon Hotel | 39 companies            | <ul style="list-style-type: none"> <li>Awards presented to outstanding suppliers</li> <li>Listened to supplier grievances and communicated</li> </ul>   |

## Supplier Communication Channels

Hyosung Heavy Industries operates a Whistleblowing Center on its website to receive grievances and complaints from suppliers, thereby promoting compliance with laws and the establishment of a sound trading order. Grievances received through Voice of Supplier (VOS) activities are managed by assigning dedicated personnel and monitoring the status of actions taken through the Customer Relationship Management (CRM) system. Suppliers can also raise grievances through the Hyosung Sinmungo system within the e-procurement portal, and Hyosung Heavy Industries protects whistleblowers by restricting purchasing personnel's access to the grievances received.

### 2025 Status of Electronic Procurement System Communication Channel Operation

| Category                               | Number of Reports       | Response and Action Rate |
|----------------------------------------|-------------------------|--------------------------|
| Grievance Handling Inquiry Performance | 129 cases <sup>1)</sup> | 100%                     |

1) Includes simple inquiries such as system access

# Sustainable Supply Chain

## Risk Management

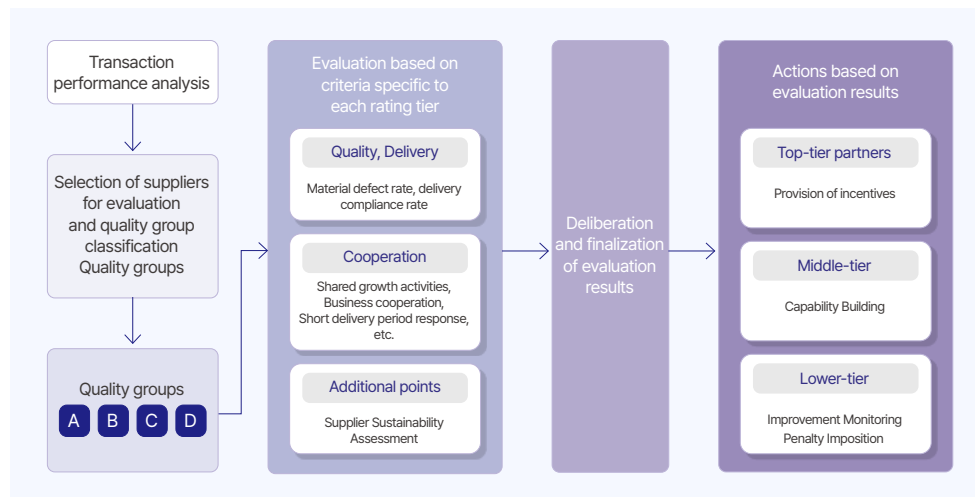
### Supply Chain Management Process

Hyosung Heavy Industries strengthens suppliers' competitiveness in quality, cost, and delivery through regular supplier evaluations, and it promotes improvements in supply chain sustainability by revising the evaluation manual to incorporate ESG criteria. These evaluations are conducted twice a year for the Power & Industrial Systems Division and once a year for the Construction Division. In February 2025, Hyosung Heavy Industries increased the weight of ESG additional points within the regular evaluation items.

#### Supply Chain Management Process in the Power & Industrial Systems Division

When evaluating new supplier registrations, the Power & Industrial Systems Division reviews sustainability-related factors such as environment, safety, human rights, and labor, in addition to management factors including operations, health and safety, and production, and it conducts on-site audits for suppliers classified within quality grades A to C. The Division grants top-rated suppliers incentives such as designation as Fair Trade Agreement suppliers and access to collaborative partnership programs, while it applies penalties—such as reduced order volumes, suspension of transactions, and exclusion from Fair Trade Agreement renewal—to lower-rated suppliers. In August 2025, the Division completed a revision of its supplier evaluation manual so that, in the event of non-compliance with the Supplier Code of Conduct, transactions can be suspended immediately following a deliberation process, regardless of the evaluation period.

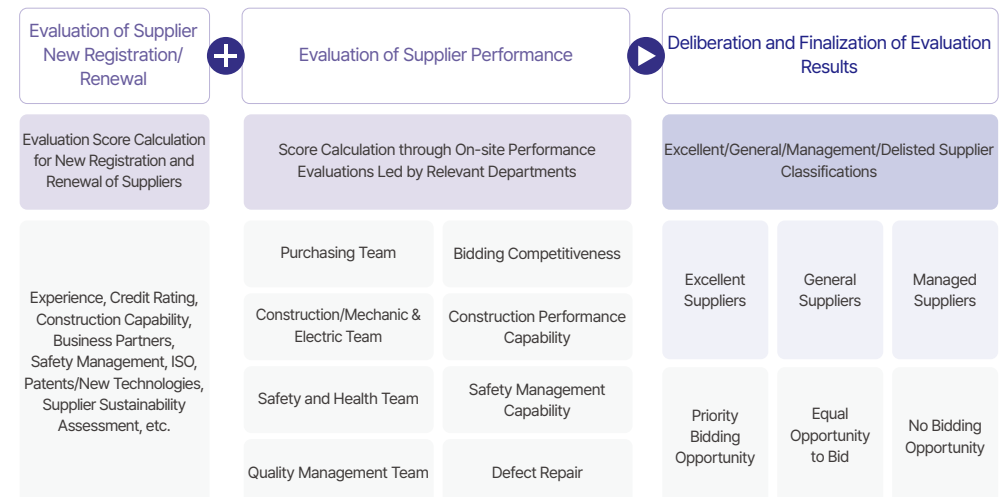
#### Power & Industrial Systems Division Supplier Evaluation Process



#### Supply Chain Management Process in the Construction Division

Based on the results of its supplier evaluations, the Construction Division applies incentives and penalties on a differentiated basis when suppliers participate in bidding. In October 2025, the Division improved the system so that only companies that have signed a pledge to comply with the prohibition of forced labor and to refrain from using conflict minerals are allowed to participate in bidding.

#### Construction Division Supplier Evaluation Process

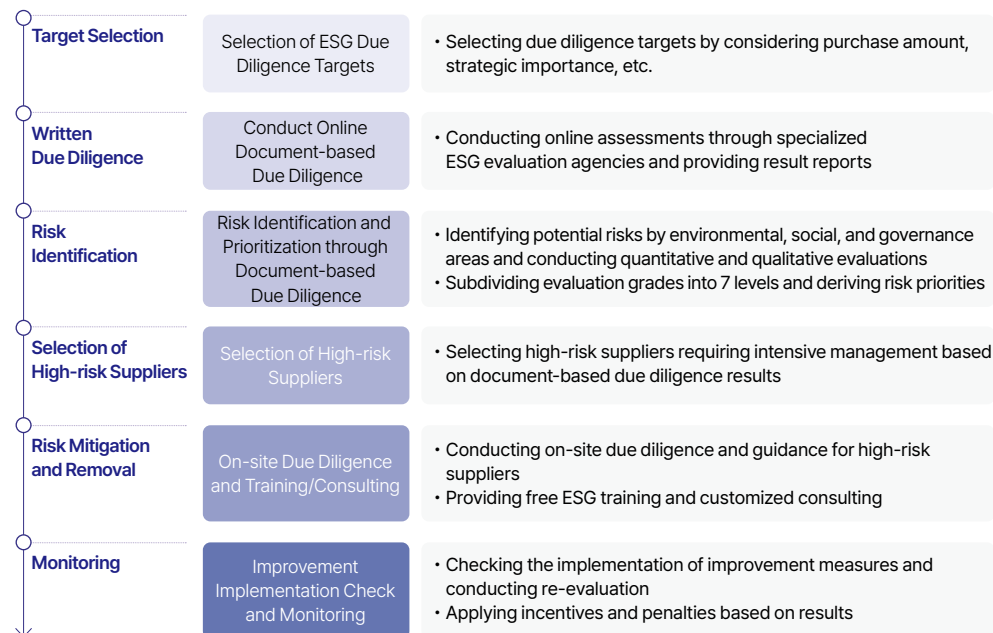


# Sustainable Supply Chain

## Supply Chain ESG Due Diligence

Hyosung Heavy Industries operates a supply chain ESG due diligence system to secure supply chain stability by systematically identifying and managing ESG risks across the entire supply chain. This due diligence is conducted regularly once a year and is run as an integrated management system that covers the entire process, from preliminary diagnosis to follow-up improvement and monitoring. To ensure the objectivity and reliability of the process, Hyosung Heavy Industries works with specialized ESG assessment agencies to conduct diagnoses and evaluations, and based on the results, it provides support linked to improvement activities such as on-site guidance, training, and consulting. The company selects high-risk suppliers by comprehensively considering the results of the document-based due diligence together with each supplier's strategic importance, and it conducts on-site due diligence and intensive improvement measures and monitoring for those suppliers. Hyosung Heavy Industries also incorporates the results of the supply chain ESG due diligence into its supplier evaluation system, thereby reflecting ESG factors when evaluating suppliers.

### Supply Chain ESG Due Diligence Process



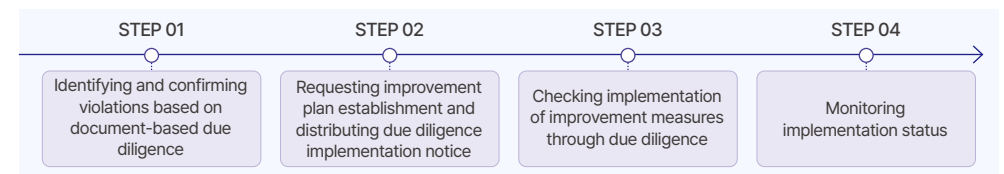
## Operation of Supply Chain ESG Self-Assessment

Hyosung Heavy Industries conducts ESG self-assessments that reflect the characteristics of each industry to strengthen supply chain sustainability and raise awareness of sustainability management among suppliers, performing them twice a year for the Power & Industrial Systems Division and once a year for the Construction Division. In February 2025, the Power & Industrial Systems Division added new questions related to forced labor, conflict minerals, and information security to enhance the comprehensiveness of the assessment. Starting in 2025, the Division requests suppliers that fail to meet the environmental requirements identified through the supply chain ESG self-assessment to submit improvement plans and corrective action plans and it monitors whether the improvements are made.

### 2025 ESG Self-Assessment Status

| Classification            | Total Number of Suppliers | Number of Suppliers Subject to ESG Self-Assessment | Number of Suppliers that Performed ESG Self-Assessment |
|---------------------------|---------------------------|----------------------------------------------------|--------------------------------------------------------|
| Heavy Industries Division | 1,564                     | Half 1: 603 / Half 2: 628                          | Half 1: 366 / Half 2: 526                              |
| Construction Division     | 658                       | 658                                                | 359                                                    |

### Monitoring Process for the Improvement of Environmentally Non-Compliant Suppliers



### Metrics & Targets

## Sustainable Supply Chain Metrics and Targets

Hyosung Heavy Industries establishes and implements annual action plans and targets related to the supply chain, and it strengthens accountability for sustainable supply chain management by linking them to executive KPIs. Based on the results of its supply chain due diligence, the company systematically identifies and manages risks and provides support such as ESG assessment training, and consulting to enhance suppliers' sustainability management capabilities.

### Sustainable Supply Chain Related Goals and 2025 Performance

| Classification                                                | 2025 Performance                                                                                                                                                                                                                                                                                                                      | 2026 Target                                                                                                                                                                                              |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Enhancement of the Supply Chain ESG Due Diligence System      | <ul style="list-style-type: none"> <li>Established a supply chain due diligence system based on the OECD Guidelines</li> <li>Integrated and enhanced the due diligence system within the existing procurement-focused policy framework</li> <li>Conducted supply chain due diligence through external specialized agencies</li> </ul> | <ul style="list-style-type: none"> <li>Expand supply chain ESG due diligence operations</li> <li>Expand support for mitigating supplier ESG risks based on supply chain due diligence results</li> </ul> |
| Support for sustainability management training and consulting | 30 companies                                                                                                                                                                                                                                                                                                                          | 40 companies                                                                                                                                                                                             |

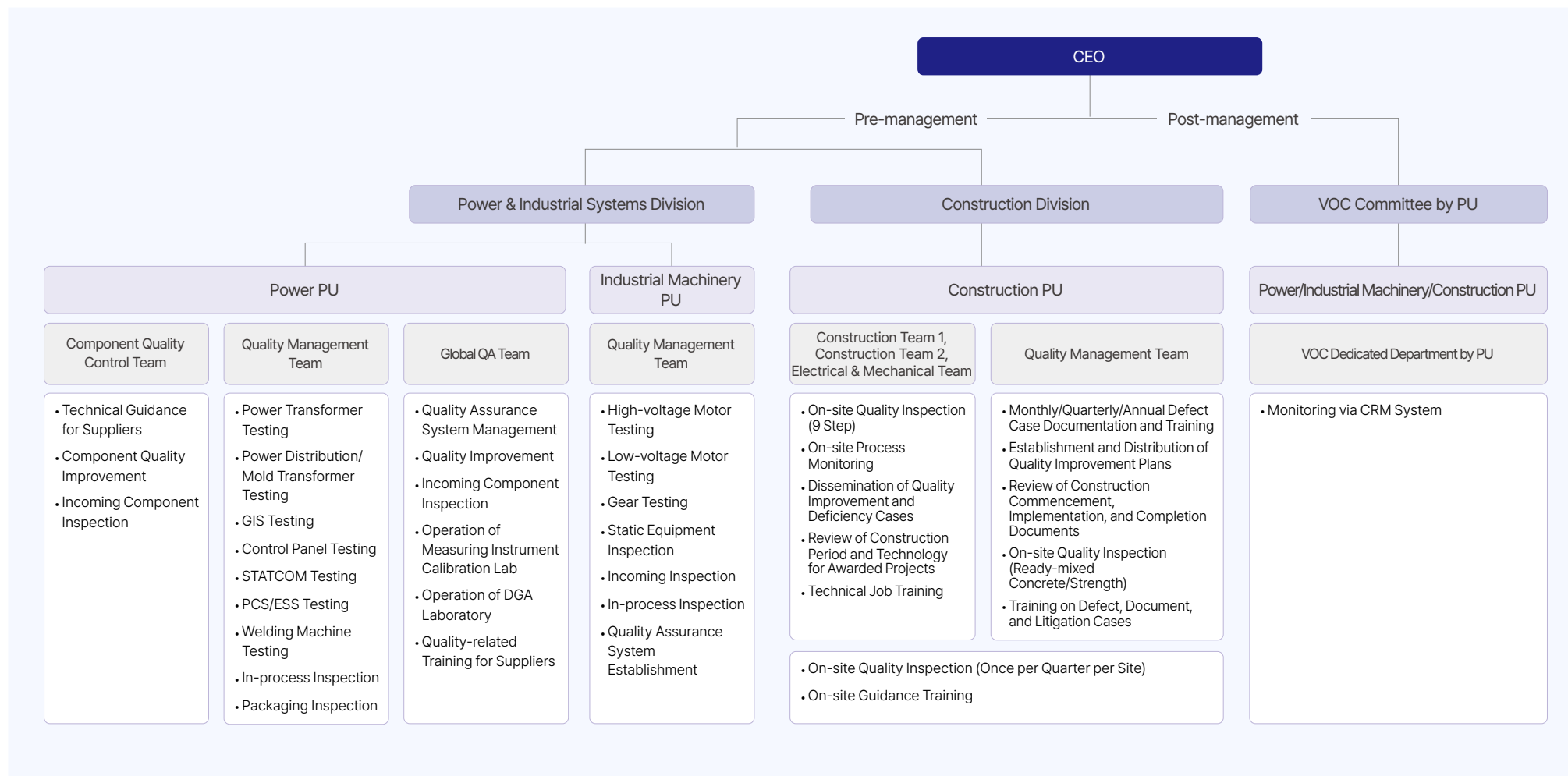
# Ensuring Product Quality

## Governance

### Product Quality Management System

Hyosung Heavy Industries establishes and operates a company-wide management system to enhance product quality throughout the entire process, from pre-production to post-production quality management. Each Performance Unit (PU) holds a monthly VOC Committee meeting, chaired by the head of the PU, to share and deliberate on critical Voice of Customer (VOC) cases.

#### Ensuring Product Quality Governance



# Ensuring Product Quality

## Strategy

### Product Quality Management Strategy

#### Quality Management Policy

Hyosung Heavy Industries has established and implemented a quality management policy to enhance customer satisfaction and continuously strengthen its quality competitiveness. Each year, the company establishes four key quality policies with the approval of the CEO and systematically carries out its quality management activities accordingly.

#### Four Major Quality Management Policies



#### Product Quality Management Strategy

Hyosung Heavy Industries has established three key quality management goals—securing global competitiveness, enhancing customer trust, and realizing sustainable quality management—and carries out its activities to achieve them. Building on the three core pillars of strengthening quality management, ensuring product safety, and enhancing training and capabilities, the company delivers high-quality products by preventing risks throughout the entire process and conducting data-driven improvement activities.

#### Product Quality Management Status

| Strategy                         | Key Areas                                            | Detailed Activities                                                                                                                    |
|----------------------------------|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Strengthening Quality Management | Maintenance and expansion of ISO certification       | System operation based on international quality standards such as ISO 9001                                                             |
|                                  | KOLAS (Operation of accredited testing laboratories) | International-level operation of EHV transformer, GIS, and STATCOM laboratories (ISO 17025 certification acquired)                     |
|                                  | Data-based quality management                        | Collecting and analyzing quality data to predict and resolve quality issues in advance International safety standard-based testing     |
| Ensuring Product Safety          | Testing Based on International Safety Standards      | Verification of product performance and safety based on IEC <sup>1)</sup> , IEEE <sup>2)</sup> , and KS <sup>3)</sup> standards        |
|                                  | Whole-Process Risk Assessment and Management         | Identification of risk factors across all stages from design to logistics, with prevention-focused management, testing, and inspection |
|                                  | Test and Inspection Data History Management          | Systematic recording of test and inspection results based on MES <sup>4)</sup> and QMS <sup>5)</sup> to prevent recurrence             |
| Training and Capacity Building   | Cultivation of Quality and Safety Specialists        | Securing in-house quality specialists through systematic education and training                                                        |
|                                  | Strengthening Quality Collaboration with Suppliers   | Operating a collaboration system to improve the overall quality level across the supply chain                                          |

1) IEC: International Electrotechnical Commission

2) IEEE: Institute of Electrical and Electronics Engineers

3) KS: Korean Industrial Standards

4) MES (Manufacturing Execution System): A system that manages and tracks processes, facilities, quality, and work history in production sites in real time

5) QMS (Quality Management System): A management system for systematically operating quality policy establishment, quality management, and improvement activities

# Ensuring Product Quality

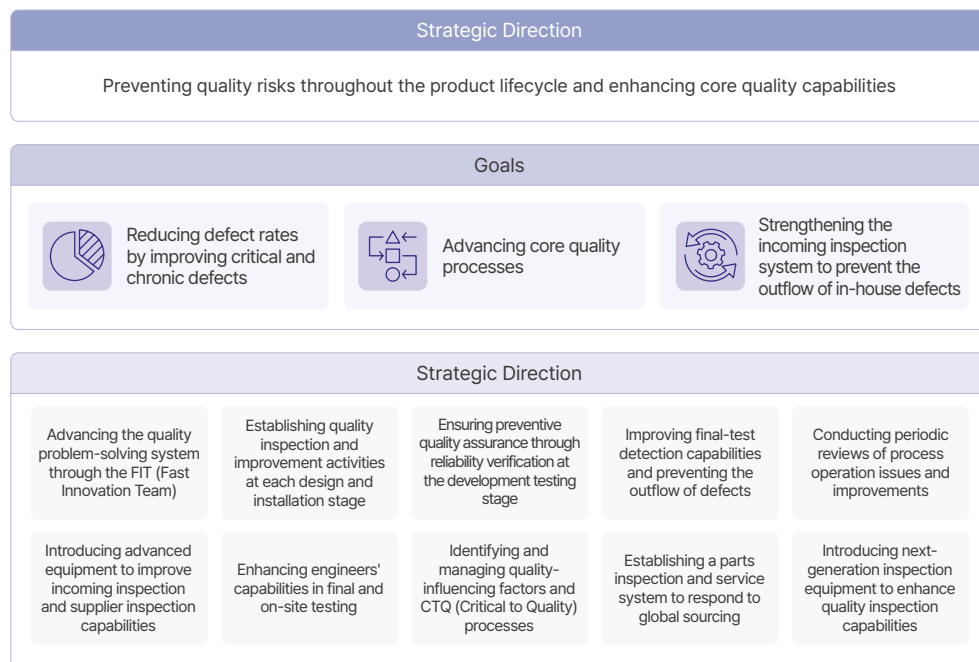
## Direction for Ensuring Product Quality

Hyosung Heavy Industries establishes a vision and mid- to long-term goals for ensuring product quality in order to build a risk prevention system across the entire product lifecycle.

### Product Quality Assurance Strategy of the Power & Industrial Systems Division

To prevent quality risks throughout the product lifecycle and strengthen its core quality capabilities, the Power & Industrial Systems Division has established a three-pillar goal system consisting of 'reducing defect rates', 'advancing core quality processes', and 'strengthening incoming inspection systems'. By introducing advanced inspection equipment and enhancing its engineers' expertise, the Division improves its quality detection capabilities while preventing defective products from reaching customers and ensuring product stability.

#### Product Quality Assurance Strategy of the Power & Industrial Systems Division



### Product Quality Assurance Strategy of the Construction Division

The Construction Division has established and implemented a roadmap to enhance its quality management capabilities and standardize quality across its construction sites. In 2026, the Division transitioned from an ad hoc inspection system to a regular inspection system—conducted once per quarter at each site—and expanded both the number of inspections and the range of evaluation items.

#### Strategic Direction and Goals of the Construction Division



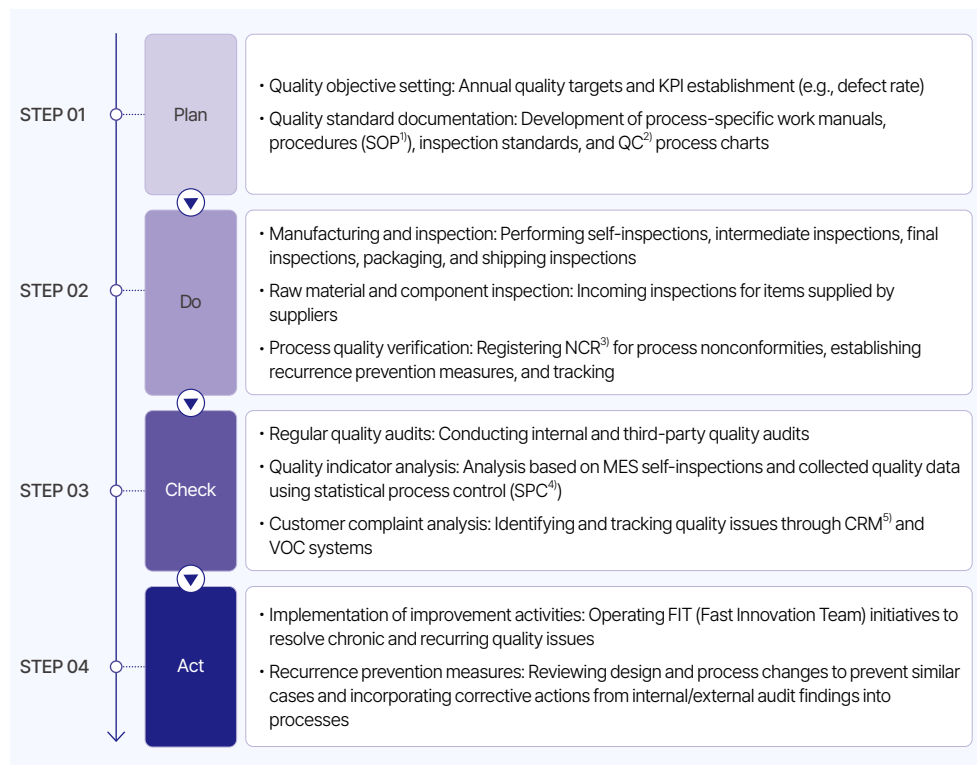
# Ensuring Product Quality

## Product Quality Management Activities

### Quality Management Process

The Power & Industrial Systems Division has established an execution framework based on the PDCA (Plan-Do-Check-Act) cycle, reflecting the requirements of the ISO 9001 quality management system, and systematically manages the entire process—from setting quality objectives manufacturing, and inspection to performance analysis and improvement activities.

#### Quality Management PDCA Cycle



1) SOP (Standard Operating Procedure): A manual documenting standard procedures established to perform tasks or processes consistently and accurately.

2) QC (Quality Control): Activities to manage and verify that products or processes satisfy established quality standards.

3) NCR: Nonconformance Report

4) SPC: Statistical Process Control

5) CRM (Customer Relationship Management): A system that systematically manages and analyzes customer information, complaints, claims, history, etc.

### New Supplier Registration Process

When registering a new supplier, Hyosung Heavy Industries conducts a primary preliminary assessment based on prior information research and a review of the supplier's current status, in order to manage the quality of the raw materials and parts supplied. The quality, manufacturing (including design, production technology, and fabrication), and purchasing departments carry out supply chain due diligence and internal evaluations of the supplier, and based on the results, they receive and review a Corrective Action Plan (CAP); registration is approved only for suppliers whose improvements are confirmed. Once a supplier is finally approved, Hyosung Heavy Industries registers it on the Authorized Vendor List (AVL)<sup>6</sup> while simultaneously sharing the information with relevant departments through its in-house IT system for integrated management. Even after registration, the company operates a regular supplier audit system to continuously monitor suppliers' quality and operational standards.

### Nonconformity Management Process

Through its nonconformity management process, Hyosung Heavy Industries identifies nonconforming products and establishes measures to prevent nonconformities. As soon as quality management personnel identify a nonconforming product, they issue a nonconformance report (NCR) through the Quality Management System (QMS) and share the information with the relevant departments. The manufacturing departments—covering design, production technology, and fabrication—then establish corrective and preventive action plans for the nonconforming items based on root cause analysis, and promptly implement these actions. The quality management team reviews and confirms the appropriateness of the results before closing the NCR, and it shares the overall progress and final outcomes company-wide through the QMS to prevent process delays.

### Special Process Management

Hyosung Heavy Industries classifies and manages welding, brazing, painting, and crimping as special processes, since the integrity of their quality is difficult to verify through post-process inspection alone. Workers assigned to these processes perform their tasks only after completing the training and verification procedures required to meet the qualification criteria for each process. The quality management team evaluates the results of special-process work against separate quality criteria, and it applies the same standards to suppliers' outsourced workers, thereby managing their qualifications and quality levels in an integrated manner.

6) AVL: Approved Vendor List

# Ensuring Product Quality

## Quality Innovation Program

As part of its smart factory transition, the Power & Industrial Systems Division has introduced an AR-based vision inspection system to enhance the quality of appearance inspection and promote automation. The Division improves accuracy and efficiency through visualization-based inspection utilizing 3D design data, and enhances inspection precision by digitalizing quality inspections for repetitive processes and focusing inspection resources on core quality items. Inspection results are digitized in the system and managed in an integrated manner, linked to the company-wide quality management framework for production history tracking, quality feedback, and customer response.

### AR-based vision inspection effects

| Product                        | Part name   | Reduction rate (%) |
|--------------------------------|-------------|--------------------|
| Ultra-high voltage transformer | Tank        | 97                 |
|                                | Tank cover  | 90                 |
|                                | Conservator | 98                 |
| Distribution transformer       | Tank        | 95                 |
|                                | Tank cover  | 90                 |
|                                | Conservator | 97                 |
| AR-based vision inspection     |             | 95                 |

## 9-Step Quality Inspection Process

The Construction Division conducts a 9-step quality inspection process at each site—from the start of construction through to completion—to improve construction quality. At four key stages of the process—Stage 2 (pre-construction report), Stage 4 (construction execution plan report), Stage 6 (interim report), and Stage 9 (Harrington care)—the Division holds reporting sessions attended by the PU President, executives, and the team leaders of relevant departments, thereby strengthening communication with sites and sharing quality management issues.

### 9-step Process

| Classification        |        | Quality Inspection/<br>Reporting Session | Reporting Session Review Contents                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------|--------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Start of Construction | Step 1 | Model House Inspection                   | <ul style="list-style-type: none"> <li>Report on site conditions and status (licensing conditions, obstacles, civil complaints, etc.)</li> <li>Report on construction implementation plan (initial construction execution plan, site operation plan, preliminary review of design documents, scheduled process chart)</li> </ul>                                                                              |
|                       | Step 2 | Pre-Construction Report                  |                                                                                                                                                                                                                                                                                                                                                                                                               |
| Early Construction    | Step 3 | Civil Works Inspection                   | <ul style="list-style-type: none"> <li>Comprehensive construction execution plan report (cost, process, quality, safety, environmental management plans, etc.)</li> <li>Presentation of design document review items, such as quality improvement and VE<sup>1</sup> cases</li> <li>Presentation of preliminary review opinions by each relevant department</li> </ul>                                        |
|                       | Step 4 | Construction Execution Plan Report       |                                                                                                                                                                                                                                                                                                                                                                                                               |
|                       | Step 5 | Initial Structural Work Inspection       |                                                                                                                                                                                                                                                                                                                                                                                                               |
| Mid-Construction      | Step 6 | Interim Report                           | <ul style="list-style-type: none"> <li>Performance versus construction execution plan</li> <li>Report on current issues and countermeasures, inspection of construction status, and progress check against the scheduled process</li> <li>Evaluation meeting for completed parts of the sample house</li> <li>Presentation of preliminary review opinions by each relevant department</li> </ul>              |
|                       | Step 7 | Substrate Inspection                     |                                                                                                                                                                                                                                                                                                                                                                                                               |
| Late Construction     | Step 8 | Finishing Inspection                     | <ul style="list-style-type: none"> <li>Report on finishing quality inspection across all trades prior to pre-occupancy inspection</li> <li>Extraction and presentation of excellent and failed construction cases from the site</li> <li>Derivation of response plans after reviewing risks related to completion</li> <li>Presentation of preliminary review opinions by each relevant department</li> </ul> |
|                       | Step 9 | Harrington Care                          |                                                                                                                                                                                                                                                                                                                                                                                                               |

1) VE (Value Engineering): A value engineering technique to reduce life-cycle costs while maintaining or improving functions

# Ensuring Product Quality

## Defect Prevention Management Checklist

The Construction Division analyzed defect litigation in the domestic construction industry, defect review procedures by the Ministry of Land, Infrastructure and Transport, and major customer defect cases, and, to minimize the risks caused by defects, established a Defect Prevention Management Checklist (82 items for model houses, 33 for document reviews, 33 for design reviews, and 136 for site reviews). The Division distributed the checklist to the relevant departments at its headquarters and to all ongoing construction sites, and each quarter it distributes quality improvement plans that outline ways to improve materials and construction methods for defect prevention. New improvement plans are entered into a database within the management checklist for continuous management.

## Pre-Construction Site Management Activities

The Construction Division has established an intensive site management system for the pre-construction phase to carry out status inspections, thereby preventing construction delays and ensuring a smooth start to main construction. The Division assesses construction readiness by reviewing site conditions, constraints, and licensing progress for sites scheduled for construction in advance, and it supports the ordering of initial works—such as temporary fencing, earthworks, and piling—to make proactive preparations so that construction can begin immediately upon commencement. Before main construction begins, the Division intensively tracks and manages the client's pre-implementation tasks through periodic site visits. In 2026, the Division plans to conduct 42 status inspections across 6 sites before construction begins.

## Defect Analysis System Using AI Drones

The Construction Division uses drone and LiDAR<sup>1)</sup> imaging technology to detect defects in the structural base of building exteriors—such as cracks and material segregation—and secures the durability of structures by repairing the base surface before construction finishing. The Division builds a database of major defect locations by analyzing the detected defect data and uses this as a key management item for future quality control, thereby establishing a proactive quality improvement system.



AI Drone Defect Analysis System

1) LIDAR (Light Detection And Ranging): A remote sensing technology that precisely measures the distance, shape, and surface condition of an object in 3D by emitting a laser and measuring the time it takes to reflect and return.

## Enhancing Quality Management Awareness

### Strengthening Quality Management Competency in the Power & Industrial Systems Division

The Power & Industrial Systems Division carries out initiatives to strengthen human capabilities related to quality, in order to enhance on-site problem-solving capabilities and proactively prevent the root causes of quality issues. The Division has advanced its training and communication framework around three key areas: education on quality improvement techniques, defect case training, and campaigns to raise quality awareness. Furthermore, the Division has expanded the scope of training to include all employees and suppliers by operating an internal certification system, establishing a repetitive learning structure, developing practice-oriented training materials, and sharing case studies focused on quality-related risks.

#### Quality Internalization Activities in the Power & Industrial Systems Division

| Education on Quality Improvement Techniques                                                                                                                                                                                                                                                                                 | Defect Case Training                                                                                                                                                                                                                                                                                                         | Strengthening Campaigns to Raise Quality Awareness                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Operating repeated RCA (Root Cause Analysis) training and an internal certification system</li><li>• Selecting the "Worst-100" defective issues and providing repeated training</li><li>• Operating a FIT problem-solving course and an internal ISO 9001 training course</li></ul> | <ul style="list-style-type: none"><li>• Improving defect case training methods and concepts</li><li>• Future improvement plan: Operating training programs that reflect a full range of cases<ul style="list-style-type: none"><li>- including defects, non-compliance with standards, and quality risks</li></ul></li></ul> | <ul style="list-style-type: none"><li>• Broadcasting defect case announcements via the internal audio system</li><li>• Operating "Worst-100" training materials on the top defect causes</li></ul> |

### Strengthening Quality Management Capabilities in the Construction Division

The Construction Division conducts quality management training by segmenting the trainees into site managers, architectural staff, and mechanical and electrical staff. The Division designs and operates customized training programs tailored to the characteristics of each job function, and after each training session it gathers team feedback and on-site challenges and actively incorporates them into improvement activities. In 2026, the Division plans to include civil engineering staff among the training participants and conduct training twice a year.

#### Quality Management Capability Internalization Activities in the Construction Division

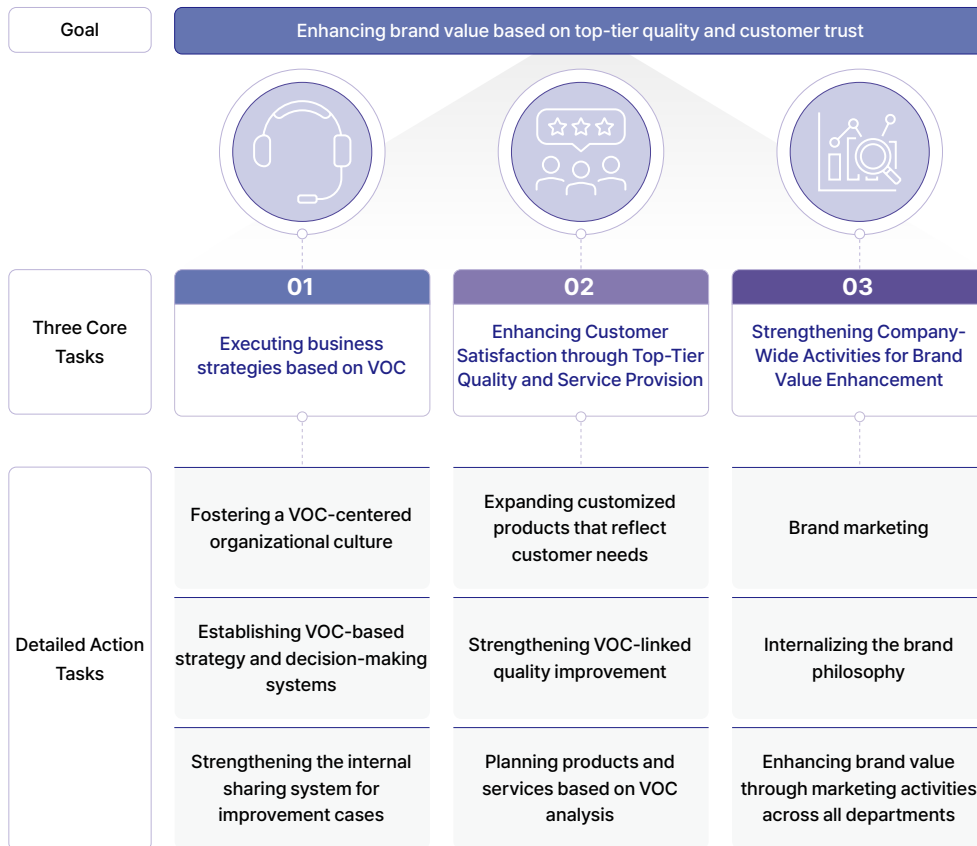
| Category                             | Total Training Sessions | Training Participants (Persons) | Completers (Persons) | Completion Rate (%) |
|--------------------------------------|-------------------------|---------------------------------|----------------------|---------------------|
| Site Manager Training                | 4 sessions              | 109                             | 109                  | 100                 |
| New Site Manager Training            | 1 session               | 3                               | 3                    | 100                 |
| Construction Administration Training | 4 sessions              | 128                             | 128                  | 100                 |
| Architectural Staff Training         | 2 sessions              | 65                              | 65                   | 100                 |
| Mechanical/Electrical Staff Training | 2 sessions              | 113                             | 113                  | 100                 |

# Ensuring Product Quality

## Customer Engagement Management Strategy

Hyosung Heavy Industries has established a customer engagement management strategy under the goal of 'enhancing brand value based on top-tier quality and customer trust', thereby building a system for implementing customer-oriented management. The company has selected three core tasks—executing business strategies based on VOC (Voice of Customer), enhancing customer satisfaction by providing top-tier quality and services, and strengthening company-wide activities to improve brand value—and has established and implemented specific action plans for each.

### Customer Engagement Management Strategy



## Customer Engagement Activities

### Expansion of Services to Meet Customer Needs

#### Strengthening Business Competitiveness through Improved Customer Satisfaction

Hyosung Heavy Industries reflects customer requests and VOC (Voice of Customer), both directly and indirectly, in its business activities, and it continuously carries out improvement activities to meet customer needs, including the systematic management of key VOC.

### VOC Management Process

#### Examples of Leveraging VOC as Organizational Assets

Hyosung Heavy Industries shares VOC performance and status on a monthly basis and provides related training, while implementing improvement measures for key VOC issues in stages. In the Power & Industrial Systems Division, the company provides technical support for the customized design and construction of power-supply substations to ensure a stable power supply for data centers. In the Construction PU, the company turns collected VOC into assets to expand new business opportunities and strengthen competitiveness through innovation and development.

### VOC Assetization Cases by PU

| Division                            | Category                                                                                                | Status                                                                                                                                                                                                                                                                                                                                             | VOC Improvements                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Power & Industrial Systems Division | Power Systems PU<br><br>Expanding entry into the large-capacity circuit breaker market in North America | <ul style="list-style-type: none"> <li>The expansion of North American data centers is causing disruptions in the power supply for data centers</li> <li>For data centers, an early power supply that shortens the time to operational start is directly linked to profitability</li> </ul>                                                        | <ul style="list-style-type: none"> <li>Providing the technical support needed to build power-supply substations through active communication with customers</li> <li>Responding to customers' short-lead-time requirements through customized designs and proposals based on Hyosung's existing product portfolio</li> </ul>                               |
|                                     | Industrial Machinery PU<br><br>Manufacturer of marine equipment                                         | <ul style="list-style-type: none"> <li>As specifications vary by ship project, considerable time and cost are required for inventory management and design response</li> <li>Customers prefer reliable domestic alternatives that secure price competitiveness against overseas products and can withstand the harsh marine environment</li> </ul> | <ul style="list-style-type: none"> <li>Simplifying and standardizing applicable product models through active communication with customers (shipowners and equipment manufacturers)</li> <li>Strengthening cost competitiveness by providing maintenance convenience and improving manufacturing efficiency</li> </ul>                                     |
| Construction PU                     | <br>Development of interlayer sound insulation materials for multi-family housing                       | <ul style="list-style-type: none"> <li>Floor noise in multi-family housing is emerging as a social issue, leading to civil complaints, disputes, and incidents</li> <li>As residents' expectations for their living environment rise, the need to block floor noise is increasing further</li> </ul>                                               | <ul style="list-style-type: none"> <li>Signing a technology development agreement with a specialized soundproofing material company to develop interlayer sound insulation materials (Nov. 2024)</li> <li>Completing the development of Hyosung's proprietary interlayer sound insulation materials and filing a patent application (Nov. 2025)</li> </ul> |

# Ensuring Product Quality

## Expansion of Services to Meet Customer Needs

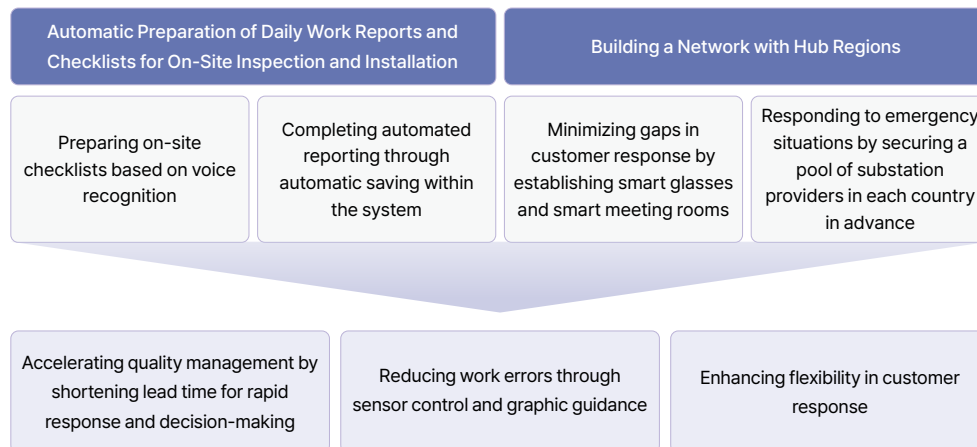
### Strengthening On-site Response Systems Using Smart Glasses

The Power Systems PU of the Power & Industrial Systems Division has deployed a total of 12 smart glasses (6 in Korea, 6 overseas) to secure a rapid response system in the event of on-site quality issues or accidents.

The company has established a collaborative environment between the field and relevant departments by setting up a real-time video sharing and two-way communication system based on smart glasses.

The company systematically collects and accumulates on-site work data from customers in European regions, including Norway, to enhance its regional customer response capabilities.

### Introduction of Smart Glasses



### Product Accident Investigation and Emergency Inspection Service

When a product-related incident or quality issue occurs at a client site, Hyosung Heavy Industries secures customer trust by providing rapid root cause analysis and solutions, and it strengthens its preventive quality management system through pre-inspection services. The company conducted four investigations in 2025 and carried out three accident investigations and inspection services in 2026.

## Development of Harrington Place Differentiation Items

The Construction Division actively incorporates customer feedback and the latest trends into the development of materials, interior finishes, and building exteriors to enhance customer satisfaction. Based on the analysis and benchmarking of other construction companies' cases, the Division identifies and applies specialized programs that enhance the value of each housing complex.

### Smart Harrington

- Checking and controlling Harrington Place smart home devices via a mobile app
- Supporting scheduling functions by time and day of the week for features such as in-unit lighting, heating, elevator calls, and standby-power cutoff



Unmanned Laundry Room

### Pet Care Zone & Unmanned Laundry Room

- Introducing pet care zones in select complexes by reflecting customer VOC amid the growing number of pet-owning households
- Installing unmanned laundry rooms that can be used without time constraints for residents' convenience



Pet Care Zone

### Sky Community

- Operating sky communities on the upper floors of apartments by reflecting the growing demand for resident-exclusive spaces and the trend toward premium community facilities



Sky Community

### Video Room

- Enabling a variety of cultural activities, such as video production, music, and film screenings



Video Room

### Indoor Smart Farm

- Offering hands-on activities such as indoor plant cultivation



Indoor Smart Farm

# Ensuring Product Quality

## Risk Management

### Product Quality Risk Management

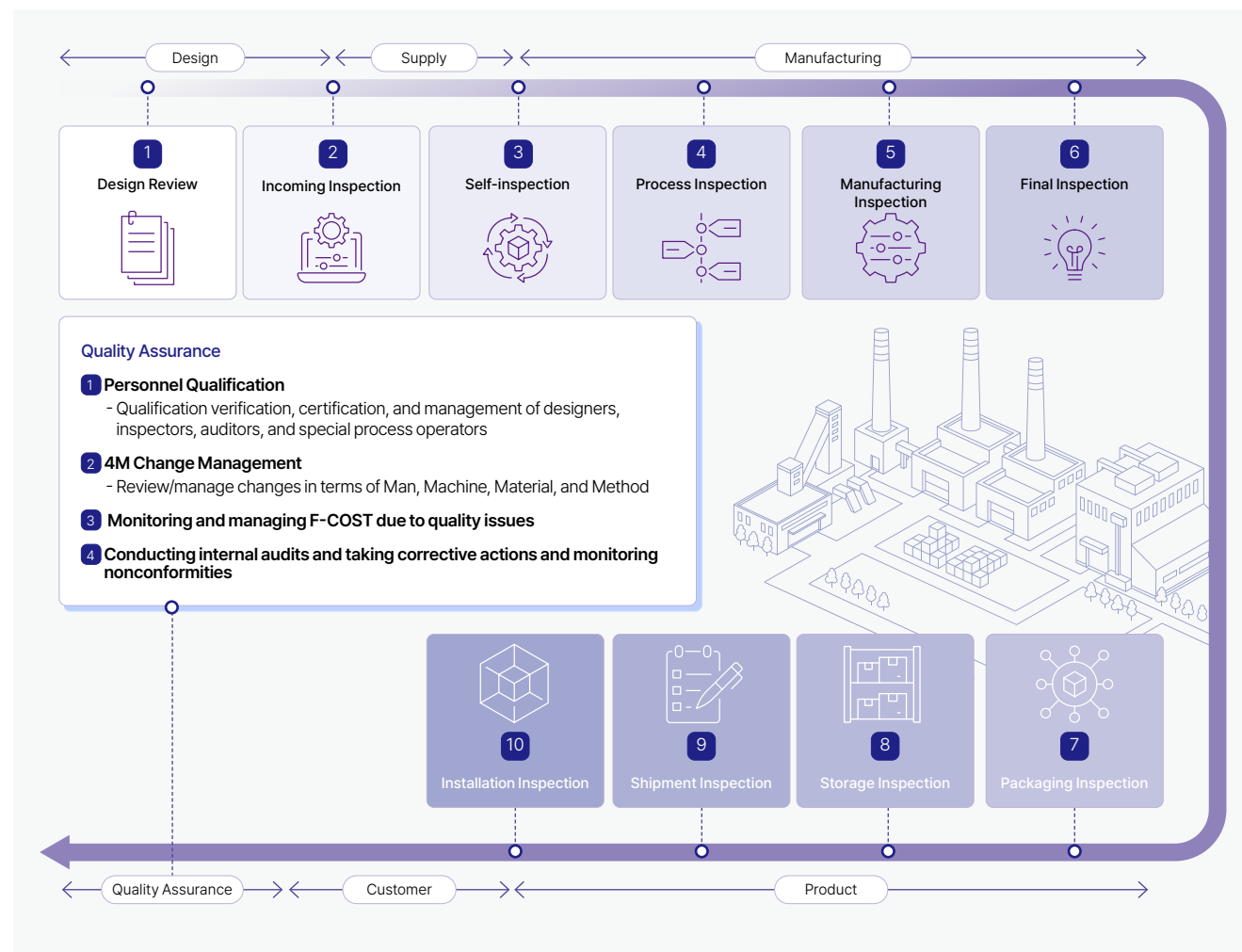
#### Quality Management System (QMS)

Hyosung Heavy Industries introduces and operates a quality management system (QMS) to manage quality data across all processes in an integrated manner and to proactively prevent quality risks. Based on the QMS, the company systematizes quality management activities across 10 stages, from product design to installation, thereby ensuring consistency and continuity in the management of all quality records.

#### Quality Inspection and Testing Process

Hyosung Heavy Industries carries out quality inspection and testing through qualified inspectors who are classified into three levels based on their experience, training completion, and performance. Self-inspection by workers in each process is the standard, and the entire inspection process—from incoming, in-process, and final inspection to packaging—is conducted by certified inspectors at each stage. Inspection results are registered and managed in the IT system based on product identification numbers, and the company operates a computerized system across the entire process.

#### 10 Stages Of Quality Management Activities



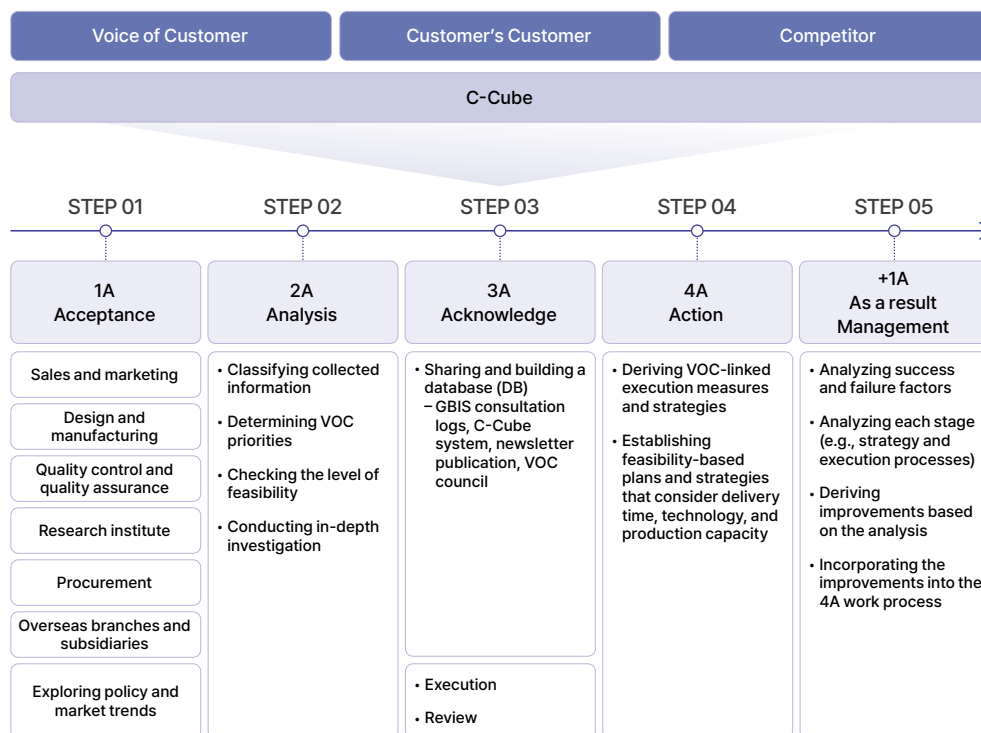
# Ensuring Product Quality

## VOC Management

### VOC Monitoring and Execution System

Hyosung Heavy Industries has established a '4A+1A' monitoring process—spanning VOC collection, strategy formulation, execution, and improvement—to proactively respond to customer requirements. The company collects VOC information and systematically derives the necessary response measures by reflecting changes in facility operating environments and technology trends. By integrating GBIS consultation logs with the C-Cube system, it has completed the transition to a company-wide shareable database (DB) and is advancing the VOC execution system.

### VOC Monitoring System

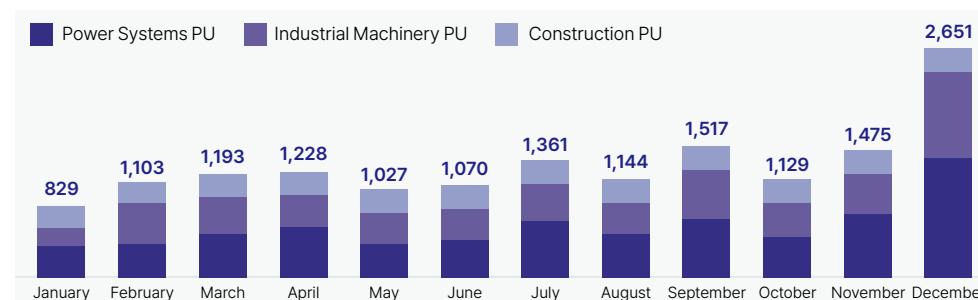


### VOC Monitoring Results

The Power & Industrial Systems Division classifies the VOC of its Power Systems PU and Industrial Machinery PU by category and type, based on the C-Cube system, and systematically manages consultation logs. The Construction PU examines VOC by division, type, and grade, and conducts monthly monitoring that also covers external variables such as site safety inspection results and material price and market trends; in 2025, the Division strategically raised the proportion of "High"-grade cases—its key VOC management target—which increased the number of improvement tasks compared with the previous period. In 2025, an average of approximately 1,311 VOC cases were registered per month. The analysis showed that the Power & Industrial Systems Division had a high proportion of VOC related to power equipment and gear solutions, while the Construction PU recorded a high number of registrations in the construction and order/contract categories.

### 2025 Monthly VOC Registration Status

(Unit: Cases)



### Metrics & Targets

## Product Quality Indicators and Targets

Hyosung Heavy Industries sets and manages related goals to ensure product quality and safety and to meet customer needs.

### Product Quality and Safety Targets by PU

| Division                            |                         | Indicator                          | Unit   | 2025 Target | 2025 Performance | 2026 Target      |
|-------------------------------------|-------------------------|------------------------------------|--------|-------------|------------------|------------------|
| Power & Industrial Systems Division | Power Systems PU        | Improvement of FIT activity themes | Cases  | 12          | 14               | 16               |
|                                     | Industrial Machinery PU | Quality improvement tasks          | Cases  | 12          | 12               | 10 <sup>1)</sup> |
| Construction Division               | Construction PU         | On-site inspections                | Number | 130         | 152              | 157              |

1) Quantitative target figures decreased compared to the previous year due to business unit downsizing.

# Connect Earth

|                                 |    |
|---------------------------------|----|
| Environmental Management        | 66 |
| Environmental Impact Management | 70 |
| Biodiversity Conservation       | 75 |

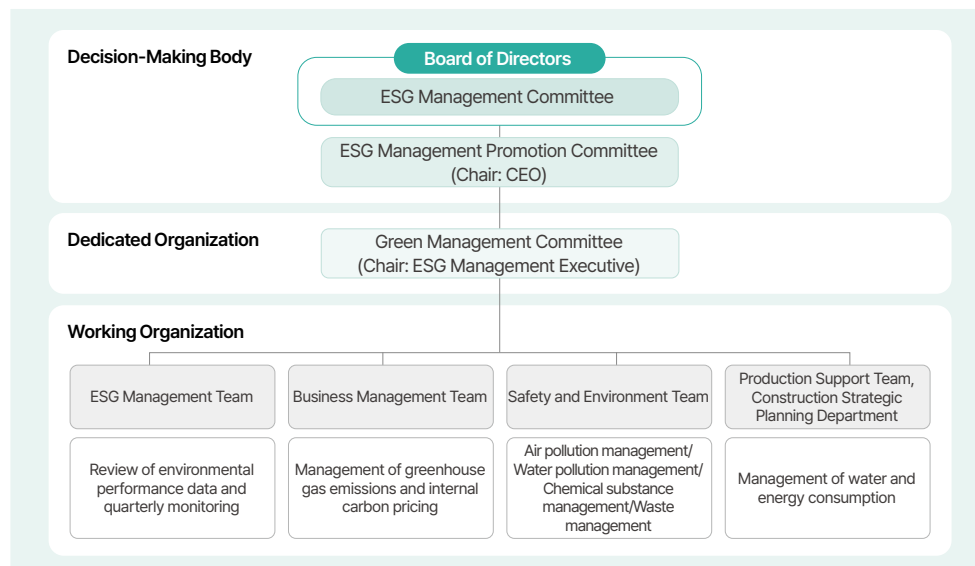
# Environmental Management

## Governance

### Environmental Management System

Hyosung Heavy Industries has established an integrated management system to implement environmental management company-wide and to systematically develop and execute its environmental management strategies. Under this system, the ESG Management Committee, as the highest decision-making body under the Board of Directors, holds final responsibility for managing and overseeing the establishment and implementation of environmental management plans linked to the company's mid- to long-term business plans. The ESG Management Promotion Committee, chaired by the CEO, deliberates and approves agenda items related to environmental management—such as greenhouse gas and environmental impact management goals—and refers those requiring reporting, deliberation, or decision-making to the ESG Management Committee under the Board of Directors. The Green Management Committee, an organization under the executive in charge of ESG management, oversees the execution tasks required to promote environmental management—including the management of greenhouse gas and environmental impact goals and indicators, improvement activities, plan establishment, and training—and regularly monitors progress and performance. Finally, the ESG Management Team, Business Management Team, Safety & Environment Team, Production Support Team, and Construction Strategic Planning Department are responsible for quarterly monitoring of greenhouse gas and environmental impact management goals and indicators and for managing reduction and improvement activities.

#### Decision-Making Structure for Promoting Environmental Management



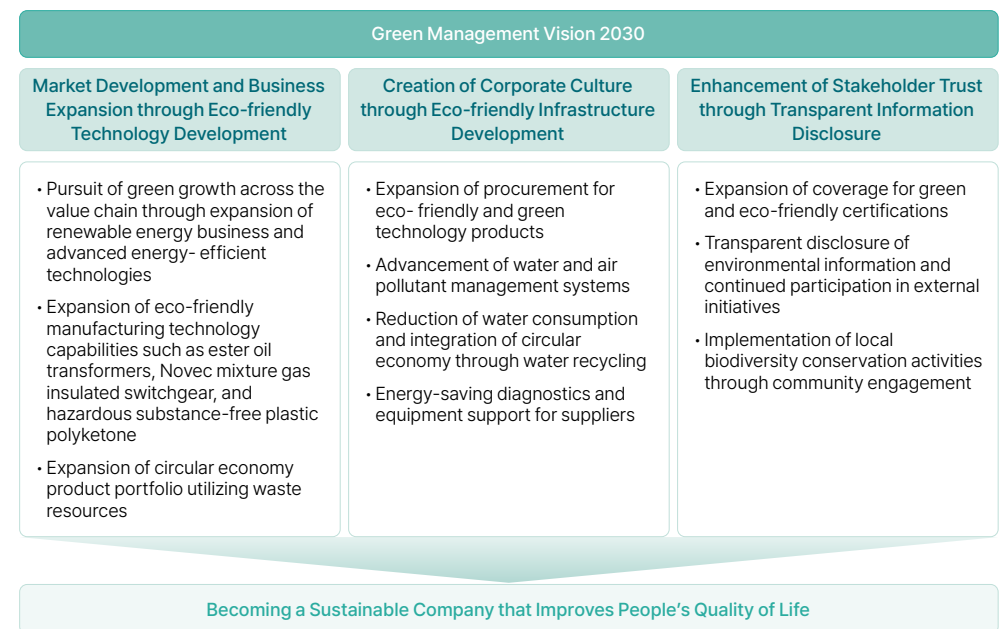
## Strategy

### Environmental Management Strategy

#### Environmental Management Promotion Direction

Hyosung Heavy Industries has set four goals—reducing greenhouse gas emissions, developing eco-friendly technologies and expanding into related markets, creating an eco-friendly corporate culture, and enhancing stakeholder trust—and it establishes and operates company-wide climate change response strategies by defining detailed implementation tasks for each goal.

#### Green Management Vision 2030



#### Environmental Management Policy

Hyosung Heavy Industries has established and operates an environmental management policy—most recently revised in 2025—to achieve sustainable environmental conservation, improve environmental indicators, and minimize negative environmental impacts across its corporate activities and supply chain.

# Environmental Management

## Environmental Management Practices

### Environmental Management Investments

Hyosung Heavy Industries continues to invest in improving energy efficiency and expanding the use of renewable energy at its business sites to reduce the environmental impact of its business activities. In 2025, the company's investment reached KRW 3,150 million, or 163% of the 2024 level (KRW 1,932 million).

#### 2025 Environmental Management Investments

| Business Sites | Investment Activities                             | Investment Cost (KRW million) | Greenhouse Gas Reduction (tCO <sub>2</sub> eq) |
|----------------|---------------------------------------------------|-------------------------------|------------------------------------------------|
| Changwon Plant | Equipment Replacement (Air Conditioners, etc.)    | 45                            | 8                                              |
|                | Installation of Solar Power Generation Facilities | 2,914                         | 1,678                                          |
|                | Others                                            | 191                           | 74                                             |
| Total          |                                                   | 3,150                         | 1,760                                          |

### Activities for Internalizing Environmental Management

#### Environmental Management Internalization Activities in the Power & Industrial Systems Division

The Power & Industrial Systems Division provides in-house training for all employees to build a shared commitment to environmental management. It offers an optional online course for new employees to strengthen their practical skills in environmental management, and it operates training programs centered on effective reduction case studies for production-, process-, and technology-related departments at business sites that pursue energy savings and greenhouse gas reductions. In 2025, the company conducted company-wide environmental management training on the theme of 'Circular Economy, Climate Crisis, and Carbon Neutrality' for all employees except field employees, with a total of 1,796 employees completing the training—50.2% of the target audience. In addition, Hyosung Heavy Industries continuously carries out environmental campaigns to raise eco-friendly awareness among the local communities and stakeholders near its major business sites. Recognizing its responsibility for the ecosystem and environmental protection around its sites, the company has been conducting regular cleanup activities near its business sites since 2023.

#### Environmental Management Internalization Activities in the Construction Division

In 2025, the Construction Division carried out 'Cleanup Day' activities at a total of 26 sites (260 times in all) to keep the sites clean inside and out and to remove odors and environmental risk factors.



Cleanup Day Activities

# Environmental Management

## Risk Management

### Environmental Management System

Hyosung Heavy Industries establishes and operates an environmental management system based on an environmental operational control process aligned with ISO 14001 (Environmental Management System). The company has obtained ISO 14001 certification for its major domestic business sites, some of its overseas sites, and ChinHung International—one of its major consolidated subsidiaries—achieving 100% certification for its domestic business sites.

#### Environmental Management System



#### ISO 14001 Certification Status

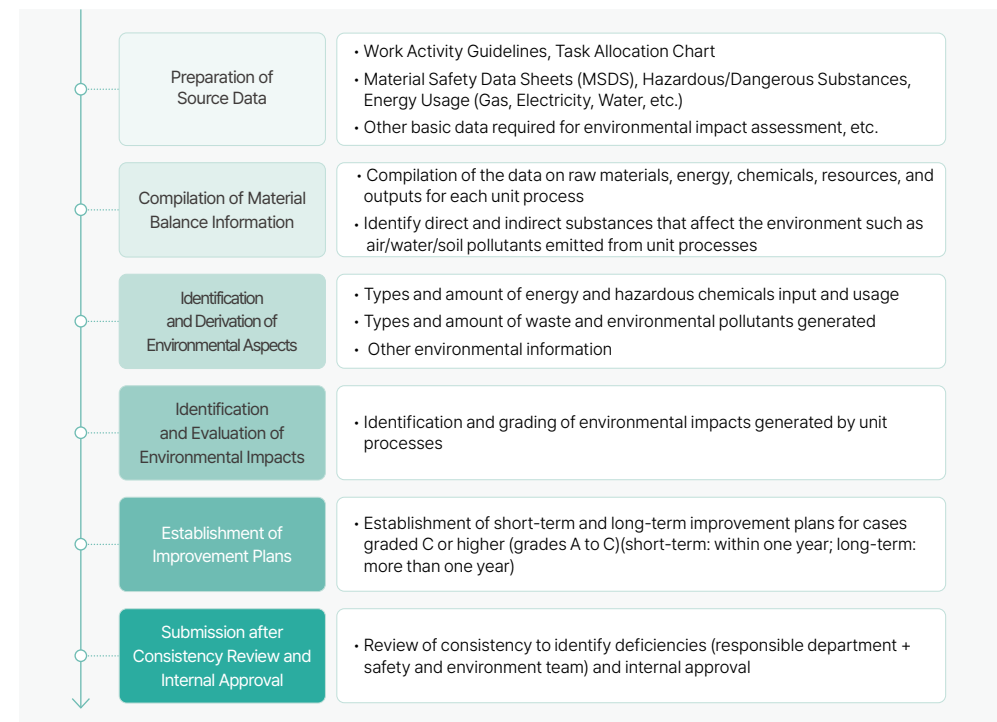
(As of April 2026)

|          | Classification                       | Certification Validity Period       |
|----------|--------------------------------------|-------------------------------------|
| Domestic | Headquarters (Mapo)                  | May 1, 2024 ~ April 30, 2027        |
|          | Changwon Plants 1, 2, 3, 4           | May 1, 2024 ~ April 30, 2027        |
|          | Anyang Plant                         | May 1, 2024 ~ April 30, 2027        |
|          | Construction Headquarters (Hoehyeon) | July 6, 2023 ~ July 5, 2026         |
|          | ChinHung International (Subsidiary)  | May 6, 2025 ~ May 5, 2028           |
| Overseas | Hyosung T&D (India)                  | October 19, 2024 ~ October 18, 2027 |
|          | Nantong Hyosung (China)              | March 27, 2026 ~ March 26, 2029     |

### Environmental Impact Assessment

Hyosung Heavy Industries conducts a regular environmental impact assessment at least once a year across the entire Changwon Plant. It also carries out ad hoc assessments whenever potential environmental risks are anticipated—for example, when an environmental accident occurs, a new process is introduced or modified, or raw materials are newly introduced or replaced. Working with relevant departments, the company identifies impact factors in each major environmental area, such as air pollution, water pollution, and waste generation. After comprehensively reviewing the probability of occurrence and the severity of the environmental impact, it establishes improvement action plans based on these findings and implements them in stages. Items that can be addressed immediately are resolved promptly, while matters requiring human and material resources—such as facility improvements or raw material substitution—are managed through separate mid- to long-term improvement roadmaps that are implemented sequentially to minimize environmental impact.

#### Environmental Impact Assessment Process



# Environmental Management

## Environmental Compliance Management

Aiming to build an environmental management system that goes beyond legal requirements, Hyosung Heavy Industries proactively responds to environmental laws and regulations. The company is strengthening its voluntary environmental management capabilities by implementing internalization measures across key environmental areas such as air, water, waste, and chemicals.

### Environmental Law Management Strategy

| Category      | Relevant Laws                                                                              | Detailed Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Air           | Clean Air Conservation Act                                                                 | <ul style="list-style-type: none"><li>Managing air pollutant emissions by establishing internal emission limits</li><li>Facility maintenance through planned inspections and management of differential pressure gauges for air pollution prevention facilities and internal filters of dust collectors</li><li>Regular evaluations and continuous identification of new vendors to eliminate the risk of non-compliance with self-measurement by outsourced measurement agencies</li><li>Installation of IoT measuring devices on air emission and prevention facilities, and implementation of packing replacements by establishing internal standards (40~60% of legal standards) that are stricter than legal requirements to ensure compliance with air pollutant emission standards</li></ul>                                                                                                                                                                                                      |
| Water Quality | Water Environment Conservation Act                                                         | <ul style="list-style-type: none"><li>Periodic measurement of pollutants to verify the adequacy of existing reported items (major factors such as TOC, T-N, and T-P are measured monthly, while all other water pollutants are measured semi-annually)</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Waste         | Wastes Control Act                                                                         | <ul style="list-style-type: none"><li>Inducing emission reduction through the introduction of a traceability system for waste oil and waste paint disposal</li><li>Analysis of hazardous substances in designated waste (once every 2 years)</li><li>Compliance with the Wastes Control Act through the establishment of non-emission facility waste management</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Chemicals     | Chemical Substances Control Act, Act on Registration and Evaluation of Chemical Substances | <ul style="list-style-type: none"><li>Ensuring regulatory compliance for all chemical substances and conducting systematic data management through the internal chemical management system (performance submitted to the Ministry of Environment)</li><li>Blocking the use of materials containing hazardous chemicals through preliminary environmental safety reviews</li><li>To ensure compliance with hazardous chemical handling standards, installation inspections of hazardous chemical handling facilities (small-quantity handling facilities and storage facilities) are conducted at Changwon Plants 1 and 3 for the handling of toxic substances (nitric acid, hydrofluoric acid, ammonium bifluoride, sodium hydroxide, etc.)</li><li>For the registration management of imported chemicals, substances entirely exported, such as insulating oil, are managed through registration exemptions, while other imported chemicals are registered through incoming volume management</li></ul> |
| Other         | -                                                                                          | <ul style="list-style-type: none"><li>Conducting close on-site management at all plants designated as self-inspection sites for air, water, and waste management</li><li>Participation in the Environmental Information Disclosure System</li><li>Regular odor and noise measurement management to identify and manage environmental impacts on nearby workplaces and residential areas</li><li>Groundwater and soil quality management through self-conducted soil inspections in areas of concern for soil contamination, in addition to legal inspections</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## Metrics & Targets

## Environmental Management Metrics and Targets

Hyosung Heavy Industries has established and manages seven mid- to long-term targets (KPIs) as performance indicators across six environmental areas, with the approval of the Green Management Committee.

### Mid- to Long-Term Targets for Reducing Environmental Impact

#### Environmental Impact Reduction Targets (KPIs)

##### Greenhouse Gas

Reduce absolute emissions by **31%** by 2035, compared with 2018 levels



##### Raw Materials and Chemicals

Reduce the use of hazardous chemicals by **34%** by 2030, compared with 2022 levels



##### Water

Reduce wastewater discharge by **33.7%** by 2030, compared with 2022 levels



##### Air

Reduce dust emissions by **40.8%** by 2030, compared with 2022 levels

Reduce THC (Total Hydrocarbons) emissions by **40.2%** by 2030, compared with 2022 levels



##### Waste

Reduce waste discharge by **13.9%** by 2030, compared with 2022 levels



##### Environmental Impact of Products and Processes

Complete **Life Cycle Assessment (LCA)** for all major product groups by 2030



# Environmental Impact Management

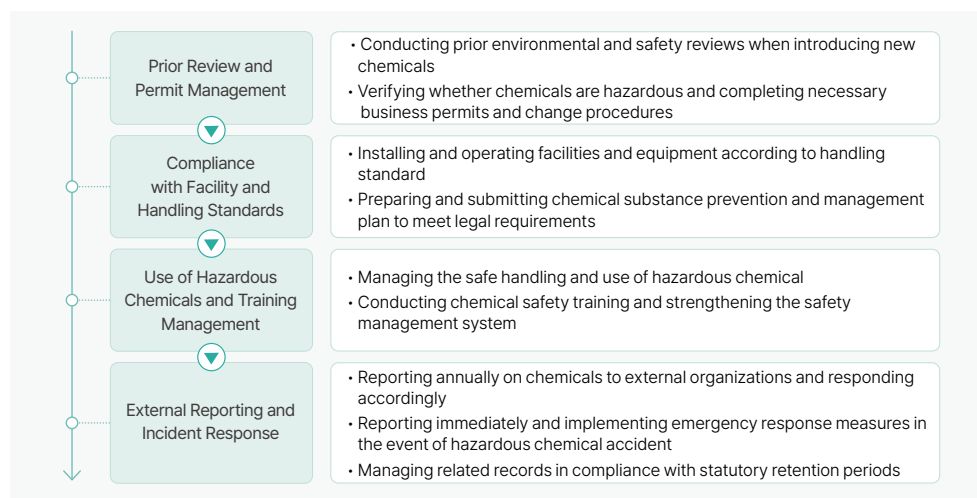
## Strategy

## Hazardous Chemicals

### Hazardous Chemical Management

Hyosung Heavy Industries has systematized its hazardous chemical handling procedures in compliance with relevant laws—including the Chemical Substances Control Act; the Act on Registration and Evaluation of Chemical Substances; and the Act on the Safety Control of Hazardous Substances—and has established and implemented management manuals based on these procedures. Using its internal chemical management system, the company has built a framework to manage chemical emissions and reduction performance in an integrated manner, and it regularly monitors chemical regulatory compliance rates and usage indices, which are designated as site-level Key Performance Indicators (KPIs). Each year, the company replaces both existing and newly designated hazardous chemicals with non-hazardous alternatives. At Changwon Plants 1 and 3, it conducts hazardous chemical installation inspections—covering small-quantity handling and storage facilities—in line with its handling of toxic substances such as nitric acid, hydrofluoric acid, ammonium bifluoride, and sodium hydroxide, thereby ensuring compliance with hazardous chemical handling standards. For the registration of imported chemicals, the company manages substances that are entirely re-exported, such as insulating oil, under registration exemptions, while registering other imported chemicals by managing their inbound quantities.

### Hazardous Chemical Management Process



### Hazardous Chemical Safety Training

Hyosung Heavy Industries strengthens its capabilities for the safe handling of hazardous chemicals and reinforces its management systems to prevent accidents at business sites through mandatory training conducted at the intervals required by law.

### Hazardous Chemical Safety Training Status

| Category                                                                    | Cycle              | Unit   | 2023 | 2024            | 2025 |
|-----------------------------------------------------------------------------|--------------------|--------|------|-----------------|------|
| Training for appointed hazardous chemical managers                          | Once every 2 years | Person | 1    | 3 <sup>1)</sup> | -    |
| Training of direct handlers of hazardous chemicals                          | Once every 2 years | Person | 3    | 4               | 3    |
| Training for workers at workplaces handling hazardous chemicals (employees) | Once a year        | Person | 637  | 720             | 593  |
| Training for workers at workplaces handling hazardous chemicals (suppliers) | Once a year        | Person | 330  | 382             | 376  |

1) Correction of numerical errors due to data verification

### 2025 Non-Hazardous Chemical Replacement Performance

Hyosung Heavy Industries immediately replaces newly designated hazardous chemicals with non-hazardous alternatives to build eco-friendly business sites, and phases out existing substances through continuous reviews of substitution feasibility. Among the chemicals used in its existing processes, the Power & Industrial Systems Division has classified a total of 195 substances—including 1,3-cyclohexanedimethanamine (CAS No. 2579-20-6)—as hazardous chemicals, following new toxic substance designations or changes in the content standards for toxic substances. Based on the Hyosung Heavy Industries Chemical Management System (ECMS), the company has imposed ordering restrictions on 16 items containing hazardous chemicals and has completed their full replacement with non-hazardous materials through consultation among the design, production, and procurement departments.

# Environmental Impact Management

## Waste

### Waste Management Enhancement

Hyosung Heavy Industries complies with relevant laws, including the Waste Control Act, and promotes activities to advance and improve its waste management system, thereby facilitating resource circulation and reducing waste generation.

#### Status of Waste and Resource Circulation Management Activities

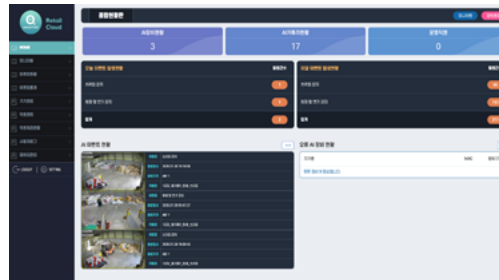
| Category                                | Key Details                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Waste Reduction Activities              | <ul style="list-style-type: none"> <li>• Introduction of a waste oil and waste paint discharge traceability system</li> <li>• Strengthening waste oil separation and reducing generation through the introduction of mobile oil skimmers</li> <li>• Ensuring compliance with relevant regulations by establishing waste management guidelines for non-emission facilities</li> </ul> |
| Facility and System Establishment       | <ul style="list-style-type: none"> <li>• Establishment of an in-house construction waste treatment process</li> </ul>                                                                                                                                                                                                                                                                |
| Performance Management and Verification | <ul style="list-style-type: none"> <li>• Exceeded targets for the resource circulation performance management system</li> <li>• Conducted analysis of hazardous substances in designated waste (once every 2 years)</li> </ul>                                                                                                                                                       |

### Resource Recycling Center Establishment

Hyosung Heavy Industries established new resource recycling centers at Changwon Plants 1 and 2 in 2025 to prevent the mixing and leakage of waste and to strengthen compliance with relevant regulations. In addition, the company installed a total of 13 AI CCTV cameras—equipped with fire detection, fall detection, and area-based waste monitoring functions—in the resource recycling centers at Changwon Plants 1 to 4 to proactively identify fire risks and strengthen its environmental management system.



Resource Recycling Center



AI CCTV Installation

### Resource Circularity Promotion

Hyosung Heavy Industries carries out a range of resource circulation activities—including improving waste treatment methods, transitioning to recycling-based waste management, and strengthening hazardous waste management—to increase waste recycling rates and enhance environmental safety. Specifically, the company sorts and compacts waste thinner containers and waste paint cans for recycling, has changed the treatment method for waste synthetic resins from incineration to recycling, and operates dedicated collection bins for fire-prone waste such as batteries.



Waste Battery Collection Bin Installation

### Waste Management Capability Enhancement

The Power & Industrial Systems Division regularly conducts in-house waste disposal training for all employees and new hires to raise employees' awareness of recycling. It also conducts annual evaluations of the waste treatment contractors at the Changwon Plant to systematically manage the proper treatment of outsourced waste and compliance with regulations; if a contractor fails to meet the division's requirements for waste treatment standards, methods, and recycling principles, the division terminates the outsourced treatment and replaces the contractor with a new service provider. In addition, it has strengthened resource circulation by identifying opportunities to reuse surplus paint across departments and by establishing a pallet reuse system.

#### In-House Waste Management Training for New Hires

| No. | Training Topic                                                                                         |
|-----|--------------------------------------------------------------------------------------------------------|
| 1   | Training Content Based on Article 26 of the Enforcement Rule of the Occupational Safety and Health Act |
| 2   | First aid and CPR practice, infectious disease prevention guidelines, etc.                             |
| 3   | Waste management and treatment methods at the Changwon Plant                                           |
| 4   | Risk assessment, in-house basic safety rules, and accident case studies                                |

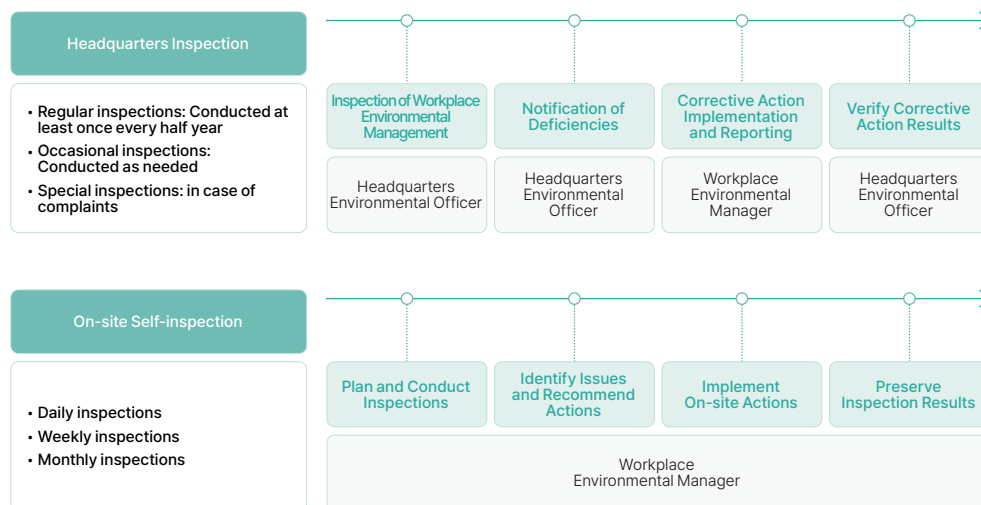
# Environmental Impact Management

## Pollutants

### Pollutant Management Inspection

Hyosung Heavy Industries conducts site-based environmental management, with all of its plants designated as self-inspection sites for air emissions, water quality, and waste management. The company also enhances the effectiveness of its environmental management by participating in the Environmental Information Disclosure System. To systematically manage pollutant emissions at its business sites, the company conducts regular inspections and operates based on the Environmental Management Manual and the Environmental Management Casebook. The Environmental Management Manual covers site-specific environmental issues—such as air emissions and dust control, water quality management, and construction waste management—and enhances execution through detailed implementation plans and inspection criteria. The Environmental Management Casebook provides structured documentation of dispute cases, solutions, and treatment methods by pollutant category, enabling prompt and efficient responses when environmental issues arise.

#### Pollutant Management Inspection Process



### Water Pollutant Management

In accordance with the Water Environment Conservation Act and wastewater treatment standards, Hyosung Heavy Industries has established internal water quality management standards that exceed legal requirements in order to strictly control the discharge of water pollutants. The company continuously carries out water quality management activities, such as regular monitoring of all discharge parameters for water pollutants and reducing wastewater generation through process improvements. It also periodically monitors water pollutant parameters to verify the appropriateness of its current reporting parameters. Key parameters, such as TOC, T-N, and T-P, are monitored monthly, while all other water pollutant parameters are monitored semiannually.

#### Water Pollutant Management Activity

| Category                                          | Key Details                                                                                                                 |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Leak Prevention                                   | • Introduction of a leak detection system at the Changwon Plant (including the installation of nine leak detection sensors) |
| Water Quality Management of Discharged Wastewater | • Conducted monitoring and management of all water pollutant parameters                                                     |
| Wastewater Discharge Reduction                    | • Integration of low-pressure die casting and melting furnace facilities at Changwon Plant 3                                |
|                                                   | • Eliminated wastewater discharge processes of low-pressure compact impregnation drying furnaces                            |
|                                                   | • Recovered and reused condensate generated during boiler operation                                                         |

### Soil Pollutant Management

Hyosung Heavy Industries continuously monitors the integrity of the soil environment to prevent the generation of soil pollutants at its business sites and to proactively mitigate potential environmental risks. To prevent soil contamination, the company manages groundwater and soil quality by conducting internal soil inspections of areas of concern, in addition to legally required inspections. During factory expansion, it proactively strengthened soil pollutant management by carrying out additional internal inspections of areas with the potential for soil contamination.

# Environmental Impact Management

## Air Pollutant Management

Hyosung Heavy Industries sets annual emission targets and systematically manages its performance by introducing internal emission standards for air pollutants. By setting these internal standards more stringently than legal requirements—at 40–60% of the legal limits—the company proactively promotes the reduction of air pollutants and minimizes their emissions through ongoing management and improvement activities.

### Air Pollutant Management Activities

| Category                                                                   | Key Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Process Improvement                                                        | <ul style="list-style-type: none"> <li>Outsourcing of casting plant (2024~)</li> <li>Outsourcing of switchgears fabrication and painting process</li> <li>Outsourcing of ultra-high voltage radiator manufacturing process</li> </ul>                                                                                                                                                                                                                                              |
| Raw Material Improvement                                                   | <ul style="list-style-type: none"> <li>Replacement of varnish (containing styrene) for low-voltage small/medium impregnation at Changwon Plant 3 with eco-friendly varnish</li> </ul>                                                                                                                                                                                                                                                                                              |
| Installation of Pollution Control Facilities and Improvement of Facilities | <ul style="list-style-type: none"> <li>Installation of Regenerative Thermal Oxidizers (RTO) at Changwon Plants 1 and 3</li> <li>Establishment of an IoT-based monitoring system at Changwon Plants 2 and 4</li> <li>Selection and installation of optimal pollution control facilities when introducing new processes</li> <li>Regular inspection and maintenance of air pollution control equipment, including differential pressure gauges and dust collector filters</li> </ul> |
| External Communication                                                     | <ul style="list-style-type: none"> <li>Signed a voluntary environmental agreement to reducing fine dust emissions at the Changwon Plant (2015~)</li> <li>Signed a collaborative partnerships agreement between large and small enterprises for air quality improvement in the southeastern region</li> </ul>                                                                                                                                                                       |
| Strengthening Self-Measurement and Evaluation                              | <ul style="list-style-type: none"> <li>Elimination of self-measurement risks through regular evaluation of measurement agencies and continuous discovery of new measurement agencies</li> </ul>                                                                                                                                                                                                                                                                                    |

## Reduction of Air Pollutant Emissions through Facility Improvements

The Power & Industrial Systems Division has installed local exhaust hoods above the doors of drying facilities and on dust collectors to improve the working environment, thereby minimizing the leakage of pollutants that can occur when the drying facilities are opened. In April 2025, the division replaced four aging dust collectors at the Changwon Plant to strengthen its regulatory compliance system. To prevent regulatory violations due to human error that may arise from operating emission facilities without their air pollution control facilities, the division also plans to continue establishing automatic interlocking systems that link emission facilities with their corresponding facilities.

## Collaborative Partnerships Agreement for Air Quality Improvement in the Southeastern Region

In 2025, Hyosung Heavy Industries signed a collaborative partnerships agreement for air quality improvement with Gyeongsangnam-do and the Nakdong River Basin Environmental Office, marking the first such agreement in the Southeast region. Under this agreement, the company plans to support the installation of air pollution control facilities for four external suppliers from 2025 to 2028.



Signing Ceremony for the Southeast Region Air Quality Improvement Collaborative Partnerships Agreement



Southeastern Region Air Quality Improvement Agreement

# Environmental Impact Management

## Risk Management

### Water Risk Management

Hyosung Heavy Industries regularly assesses the water stress levels of its major business sites and subsidiaries using the Aqueduct tool developed by the World Resources Institute (WRI), in order to evaluate water risk at its business sites and ensure a stable water supply. According to the analysis, its domestic sites in Seoul and Gyeonggi, as well as its overseas sites in China and India, were classified as areas with 'Medium-High (20–40%)' or higher water stress under both the 2025 and 2030 business-as-usual (BAU) scenarios, indicating a need for continuous water risk monitoring and response. Based on these monitoring results, the company plans to engage and cooperate with relevant authorities as needed.

#### Water Stress Analysis Results

Extremely High
 Medium-High
 Low-Medium
 Low

| Category                                                                          |                                 | Water Stress <sup>3)</sup> |                               |
|-----------------------------------------------------------------------------------|---------------------------------|----------------------------|-------------------------------|
|                                                                                   |                                 | 2025                       | 2030(BAU <sup>4)</sup> basis) |
| Headquarters (Mapo), Construction Headquarters (Hoehyeon), Wellington CC (Icheon) | Seoul/Gyeonggi <sup>1)</sup>    | Medium-High                | Medium-High                   |
| Changwon Plants 1-4                                                               | Changwon <sup>2)</sup>          | Low                        | Low                           |
| Nantong Hyosung                                                                   | Nantong, China <sup>2)</sup>    | Medium-High                | Medium-High                   |
| Hyosung VINA                                                                      | Dong Nai, Vietnam <sup>2)</sup> | Medium-High                | Low-Medium                    |
| HICO                                                                              | Memphis, USA <sup>2)</sup>      | Low                        | Low                           |
| Hyosung T&D                                                                       | Pune, India <sup>2)</sup>       | Extremely High             | Extremely High                |

1) Offices: Headquarters (Mapo), Construction Headquarters (Hoehyeon)

2) Plants: Changwon Plants 1-4, Nantong Hyosung, Hyosung VINA, HICO, Hyosung T&D

3) Water stress: Ratio of total demand to available surface and groundwater supply  
(Low: <10%, Low-Medium: 10-20%, Medium-High: 20-40%, High: 40-80%, Extremely High: >80%)

4) BAU (Business As Usual): A state identical to the existing one without special measures

## Metrics & Targets

### Environmental Impact Management Metrics and Targets

#### Environmental Impact Management Targets for the Power & Industrial Systems Division

The Power & Industrial Systems Division sets and monitors management targets for key environmental indicators at the Changwon Plant, including water usage, air pollutants, chemicals, and waste.

#### ESG Environmental Targets for the Power & Industrial Systems Division

| Indicator                         | Site           | 2025    |             |
|-----------------------------------|----------------|---------|-------------|
|                                   |                | Plan    | Performance |
| Water usage (ton)                 | Changwon Plant | 402,508 | 387,251     |
| Wastewater discharge volume (ton) |                | 5,400   | 6,214       |
| Dust emissions (ton)              |                | 3.60    | 2.76        |
| THC emissions (ton)               |                | 23.0    | 13.9        |
| Hazardous chemical usage (ton)    |                | 13.6    | 2.71        |
| Waste generation (ton)            |                | 4,872   | 5,692       |

#### Environmental Impact Management Targets for the Construction Division

The Construction Division sets its own environmental targets, including energy(electricity) usage and waste generation, for 23 sites to strengthen the environmental management system at the site level. Rather than simply assigning these targets, the company secures commitments from site managers to reinforce their resolve for practical implementation. Performance management reports are prepared quarterly each year, and for sites that fail to achieve their targets, a procedure requiring an explanation of the reasons is in place to improve the target achievement rate.

#### ESG Environmental Targets for the Construction Division

| Indicator               | Site              | 2025       |             |
|-------------------------|-------------------|------------|-------------|
|                         |                   | Plan       | Performance |
| Waste generation (ton)  | Construction site | 60,864     | 61,355      |
| Electricity usage (kWh) |                   | 10,037,982 | 18,216,663  |

# Biodiversity Conservation

## Governance

### Biodiversity Management System

Hyosung Heavy Industries has established and operates a biodiversity management system to minimize the negative impact of its business activities on biodiversity and to strengthen ecosystem conservation. The roles of each body are as follows. The ESG Management Committee, as the highest decision-making body under the Board of Directors, reviews major issues related to biodiversity. Through the deliberation and decision-making on key biodiversity risks and opportunities associated with the business, it holds final responsibility for managing and overseeing the establishment and implementation of biodiversity strategies. The ESG Management Promotion Committee, chaired by the CEO, deliberates on and approves biodiversity-related agendas such as biodiversity goals and strategies. Among the matters it discusses, it refers those requiring reporting, deliberation, or decision-making to the ESG Management Committee under the Board of Directors. The Green Management Committee, as an organization under the executive in charge of ESG management, oversees the execution tasks required for biodiversity management—such as biodiversity risk assessment, activity planning, and training—and regularly monitors their status and performance. The ESG Management Team, as the department dedicated to implementing biodiversity activities, carries out practical tasks such as establishing and implementing biodiversity conservation activity plans. The Safety and Environment Team is dedicated to biodiversity activities conducted near the Changwon Plant and performs practical work related to site-centered ecosystem conservation activities and monitoring.

#### Biodiversity Management Governance



## Strategy

### Biodiversity Strategy

#### Biodiversity Policy

Hyosung Heavy Industries has established a biodiversity policy to minimize the negative impact of its business and human activities on biodiversity and to ensure the conservation of biodiversity and the sustainable use of resources (enacted on February 10, 2023, and revised on October 31, 2025). The policy applies to all employees—including those at the headquarters, domestic and overseas production and sales subsidiaries, branches, and affiliates—and stipulates that employees encourage stakeholders involved in Hyosung Heavy Industries' business activities to comply with it. The company has established six key principles, including biodiversity mainstreaming and the management of business-related risks and opportunities, and promotes organized and systematic activities based on them.

#### Six Principles of Biodiversity

|                                                                          |                                                                                                                                                                                      |
|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mainstreaming Biodiversity                                               | • The Company promotes continuous initiatives to enhance awareness, with employees actively engaging on a voluntary basis.                                                           |
| Strategic Management of Biodiversity Risks and Opportunities in Business | • The Company strives to mitigate environmental impacts through proactive management of biodiversity risks and opportunities.                                                        |
| Biodiversity Conservation and Promotion                                  | • The Company takes a leading role in enhancing human well-being through the integration of ecosystem conservation and biodiversity enhancement across the entire product lifecycle. |
| Sustainable Ecosystem Utilization                                        | • The Company innovates environmentally sustainable technologies and products, incorporating considerations for sustainable resource management.                                     |
| Biodiversity Engagement Strengthening                                    | • The Company engages proactively in biodiversity enhancement initiatives, fostering collaboration with a broad spectrum of stakeholders.                                            |
| Transparent Disclosure of Biodiversity Information                       | • The Company cultivates stakeholder trust by disclosing precise and transparent biodiversity information based on factual accuracy.                                                 |

# Biodiversity Conservation

## Biodiversity Conservation Activities

### Hyosung Marine Forest Creation Project

Since May 2024, Hyosung Heavy Industries has been participating in the Hyosung Marine Forest Creation Project in cooperation with the Korea Fisheries Resources Agency (FIRA) and Wando-gun to establish a foundation for carbon neutrality and promote biodiversity. On May 22, 2025, the company conducted a seagrass seedbed planting experience event and carried out marine cleanup activities in the waters of Wando-gun, collecting marine debris such as buoys and discarded fishing gear along the coast.



Hyosung Marine Forest Creation Project



### Winter Migratory Bird Feeding Support Project

Since November 2023, Hyosung Heavy Industries has carried out feeding support activities at Hwapocheon Wetland Ecological Park in Gimhae-si, Gyeongsangnam-do, to help restore the population of winter migratory birds, which has been declining due to food shortages. On January 23, 2025, the company held a release event for two eagles that had been rescued in a starving condition and nursed back to health, supporting the recovery of their population and their return to the wild.



Winter Migratory Bird Feeding Support Project



### 2025 Creation Activity Performance

| Creation Site                      | Creation Area (km <sup>2</sup> ) | Key Performance                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Donggo-ri, Wando-gun, Jeollanam-do | 1.59                             | <ul style="list-style-type: none"><li>- Installation of 200m underwater longline for seaweed (Sargassum)</li><li>- Installation of 200 seaweed (Ecklonia cava) seeding bags</li><li>- Deployment of 1,000kg of seaweed spores (Undaria, Sargassum, Ecklonia cava)</li><li>- Improvement of attachment substrate</li><li>- Survey of stomach contents and analysis of feeding ecology</li></ul> |

### Activity Performance and Future Monitoring Plan

| Period    | Key Content                                                                 |
|-----------|-----------------------------------------------------------------------------|
| 2024      | • Transplantation of 40,000 seagrass plants                                 |
| 2025~2027 | • Monitoring and reinforcement for the settlement of transplanted organisms |
| 2028      | • Transfer of the finally created marine forest to the local government     |

### Status of Winter Migratory Bird Population by Year

(Unit: birds)

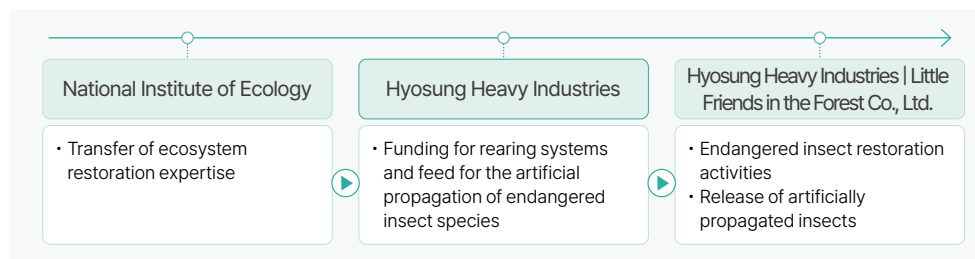
| Bird Name         | Year      |           |           | Natural Monument | Endangered Species |
|-------------------|-----------|-----------|-----------|------------------|--------------------|
|                   | 2023~2024 | 2024~2025 | 2025~2026 |                  |                    |
| Eagle             | 406       | 600       | 453       | O                | O                  |
| Whooper Swan      | 103       | 82        | 66        | O                | O                  |
| Bean Goose        | 5,035     | 5,700     | 9,500     | O                | O                  |
| Tundra Bean Goose | -         | -         | 50        | -                | -                  |
| White-naped Crane | 286       | 74        | 52        | O                | O                  |

# Biodiversity Conservation

## Endangered Insect Restoration Project

In April 2025, Hyosung Heavy Industries signed a business agreement with the National Institute of Ecology and Little Friends in the Forest Co., Ltd. to breed and restore endangered insects such as jewel beetles, dung beetles, and giant water bugs. On June 19, 2025, the company inspected the jewel beetle habitat near Pyochungsa Temple in Miryang, Gyeongsangnam-do, and held a release event for jewel beetles that had been successfully bred through artificial propagation.

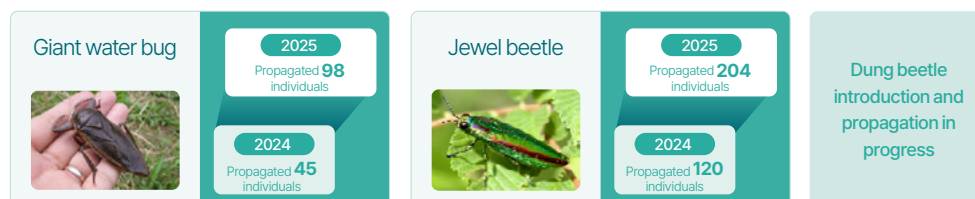
### Endangered insect restoration project execution process



Endangered insect restoration project business agreement and activities



### 2025 endangered insect restoration project achievements



## Changwon City Public-Private-Academic Partnership Project for Biodiversity

In July 2025, Hyosung Heavy Industries signed a business agreement with the Changwon City Biodiversity Conservation Cooperation Project Working Council—which brings together citizens, local governments, companies, and academia—to promote biodiversity conservation activities near its business sites. During 2025, the company carried out ecological activities such as ecological surveys, the removal of invasive species, and biodiversity conservation education. Going forward, it plans to further strengthen these conservation efforts near its business sites by expanding direct activities such as the protection of endangered species.



Changwon City biodiversity public-private-academic cooperation agreement and activities

### 2025 Changwon Plant biodiversity promotion status

| Activity                                                 | Location (Target)                                           | Period      | Key Details (Purpose)                                                                                                                         | Outcome                                                                      |
|----------------------------------------------------------|-------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Posting banners to prevent amphibian roadkill            | Site boundaries of Plants 1 and 2                           | May–June    | Promoting the prevention of amphibian (toad) roadkill by posting banners                                                                      | Raised public awareness through outreach                                     |
| Removal of invasive species                              | Namcheon Stream waterfront (near Yeondeokgyo Bridge)        | May–October | Removing invasive species (Japanese hop, bur cucumber) to improve a habitat environment for indicator plants                                  | Removed approx. 2 tons of invasive species                                   |
| Employee training                                        | Non-production departments at Plant 1                       | September   | Conducting biodiversity training for non-production departments (inviting an expert lecturer from the Sustainable Development Council)        | Raised awareness (64 employees trained in total)                             |
| Birdwatching Survey to assess biodiversity <sup>1)</sup> | Near Samdonggyo Bridge (brackish water area <sup>2)</sup> ) | November    | Conducting a birdwatching survey in the brackish water zone to assess biodiversity                                                            | Identified 10 species, including the common kingfisher                       |
| Results briefing session                                 | Changwon Exhibition Convention Center (CECO)                | December    | Reporting activities and achievements of each organization/company in 2025 and utilizing sustainable ecological activity data for exhibitions | Information exchange among participating companies and private organizations |

1) Birdwatching: An activity involving the observation of bird species to assess biodiversity

2) Brackish water area: An area where freshwater and seawater mix, providing habitat for diverse species (e.g., the lower Namcheon stream in Changwon adjacent to Masan Bay)

# Biodiversity Conservation

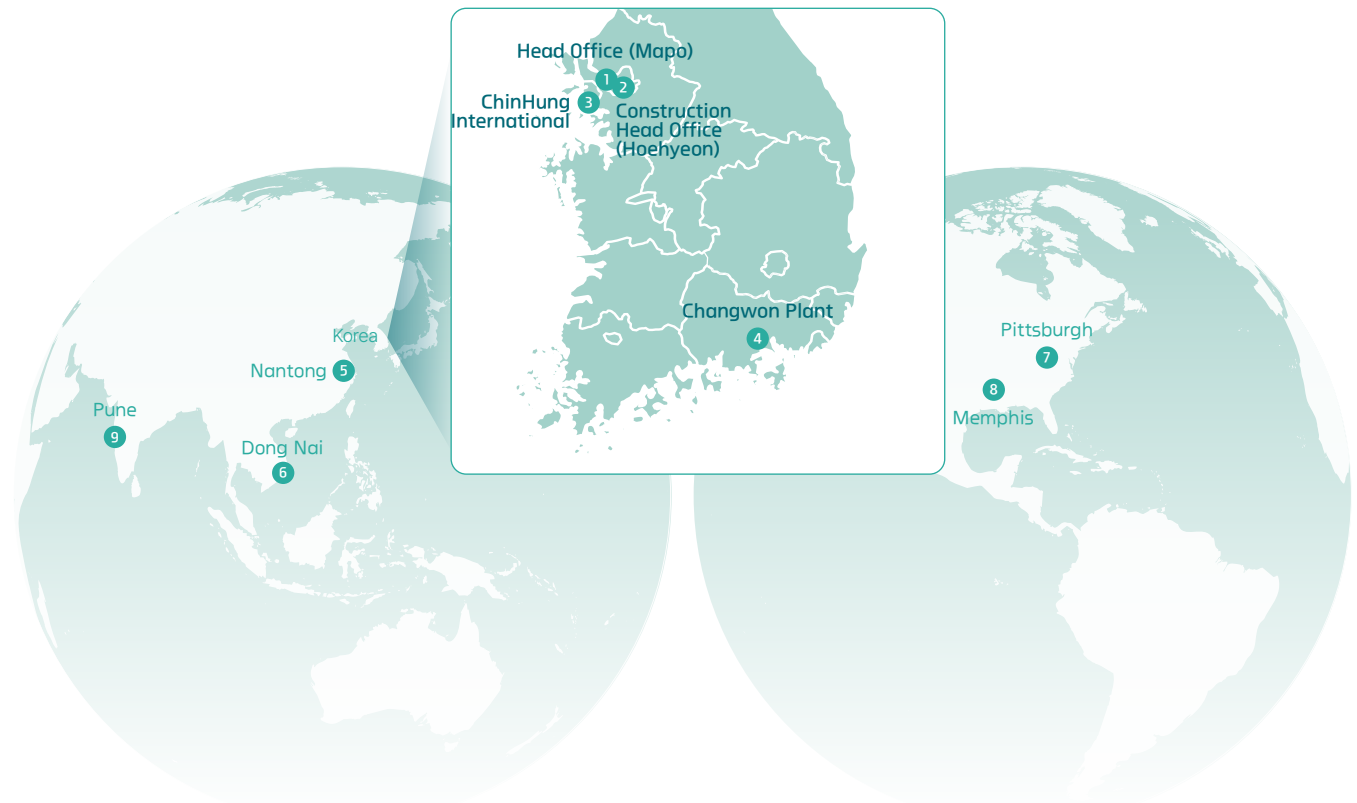
## Risk Management

### Biodiversity Risk Management

Hyosung Heavy Industries identifies biodiversity risks around its business sites using the Biodiversity Risk Filter provided by the World Wide Fund for Nature (WWF). For its domestic sites, the company aggregates data by major administrative district based on the endangered wildlife data published by the National Institute of Biological Resources (NIBR). For its overseas sites, it summarizes the status of Critically Endangered (CR), Endangered (EN), and Vulnerable (VU) species distributed near the sites by referring to the Red List of Threatened Species compiled by the International Union for Conservation of Nature (IUCN).

#### Biodiversity in Business Impact Areas

| Country | Business Site                          | Site Type | Physical Risk | Reputational Risk | Endangered Species               |                          |
|---------|----------------------------------------|-----------|---------------|-------------------|----------------------------------|--------------------------|
|         |                                        |           |               |                   | Nationally Designated (Domestic) | IUCN Red List (Overseas) |
| Korea   | 1 Headquarters (Mapo)                  | Office    | 2.7           | 2.1               | 0                                | -                        |
|         | 2 Construction Headquarters (Hoehyeon) | Office    | 2.7           | 2.1               | 0                                | -                        |
|         | 3 ChinHung International               | Office    | 3             | 2.1               | 5                                | -                        |
|         | 4 Changwon Plant 1                     | Plant     | 2.8           | 2.9               | 1                                | -                        |
|         | 4 Changwon Plant 2                     | Plant     | 2.8           | 2.9               | 1                                | -                        |
|         | 4 Changwon Plant 3                     | Plant     | 2.8           | 2.9               | 1                                | -                        |
|         | 4 Changwon Plant 4                     | Plant     | 2.8           | 2.9               | 1                                | -                        |
| China   | 5 Nantong Hyosung                      | Plant     | 3.2           | 3.1               | -                                | 40                       |
| Vietnam | 6 Hyosung VINA                         | Plant     | 3             | 3                 | -                                | 316                      |
| USA     | 7 HICO AMERICA Sales&Tech              | Office    | 2.8           | 2.9               | -                                | 38                       |
|         | 8 HICO                                 | Plant     | 2.8           | 2.9               | -                                | 43                       |
| India   | 9 Hyosung T&D                          | Plant     | 2.8           | 2.8               | -                                | 61                       |



# Connect People

|                                                             |    |
|-------------------------------------------------------------|----|
| Human Rights Management                                     | 80 |
| Human Resources Management<br>and Fair Compensation System  | 84 |
| Community Engagement                                        | 89 |
| Information Security and<br>Personal Information Protection | 94 |

# Human Rights Management

## Governance

### Human Rights Management System

Hyosung Heavy Industries operates its human rights management system based on its Human Rights Management Declaration and designates the CEO as the top decision-maker for human rights-related activities and risk factors. To manage human rights risks at the company-wide level and to strengthen the accountability and execution capabilities at each decision-making stage, the company has established a human rights management decision-making system comprising a committee under the Board of Directors, management and executives, and working-level departments. The roles of each body are as follows. The ESG Management Committee performs a top-level oversight function, reviewing the direction of human rights management and the status of risk response, and deliberating and making decisions on major human rights issues. The ESG Management Promotion Committee, chaired by the CEO, receives regular reports on human rights management activities from the Risk & Compliance Management Committee and makes decisions on performance and areas requiring improvement. The Risk & Compliance Management Committee reviews major internal human rights-related matters—such as the results of human rights impact assessments and improvement plans—to proactively prevent human rights risks and respond to them systematically. The HR Team, as the department in charge of human rights management, conducts human rights awareness training, grievance handling, and human rights impact assessments, and carries out activities to identify and respond to human rights risks.

#### Human Rights Management Governance



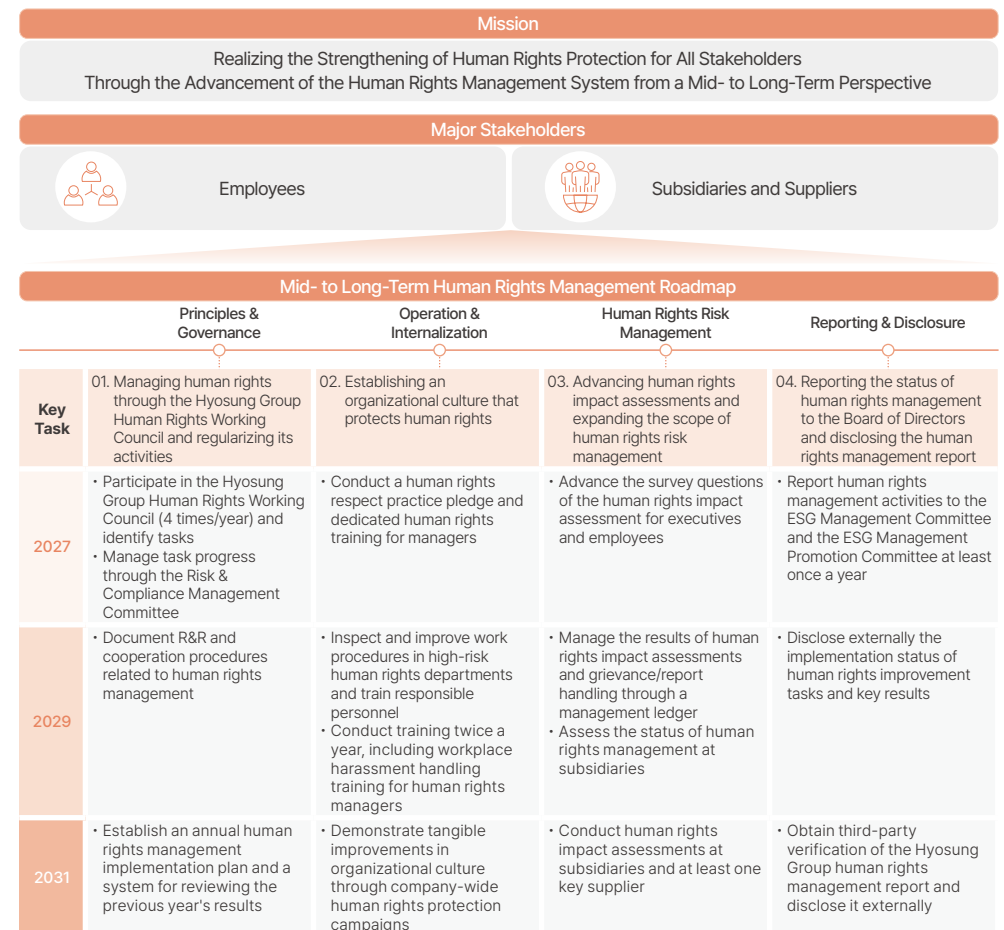
## Strategy

### Human Rights Management Strategy

#### Direction for Human Rights Management

Based on its management philosophy of being 'a global company operating on the world stage founded on respect for humanity', Hyosung Heavy Industries has established mid- to long-term goals to advance its human rights management system and spread human rights values.

#### Hyosung Heavy Industries Human Rights Management Promotion Strategy

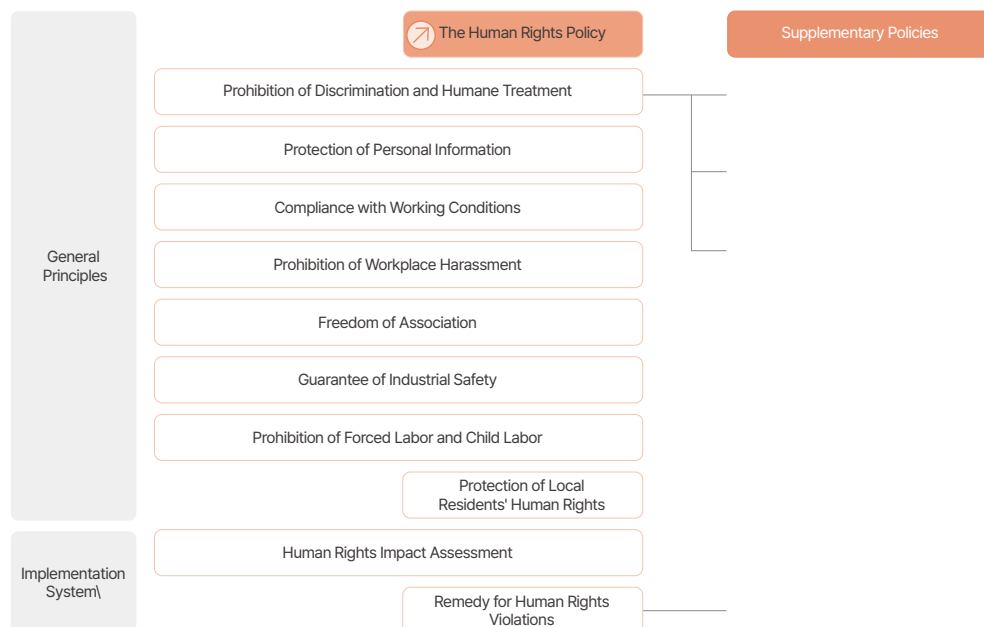


# Human Rights Management

## Human Rights Policies and Guidelines

In January 2025, Hyosung Heavy Industries announced its Human Rights Management Declaration with the approval of the CEO, and based on this declaration, it established a human rights policy and supplementary policies to respect and protect the human rights of all stakeholders. Following the establishment of the ESG Management Committee in 2025, the company supplemented its human rights management system and revised the human rights policy and supplementary policies accordingly. It also specified cases concerning grievances—such as forced labor, child labor, discrimination, harassment, and working conditions—in its Redress Manual for Human Rights Violations. The Human Rights Policy sets out, as its basic principles, the protection of employees' dignity and rights; the prohibition of discrimination, harassment, and unfair treatment; and the creation of a safe and respectful work environment. In addition, the company has separately enacted and operates three supplementary policies that explicitly support the prohibition of discrimination and harassment, the promotion of diversity, equity, and inclusion (DEI), and the eradication of forced labor and human trafficking.

### Key Provisions by Policy



## Response to Global Human Rights Laws

### Publication of the Sydney Branch Modern Slavery Statement

As part of its active response to global human rights-related laws and regulations, Hyosung Heavy Industries submitted a Modern Slavery Statement to the Australian federal government in 2025 in accordance with the Australian Modern Slavery Act 2018. In the statement, the company specified its human rights risk management measures, including an analysis of Hyosung Heavy Industries' business and supply chain structure, the identification of major risk types, risk control and preventive measures, and effectiveness reviews.

## Internalization of Respect for Human Rights

To foster a culture of respect for human rights among its employees, Hyosung Heavy Industries systematically conducts human rights respect training—including practical courses—across all of its business operations. As part of this effort, the company provides internal human rights management training in accordance with its Policy Supporting the Eradication of Forced Labor and Human Trafficking to address the issues of child labor, forced labor, and human trafficking. In addition, to build workforce diversity and an inclusive organizational culture, it operates statutory human rights awareness training—such as training on the prevention of sexual harassment and workplace harassment and on disability awareness—based on its Policy on the Prevention of Discrimination and Harassment and its Policy on the Promotion of Diversity, Equity, and Inclusion.

### Human Rights Awareness and Internalization Training for Employees

| Category                                  |                                                  | Training Content                                                                                                             | Number of Participants |
|-------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Internal Human Rights Management Training |                                                  | Child Labor and Forced Labor Around Us                                                                                       | 1,922                  |
| Statutory Human Rights Awareness Training | Prevention of Sexual Harassment in the Workplace | Definition and types of sexual harassment in the workplace, relevant laws, response measures, etc.                           | 2,294                  |
|                                           | Prevention of Workplace Harassment               | Definition and types of workplace harassment, relevant laws, response measures, etc.                                         | 2,286                  |
|                                           | Disability Awareness Improvement                 | Definition of disability and types of disabilities, etiquette according to the characteristics of each disability type, etc. | 2,247                  |

# Human Rights Management

## Raising Awareness of Human Rights Management

### Grievance Handling System

Hyosung Heavy Industries operates a systematic grievance handling system to respond promptly to the risk of human rights violations affecting its employees and external stakeholders. This system is codified in the Redress Manual for Human Rights Violations, the details of which all stakeholders can review on the company's website, and it accepts reports on human rights-related matters such as child labor, forced labor, discrimination, and harassment.

To manage the grievance handling system effectively, the company operates dedicated bodies such as the HR Counseling Center and the Disciplinary Committee. At the HR Counseling Center, the principles of counseling confidentiality and the prohibition of retaliation—such as dismissal or disadvantageous treatment—are codified and applied to protect both reporters and the parties involved in human rights violation cases. The Disciplinary Committee fairly determines the level of disciplinary action imposed on the parties involved, based on the severity and gravity of the case identified through the investigation process.

Reports of human rights violations can be submitted through the HR Counseling Center or the external website. The details of such reports are strictly protected, and the principles prohibiting dismissal and disadvantageous treatment are strictly observed. Employees can report human rights violation cases through the HR Counseling Center (HOPE), while external stakeholders can conveniently report human rights-related matters using the reporting center on the website.

### Human Rights Violation Investigation Process

Hyosung Heavy Industries operates a transparent and fair seven-step investigation process for human rights violation cases, spanning from the receipt of a report to the final action taken and reporting to top management. The company regularly compiles and manages data on the receipt and processing of human rights violation grievances, using it to assess the effectiveness of its human rights management system and to drive continuous improvement activities.

#### Human Rights Violation Investigation Process



#### Human Rights-Related Grievance Handling Status

| Classification                                      | Unit  | 2023 | 2024 | 2025 |
|-----------------------------------------------------|-------|------|------|------|
| Number of human rights-related grievances received  | Cases | 2    | 8    | 10   |
| Number of human rights-related grievances processed |       | 2    | 8    | 10   |
| Human rights-related grievance processing rate      | %     | 100  | 100  | 100  |

# Human Rights Management

## Risk Management

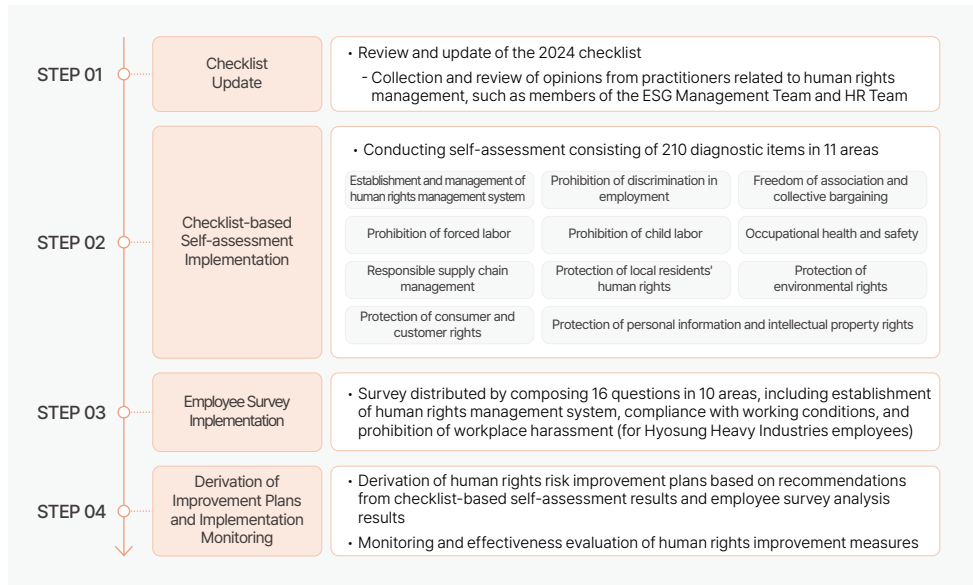
### Human Rights Risk Management

#### Conducting Human Rights Impact Assessment

Hyosung Heavy Industries conducts a human rights impact assessment once a year in accordance with the principles set out in its human rights policy, identifying human rights risks and monitoring the status of improvement measures. In August 2025, the company carried out self-assessments for departments at its headquarters and domestic business sites, using a checklist of 210 diagnostic items across 11 areas that reflect international human rights standards such as the UN guidelines. In 2025, it also introduced an employee survey to further identify potential human rights risks that are difficult to detect through self-assessment alone.

Hyosung Heavy Industries conducts these human rights impact assessments for a wide range of stakeholders—including employees (with foreign workers assessed separately), supply chain partners, consumers and customers, and local residents—based on the due diligence frameworks of the UN Guiding Principles on Business and Human Rights (2011) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (2023 revised edition).

#### 2025 Human Rights Impact Assessment Process and System



#### Human Rights Impact Assessment Results and Monitoring

In its 2025 human rights impact assessment, Hyosung Heavy Industries achieved an implementation rate of 86%, meeting 180 of the 210 checklist items. At the same time, the company identified 12 items requiring improvement and 2 recommendations, and derived improvement measures to advance its human rights management system (with the relevant vulnerable stakeholders being employees, suppliers, and local residents). The results of the 2025 assessment and the corresponding improvement measures were reported to the Risk & Compliance Management Committee and the ESG Management Promotion Committee in the fourth quarter of 2025.

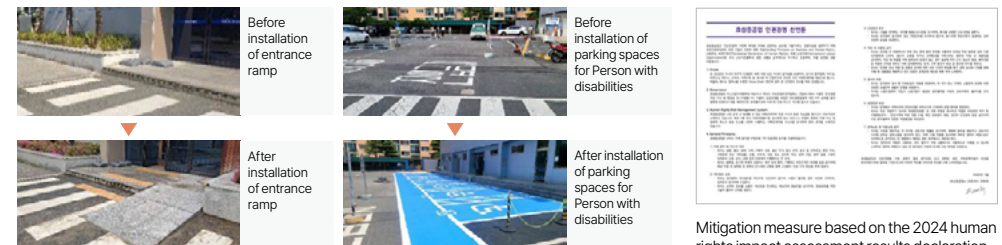
In a human rights awareness survey conducted among employees in September 2025, approximately 50% of respondents were found to be unaware of the company's human rights management policy and grievance channels. To address this lack of awareness, the company carried out campaign emails to employees and promotional activities through internal notices (completed in December 2025).

In addition, Hyosung Heavy Industries evaluated the effectiveness of the facility improvements completed in 2024 to secure the mobility rights of Person with disabilities. In a follow-up survey, 52.4% of Changwon Plant employees gave positive responses, confirming the effectiveness of these work environment improvements.

#### Derivation of Improvement Plans and Implementation Status Based on the Human Rights Impact Assessment

| Short-term improvement items        |                                                 |                                                                                                                                                                                                                                                                                   |
|-------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 01                                  | Raising Internal Human Rights Awareness         | <ul style="list-style-type: none"> <li>Implementation of human rights awareness-raising campaigns for internal employees (completed in December 2025)</li> <li>Guidance on the company's human rights management policy and human rights violation relief manual, etc.</li> </ul> |
| 02                                  | Activation and Monitoring of Education Programs | <ul style="list-style-type: none"> <li>Expansion of human rights management scope, such as providing supply chain human rights education opportunities</li> </ul>                                                                                                                 |
| Mid- to long-term improvement items |                                                 |                                                                                                                                                                                                                                                                                   |
| 01                                  | Advancement of Human Rights Management System   | <ul style="list-style-type: none"> <li>Inclusion of plans for the phased inclusion of suppliers and members of overseas business sites in human rights impact assessments on the mid- to long-term human rights management system advancement roadmap</li> </ul>                  |

#### Status of Human Rights Impact Assessment Improvement Measures



Mitigation measure based on the 2023 human rights impact assessment results: facility improvements to secure mobility rights for person with disabilities, action completed in 2024

Mitigation measure based on the 2024 human rights impact assessment results declaration of support for human rights respect by top management, action completed in 2025

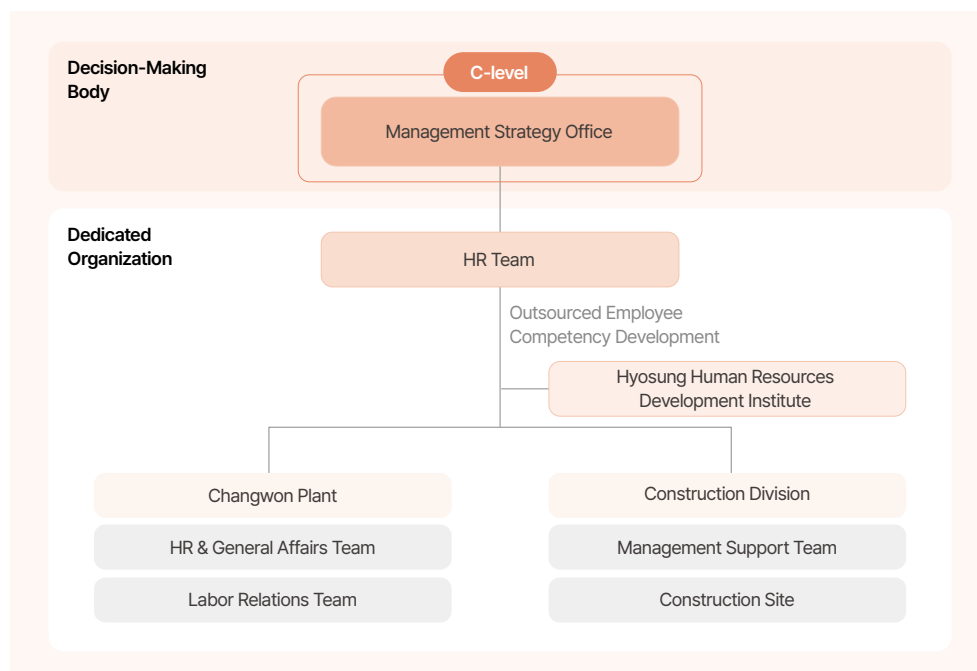
# Human Resources Management and Fair Compensation System

## Governance

### Human Resources Management System

Hyosung Heavy Industries operates a dedicated organization responsible for decision-making on overall human resources management, including talent recruitment, performance evaluation, compensation, and welfare benefits. The HR Team under the Management Strategy Office oversees company-wide HR affairs, while a separate organization manages human resources for the Changwon Plant and the construction sites. Training for employees' competency development is outsourced to the Hyosung Human Resources Development Institute, and each business site also independently identifies and operates job training and communication training programs that reflect on-site needs and organizational characteristics.

#### Human Resources Management Governance



## Strategy

### Employee Recruitment

In line with its management philosophy of 'leading a better life for humanity based on the best technology and management capabilities', Hyosung Group has established four core values—Excellence, Innovation, Responsibility, and Trust—as its talent philosophy. Based on this philosophy, Hyosung Heavy Industries provides broad employment opportunities to prospective talent through various channels, including regular and rolling recruitment.

To secure outstanding talent in the Changwon region—where its major business sites are located—and to contribute to the local community, the company signed an industry-academia memorandum of understanding (MOU) with Changwon National University and actively conducts local recruitment. Hyosung Heavy Industries also participates in the Recruitment Platform for Veterans of the U.S. Forces in Korea, established by the Korea Chamber of Commerce and Industry together with the Korea-U.S. Alliance Foundation, thereby helping to secure qualified local talent who understand Korean culture and to address labor shortages in the United States.

Hyosung Heavy Industries explicitly states non-discrimination clauses in its job postings and conducts diversity promotion and anti-discrimination training for interviewers, thereby guaranteeing all applicants equal employment opportunities free from discrimination based on academic background, age, gender, race, or religion.

#### Hyosung Group Talent Philosophy



# Human Resources Management and Fair Compensation System

## Employee Competency Development

### Hyosung Heavy Industries Talent Development Direction

Hyosung Heavy Industries operates a range of programs to cultivate globally competitive talent, setting the sharing of its management philosophy, the strengthening of global competencies, the fostering of leaders, and the enhancement of job expertise as its core missions.

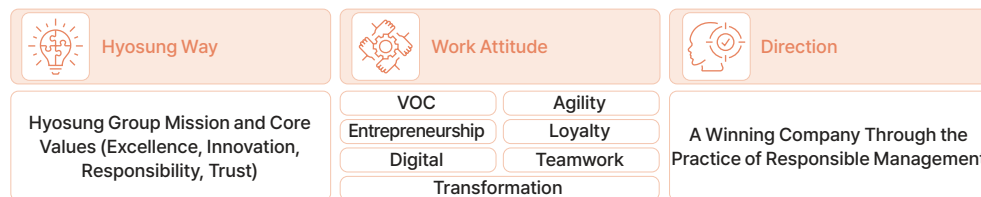
#### Hyosung Heavy Industries Core Mission for Talent Development



### Management Philosophy Dissemination Program

Hyosung Heavy Industries operates a management philosophy dissemination program to instill in all of its employees the company's core values—the 'Hyosung Way'—and the 'work attitude' established on the basis of these values.

#### Hyosung Group Value-Based Management Philosophy



#### Management Philosophy Dissemination Program

| Key Training          | Detailed Training Items                                                                                                                                                                                                                                                                                        | Target        |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| New Hire Training     | • Training on the company's history, organizational structure, core values, and management philosophy to support the successful onboarding and integration of new hires                                                                                                                                        | New Employees |
| Promotion Training    | • Training on understanding and practicing the roles expected by the company for each job level, and applying the company's management philosophy, 'Hyosung Way', to work                                                                                                                                      | Promotees     |
| Communication Program | • Cultivates core communication competencies such as empathy/listening, recognition/gratitude, clear instruction/reporting, and refusal/alternative suggestion, with the goal of building a communication culture based on open exchange of opinions and active listening                                      | All Employees |
|                       | • Operates the Hyosung One Team training program aimed at vitalizing communication among members of the work site and internalizing the company's core management philosophy on-site<br>• Trains foreman-level employees as internal instructors to conduct training for members of each work team once a year | Field Staff   |

### Global Competency Enhancement Program

Hyosung Heavy Industries operates customized training programs that reflect the needs of its locally hired personnel, who serve as key members of its overseas subsidiaries.

#### Global Competency Enhancement Program

| Key Training                         | Detailed Training Items                                                          | Target                                                            |
|--------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------|
| Training for Locally Hired Personnel | • Self-directed learning for employees through a global online learning platform | Major Overseas Subsidiaries, Expatriates, Locally Hired Personnel |

### Leadership Development Program

Hyosung Heavy Industries operates leadership courses tailored to each job level, with the aim of fostering future executives, strengthening organizational management capabilities, and improving its organizational culture.

#### Leadership Development Program

| Key Training                     | Detailed Training Items                                                                                                                                                                                                                                             | Target                   |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| High-Potential Employee Training | • Proactively identifies employees with excellent competencies and performance, and provides training for in-depth competency diagnosis and strengthening of management capabilities<br>• Support for personalized training programs through development interviews | High-Potential Employees |
| Promoted Executive Training      | • Training for leadership cultivation and strengthening of management capabilities                                                                                                                                                                                  | Promoted Executives      |
| GMC Training                     | • Training for strengthening basic safety knowledge and safety leadership competencies                                                                                                                                                                              | Executive Candidates     |
| New Team Leader Training         | • Consists of a training course centered on 5 core subjects: management strategy, financial accounting, marketing, production management, and HR organization, as well as individual performance tasks                                                              | New Team Leaders         |
| Insight Forum                    | • Supports the improvement of strategic thinking and market understanding, and the strengthening of leadership competencies by inviting external experts                                                                                                            | Executives/ Team Leaders |

### Online Self-Development Support Program

Through an online platform, Hyosung Heavy Industries provides a variety of programs—such as cultural experiences and meditation—that help reduce employees' work-related stress and promote their psychological well-being. The company also offers on-demand audio services so that employees can access learning and media content without time or location constraints.

# Human Resources Management and Fair Compensation System

## Job Competency Enhancement Program

Hyosung Heavy Industries operates customized training programs by job group, job function, business unit, and department in order to strengthen global competitiveness and realize value-based management. To improve the expertise of its technical staff, the company provides customized external training programs tailored to each technical grade and job stage—such as beginner, intermediate, and advanced levels. It also strengthens employees' job expertise by regularly conducting on-site technical support training for each team, and enhances job competencies by holding quarterly site manager meetings and job-specific training for key positions such as construction site managers, quality managers, and electrical managers.

By business unit, the Construction Division strengthens expertise through customized training that reflects its own organizational culture and work characteristics, while the Power & Industrial Systems Division supports the organizational adaptation and career development of key talent through its own retention training.

### Job Competency Enhancement Program

| Key Training                                 | Detailed Training Items                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Target                                                               |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| VOC Training                                 | <ul style="list-style-type: none"> <li>• Providing structured basic and advanced training to strengthen VOC-related capabilities to strengthen customer engagement management</li> <li>• Basic Course: Learning systematic information gathering techniques regarding markets, customers, and competitors</li> <li>• Advanced Course: Conducting case-based training for market, customer, and competitor analysis, discovering differentiated Value In Use (VIU), and establishing effective strategies</li> </ul> | Sales Job Group                                                      |
| AI Training                                  | <ul style="list-style-type: none"> <li>• Generative AI Prompt Engineering: Conducting training on AI utilization methods and prompt writing tailored to the work objectives of each job group</li> <li>• AI Special Lecture: Conducting AI literacy and trend training               <ul style="list-style-type: none"> <li>- Supporting changes in work methods and adaptation to a digital-centric work environment</li> </ul> </li> </ul>                                                                        | All Employees                                                        |
| Accounting Training                          | <ul style="list-style-type: none"> <li>• Basic Course: Securing management expertise through cash flow analysis</li> <li>• Advanced Course: Operating business unit-customized face-to-face training led by in-house professional instructors</li> </ul>                                                                                                                                                                                                                                                            | All Employees                                                        |
| Strategy Training                            | <ul style="list-style-type: none"> <li>• Conducting training on strategy formulation and execution to achieve organizational goals by securing competitive advantages</li> <li>• Conducting training on problem-solving methods by job level, strategy formulation methods, and strategy formulation and execution</li> </ul>                                                                                                                                                                                       | All Employees                                                        |
| Health and Safety Training                   | <ul style="list-style-type: none"> <li>• Conducting training to strengthen basic safety knowledge and safety leadership competencies</li> </ul>                                                                                                                                                                                                                                                                                                                                                                     | Employees in Health and Safety-Related Roles                         |
| Customer Consultation and Negotiation Skills | <ul style="list-style-type: none"> <li>• Conducting training on the concepts and principles of negotiation and skills for each customer consultation process to improve communication and negotiation capabilities with customers</li> </ul>                                                                                                                                                                                                                                                                        | Sales Job Group                                                      |
| Job Training                                 | <ul style="list-style-type: none"> <li>• Operating professional engineering and design training courses for new employees (transformers, circuit breakers, and electrical equipment fields)</li> </ul>                                                                                                                                                                                                                                                                                                              | Design, Sales, Quality, Execution/Service, and Purchasing Job Groups |

## Onboarding Programs by Employee Group

Hyosung Heavy Industries operates an in-house onboarding program to help new hires successfully settle into the organization and realize their potential. The company supports the improvement of new employees' job competencies by linking new-hire training with group-level humanities education. Training other than the new-hire orientation is conducted at the group training center to support new hires' understanding of the organization and their adaptation to their jobs.

### Onboarding Program for New Hires by Job Level

| Category                    | Training Program                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New Employees               | Orientation Training                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                             | <ul style="list-style-type: none"> <li>• Guiding new employees by entry cohort on the company's core values, history, organizational structure, and internal systems, and providing training to cultivate professional qualities</li> </ul>                                                                                                                                                                                                                                       |
|                             | Work Fundamentals and Accounting Fundamentals Training                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                             | <ul style="list-style-type: none"> <li>• Work Fundamentals Course: Strengthening job expertise by learning efficient time and priority management methods and internalizing effective document writing and communication principles</li> <li>• Accounting Fundamentals Course: Deepening understanding of corporate management through management simulation games and theoretical learning by account category to cultivate financial statement analysis capabilities</li> </ul> |
| Experienced Hires           | Networking Day                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                             | <ul style="list-style-type: none"> <li>• Supporting successful onboarding and integration by promoting interaction and building intimacy among new employees who joined at different times due to quarterly recruitment</li> </ul>                                                                                                                                                                                                                                                |
|                             | 2nd-Year New Employee Training                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Externally Hired Executives | <ul style="list-style-type: none"> <li>• Deepening self-understanding by utilizing self-reflection and self-care programs regarding company life, and based on this, reaffirming the meaning and purpose of work and strengthening motivation by establishing individual growth visions</li> </ul>                                                                                                                                                                                |
|                             | <ul style="list-style-type: none"> <li>• Introducing the company's core values, history, organizational structure, and internal systems once per quarter</li> <li>• Additionally operating an experienced hire onboarding program once a year to enhance a sense of belonging to the company and provide networking opportunities among new hires</li> </ul>                                                                                                                      |
| Externally Hired Executives | <ul style="list-style-type: none"> <li>• Supporting the activation of in-house networks and promoting understanding of the company's history, organizational structure, and management philosophy by operating exchange meetings once per half-year</li> </ul>                                                                                                                                                                                                                    |

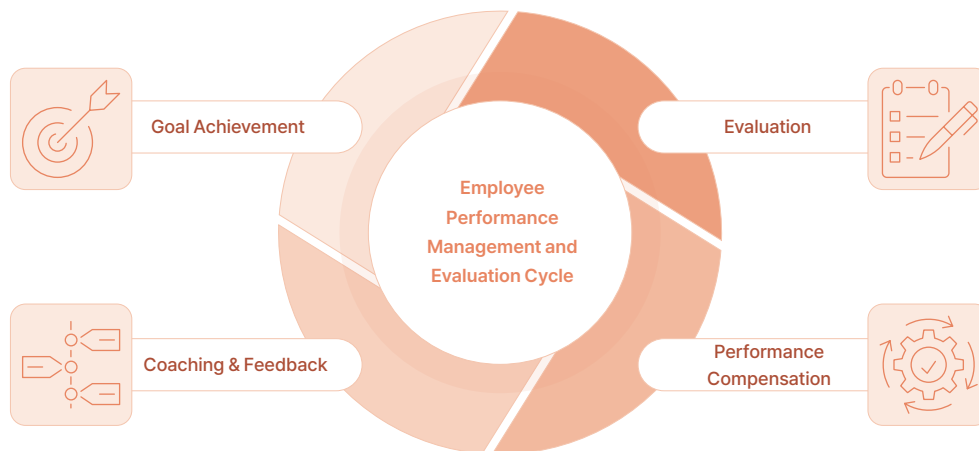
# Human Resources Management and Fair Compensation System

## Performance Evaluation and Compensation

Hyosung Heavy Industries links its 'Work Attitude' behavioral standards with performance evaluations and operates an evaluation system in which goal setting, evaluation, performance-based compensation, and coaching and feedback form a continuous cycle, thereby ensuring the objectivity and fairness of its performance evaluations.

The Work Attitude behavioral standards evaluation is conducted once a year using a peer-based multi-rater evaluation method based on 15 detailed criteria. The evaluation report includes detailed information on score deductions and areas for improvement, providing personalized feedback tailored to each individual. The performance evaluation measures the achievement of goals aligned with the organization's strategic direction and provides differentiated compensation based on each individual's contribution and level of performance, thereby encouraging continuous performance improvement.

### Employee Performance Management and Evaluation System



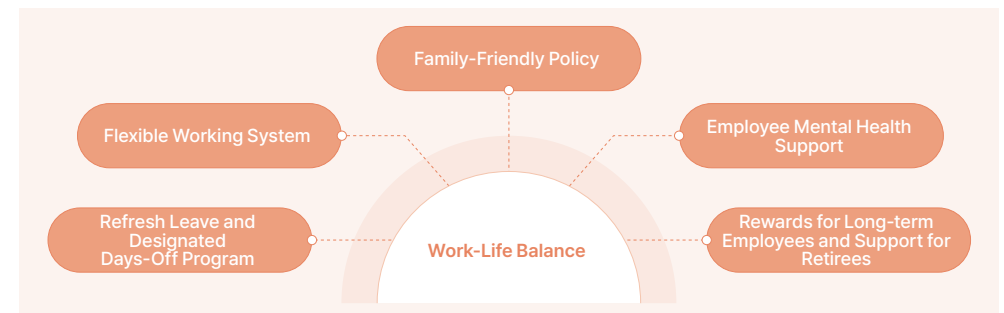
### Proud Hyosung Employee Award

Hyosung Group presents the Proud Hyosung Employee Award on a quarterly and annual basis to employees who have delivered outstanding results in the marketing, technology, research, and support functions, recognizing their contributions with prize money and HR-related benefits. In 2025, employees of Hyosung Heavy Industries' Pittsburgh subsidiary received the award in recognition of their achievement in winning a full order for 550 kV ultra-high voltage circuit breakers—to be supplied to the EIT of two substations for a data center—from a major U.S. nuclear power plant operator.

## Employee Benefits

Hyosung Heavy Industries implements family-friendly welfare policies to create a 'workplace where people want to work', ensure work-life balance for its employees, and enhance their satisfaction. The company systematically operates key welfare programs such as refresh leave and designated Days-Off Program, flexible work arrangements, family-friendly policies, employee mental health support, and rewards for long-serving employees and support for retirees. In 2025, it strengthened these welfare programs by, among other things, expanding support for childbirth and childcare leave, enhancing long-service rewards, expanding employee mental health support, and improving the working environment at its regional business sites.

### Welfare Policy



### Refresh Leave and Designated Days-Off Program

Under its refresh leave policy, Hyosung Heavy Industries guarantees five consecutive days of annual leave to employees in job groups that find it difficult to take leave, in consideration of the characteristics of its manufacturing sites. Through its designated Days-Off program, the company supports employees in taking extended holidays by actively encouraging them to use their annual leave on bridge days. By operating designated holidays in addition to statutory public holidays, the company helps ensure that its employees have sufficient leisure time.

### Implementation of the Flexible Work System

Hyosung Heavy Industries operates a flexible work system that complies with statutory working hours while enhancing work productivity. By appropriately allocating working hours according to each employee's workload and leaving the arrangement to the employee's own discretion, the company manages working hours in a flexible and efficient manner.

# Human Resources Management and Fair Compensation System

## Employee Mental Health Support

Hyosung Heavy Industries operates a psychological counseling program in partnership with external professional institutions to support employees' stress management and psychological well-being. Through professional counseling firms, the company provides counseling across a wide range of areas—including job stress, personal psychological and emotional issues, family relationships, legal matters, and tax affairs—and grants each employee five counseling sessions per year (effective October 1, 2025). A total of 55 employees used the psychological counseling service in 2024, and 53 employees used it in 2025.

## Family-friendly Policy

Hyosung Heavy Industries operates family-friendly policies to help its employees balance work and family life and to support a stable family life for them.

### Family-friendly Policy

| Category                                                        | Policy Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maternity and Parental Support Programs                         | <ul style="list-style-type: none"><li>• 90-120 days of leave before and after childbirth and leave for prenatal checkups</li><li>• Reduction of working hours during pregnancy</li><li>• Leave and medical expense support in case of miscarriage or stillbirth</li><li>• Reduction of working hours after childbirth and availability of parental leave</li><li>• Payment of compensation to those who share the workload within the team of an employee on parental leave</li><li>• Guarantee of nursing time and operation of nursing rooms</li><li>• Spousal maternity leave and availability of family care leave when a family member is ill</li><li>• Payment of 5 million KRW per child after childbirth for the employee or their spouse, with no limit on the number of children</li><li>• Restriction on night and holiday work for pregnant employees</li></ul> |
| Operation of In-house Daycare Centers                           | <ul style="list-style-type: none"><li>• Operation of daycare centers at Mapo and Changwon business sites</li><li>• Provision of childcare services through professional external operators to provide an optimal childcare environment for employees' children</li><li>• Maintenance of a safe childcare environment by conducting regular inspections for hazardous environmental elements</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Support for Children's Tuition                                  | <ul style="list-style-type: none"><li>• Full support for admission fees and tuition for children entering or attending domestic regular high schools and four-year regular or vocational colleges</li><li>• Provision of financial support for children attending foreign high schools and universities</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Support for Leisure Activities                                  | <ul style="list-style-type: none"><li>• Payment of expenses for employee club activities</li><li>• Support for condominiums available for use by employees and their immediate family members</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Support for Transportation Expenses for Regional Business Sites | <ul style="list-style-type: none"><li>• Reimbursement of actual round-trip transportation expenses twice a month for employees working at regional business sites whose home region is in the metropolitan area (effective October 1, 2025)</li><li>• Criteria for determining home base: Married - residence of spouse/children, Single - residence of parents</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## Long-service Awards and Support for Retiring Employees

Hyosung Heavy Industries operates an award system to honor the dedication and hard work of employees who have reached 5, 10, 15, 20, and 30 years of service. A total of 355 employees were eligible for the 2025 awards, comprising 134 office workers and 221 Changwon Plant employees covered by the collective agreement.

In addition, the company operates career design education programs to help employees aged 50 or older who are scheduled to retire plan for a successful second stage of life. Based on the results of a competency diagnosis of program participants, tailored support is provided according to each individual's needs in areas such as interpersonal relationships, networking, health, finance, housing, and leisure.

## Strengthening Labor-management Cooperation and Improving Organizational Culture

### Operation of the Labor-management Council

Hyosung Heavy Industries explicitly stipulates and guarantees employees' freedom of assembly and association in its human rights management policy, and it has an in-house labor union. The company strengthens communication between labor and management by holding a labor-management council once each quarter at every business site. It also appoints grievance handling representatives from among the labor-management council members, allowing grievances received during regular meetings to be promptly reviewed and managed at the company-wide level.

### Status of Labor-Management Council Meetings

| Timing  | Key Agenda Items                                                                                                                                      | Results of Consultation                                                                                                                                                                 |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1 2025 | <ul style="list-style-type: none"><li>• Matters concerning recruitment</li><li>• Regular promotion and salary adjustment for office workers</li></ul> | <ul style="list-style-type: none"><li>• Implementation of new recruitment in the first half of 2025</li><li>• Salary increase</li></ul>                                                 |
| Q2 2025 | <ul style="list-style-type: none"><li>• Matters concerning recruitment</li><li>• Matters concerning organizational restructuring</li></ul>            | <ul style="list-style-type: none"><li>• Implementation of new recruitment in the first half of 2025</li><li>• 9 Departments/24 Teams/1 TFT → 9 Departments/22 Teams</li></ul>           |
| Q3 2025 | <ul style="list-style-type: none"><li>• Matters concerning recruitment</li><li>• Matters concerning improvement of welfare benefits</li></ul>         | <ul style="list-style-type: none"><li>• Implementation of new recruitment in Q3</li><li>• Improvement/introduction of 5 items including childbirth congratulatory money</li></ul>       |
| Q4 2025 | <ul style="list-style-type: none"><li>• Matters concerning recruitment</li><li>• Matters concerning revision of employment rules</li></ul>            | <ul style="list-style-type: none"><li>• Implementation of new recruitment in Q4</li><li>• Promotion of revision of employment rules and disciplinary regulations (March 2026)</li></ul> |

# Community Engagement

## Governance

### Community Engagement Management System

Hyosung Heavy Industries has established a community engagement governance structure that extends from the Board of Directors and the CEO down to the departments in charge at each major business site. The CEO reviews the validity and appropriateness of the company's mid- to long-term community engagement strategies. The ESG Management Promotion Committee, chaired by the CEO, reviews the performance and outcomes of these mid- to long-term strategies as well as the implementation of annual activities. The Communication Office, as the department responsible for community engagement activities, oversees the establishment of mid- to long-term strategies and the overall planning, operation, and management of company-wide programs based on them. Finally, departments responsible for community engagement at Headquarters and the Changwon Plant plan and carry out specific community engagement activities that reflect the needs of stakeholders and the local communities surrounding their respective business sites.

#### Community Engagement Governance



## Strategy

### Community Engagement Strategy

#### Direction of Community Engagement Activities

Hyosung Heavy Industries has established its community engagement vision and strategy by considering the characteristics of Power & Industrial Systems Division and Construction Division, based on Chairman Cho Hyun-joon's commitment that 'contributing to economic revitalization through corporate management and investment and providing practical help to neighbors is a company's social responsibility'. Each division implements activities according to the community engagement strategy and is continuously striving to achieve mid- to long-term goals, such as contributing to local communities and creating social value, centered on the three themes of supporting the vulnerable, supporting culture and arts, and honoring patriots and veterans.

#### Community Engagement Vision and Strategy

##### Vision

A company that empowers beneficiaries to pioneer their own future through education and sharing

##### Slogan

We will stand with you through sharing

##### Theme



Aiding vulnerable groups domestically and internationally



Sponsoring cultural and artistic endeavors



Providing assistance to patriots and veterans

# Community Engagement

## Key Activities

### Support Programs for Vulnerable Groups

#### Living Support and Emergency Relief

Hyosung Heavy Industries carries out living-support community engagement activities—encompassing food sharing, sponsorship of overseas children, support for household goods for families with disabilities, and disaster-recovery donations—to help ensure stable living for vulnerable groups and to support disaster recovery.

Through its 'Sharing Rice and Kimchi of Love' activity, the company delivers rice and kimchi to vulnerable groups in Mapo-gu, where its headquarters is located. Through its sponsorship of holiday memorial-table food for families with disabilities, it partners with the Gyeongsangnam-do Welfare Center for the Disabled to provide traditional holiday food twice a year—for Lunar New Year (Seollal) and Chuseok—to 60 low-income families with disabilities. For forest-fire damage recovery, the Group delivered KRW 300 million (in March) to support the restoration of forest-fire-damaged areas and fire victims, and a further KRW 300 million (in July) for flood-damage recovery. In addition, through its support for local child welfare facilities the company donated 500 bags of rice to three child welfare facilities near its headquarters in Mapo-gu.



Sharing Rice and Kimchi of Love



Sponsorship of Traditional Holiday Food

#### Capacity Building and Educational Support

Hyosung Heavy Industries operates education and employment support programs in cooperation with local organizations with the aim of strengthening the capabilities of vulnerable groups and expanding their access to opportunities. To support the employment of women whose careers have been interrupted, the Group provided KRW 70 million, in cooperation with the Jongno Women's Human Resources Development Center, to fund vocational training and employment for middle-aged women returning to work after career breaks. Through its volunteer activities at Jeongmun School, the company supported field-trip assistance and related expenses for Seoul Jeongmun School (eight times in 2025). To improve the school-meal environment in Vietnam, it partnered with Plan Korea<sup>1)</sup> to support the construction of new kitchen facilities and cafeterias in underserved areas of Quang Ngai Province, Vietnam, thereby safeguarding children's right to health and improving their school-meal environment.



Support for Employment Opportunities for Women with Career Breaks



Improvement of School Meal Environments in Vietnam

#### Promoting Shared Growth with Local Communities

Hyosung Heavy Industries operates community engagement programs aimed at promoting shared growth with local communities. Through its 'One Company, One Village' senior citizen tour, the company organized filial piety tours for local seniors in Sinchang Village and Jidu Village in Changwon communities with which it has Formed sister-village ties and held the tours twice in 2025.



One Company, One Village Senior Citizen Tour

#### Employee-Participation Support Activities for Vulnerable Groups

Based on direct employee participation and external partnerships, Hyosung Heavy Industries promotes a variety of participatory community engagement activities, including regular volunteering, blood donation, companion programs, and in-kind donations.

The Hyosung Sharing Volunteer Corps, a volunteer group made up of Hyosung Group employees, conducts regular monthly volunteer activities at Seoul Bethany Children's Home, a childcare facility for children with disabilities. As part of its employee blood donation activities in 2025, 135 employees from the Headquarters and the Changwon business site donated blood at the Korean Red Cross blood donation bus, and 42 employees donated their blood donation certificates to the Korea Childhood Leukemia Foundation. Through in-kind donations to the Goodwill Store, employees donated goods to the Goodwill Store's Eunpyeong branch, supporting the creation of stable jobs and self-reliance for vulnerable groups, including people with disabilities. Through the family trips for children with disabilities, the company matched low-income youths and families of children with disabilities with employee families on a one-to-one basis to support a two-night, three-day family trip program.



Employee Blood Donation Activities



Family Trips for Children with Disabilities

1) Plan Korea: An international relief and development NGO that supports the development of children and local communities in developing countries

# Community Engagement

## Cultural and Arts Sponsorship Program

### Enhancing Cultural Access for Underserved Groups

Hyosung Heavy Industries improves cultural access by producing barrier-free films and supporting large-print books, so that underserved groups, including people with disabilities, can easily access media and information and enjoy culture.

For its barrier-free film production, the company provided a total of KRW 20 million to the 15th Seoul Barrier-Free Film Festival to produce two barrier-free films. Its employees participated directly in the audio description of these works, and subtitles and audio conveying dialogue, music, and sound information were incorporated. Through its large-print book support, the company provided large-print books to the Gyeongnam Representative Library, contributing to a more vibrant reading culture for people with visual impairments who face difficulties in accessing information.



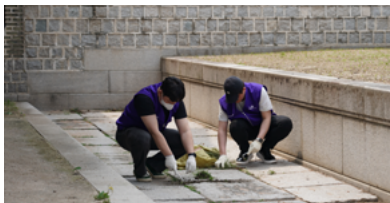
Support for the 15th Seoul Barrier-Free Film Festival



Support for large-print books for the Braille Information Library

### Cultural Heritage Preservation Activities

Hyosung Heavy Industries conducts environmental cleanup activities at historic palaces to help preserve cultural heritage and pass on its value. Through these employee-participation cleanup activities at historic palaces, the company contributes to fostering appreciation for the value of cultural heritage and to creating a clean environment for visitors.



Historic Palace Environmental Cleanup Activities



### Expanding Access to Culture and Arts Education and Experiences in Local Communities

Hyosung Heavy Industries promotes the development of cultural and artistic capabilities across local communities by enhancing the cultural literacy of local children and providing residents with opportunities to enjoy culture and the arts.

As a reading and literature tour for local students, the company held the '2025 Student Humanities Tour', a reading and literature tour, for 100 elementary school students in Changwon in cooperation with the Changwon Office of Education. To cultivate students' humanities literacy, the company changes the theme and region each year, deepening students' understanding of local history, culture, and literature. In addition, the company hosted the 'Open Concert with Hyosung Heavy Industries'. In cooperation with the Gyeongnam Opera Company in Changwon, Gyeongnam—one of Hyosung Heavy Industries' key business regions—the company held the 'Open Concert with Hyosung Heavy Industries' under the theme 'Encore Night' in 2025, providing an opportunity for communication and cultural engagement with the local community.



2025 Student Humanities Tour



Open Concert

# Community Engagement

## Patriotic and Veterans Program

### Honoring Patriotic Martyrs and Improving the Quality of Life of Persons of National Merit

Hyosung Heavy Industries carries out comprehensive patriots-and-veterans programs, ranging from memorial activities for patriotic martyrs to support for the stable livelihoods and improved living environments of persons of national merit and their families.

Under its 'One Company, One Cemetery' program, the company has established a sister relationship with Section 9 of the Seoul National Cemetery and conducts regular environmental cleanup activities twice a year to keep the cemetery clean. Through its support for the cultural life of persons of national merit, the company partners with the Seoul Southern Veterans Affairs Office to organize activities such as spring outings, performance viewings, and 90th-birthday celebrations for elderly persons of national merit and their families. Through its 'Love for Country' housing support, and to help ensure housing stability for Korean War veterans facing hardship, the Group donated a total of KRW 100 million (of which Hyosung Heavy Industries contributed KRW 36 million) to support rental housing for 117 individuals, and it carried out projects to improve the living environments of 9 households in Korea and to build new homes for 2 veterans in the Philippines.



Support for 'Love for Country' Housing



Spring Outing Event for National Merit Recipients

## Eco-friendly Community Engagement Activities

### Environmental Cleanup and Eco-friendly Energy Initiatives

Through employee participation and cooperation with local communities, Hyosung Heavy Industries promotes sustainable environmental programs, such as environmental conservation and cleanup and the deployment of renewable energy solutions.

Under its 'One Company, One Stream' environmental cleanup, a total of 64 employees from the Changwon Plant, in partnership with Changwon City Hall, carried out cleanup activities at the nearby Namcheon and Wanamcheon streams. Through the purchase and sponsorship of eco-friendly products, the company supported the installation of solar power generation facilities at the Sinchang Village Hall in Gunbuk-myeon, Haman-gun, a sister village of the company, thereby contributing to the deployment of renewable energy. Through its "No Plastic, Han River!" campaign, the company removed invasive plants and conducted environmental cleanup activities near Han River Park, contributing to environmental conservation around its business sites.



'One Company, One Stream'  
Environmental Cleanup



No Plastic Han River!

# Community Engagement

## Risk Management

### Community Risk Management

#### Holding Community Information Sessions to Gather Feedback from Local Residents

The Construction Division of Hyosung Heavy Industries operates community information sessions to strengthen smooth communication with local communities and shares construction progress with residents in detail. During these sessions, the company listens directly to environmental and community concerns that may arise at each stage of construction and takes active improvement measures by reflecting on-site feedback.

For the Bupyeong Sangok site, the company held a community information session to directly gather feedback on environmental inconveniences arising during construction, and it implemented practical responses—such as changing the rock-breaking method—by reflecting residents' requests. For complaints arising during construction, the company has established and operates a feedback hotline for rapid communication, and it continues to share the results of the actions taken on the matters received. The company also strengthens its ties with local residents by carrying out community engagement activities, such as supporting resident events.



Support for resident events near the sites



Holding community information sessions regarding blasting methods

#### Activities to Mitigate Negative Impacts on the Local Community Near the Bupyeong Sangok Site

| Category      | Risk Identification Method                                                                                                                                                                            | Risk Identification Results                                                                                                             | Risk Mitigation Measures                                                                                                                                                                            | Effectiveness Measurement Results                                                                                                                                                                                  |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Noise         | • Mobile noise measurements around the site at least twice a week                                                                                                                                     | • Noise levels were found to range from 67–77 dB, indicating a high likelihood of complaints from nearby residents during working hours | • Installed additional mobile soundproof walls around major noise-generating equipment<br>• Installed and operated noise monitoring boards at 3 locations to strengthen on-site information sharing | • Before mitigation: 67–77 dB → After mitigation: 56–62 dB                                                                                                                                                         |
| Fugitive Dust | • Installed fugitive dust monitoring at 3 locations around the site to monitor changes in concentration<br>• Inspected signs of fugitive dust and work conditions (earthwork, vehicle movement, etc.) | • Confirmed the possibility of fugitive dust spreading to nearby roads and boundary areas when generated                                | • Deployed water spray trucks when fugitive dust occurs<br>• Increased road watering around the site to 3 or more times per day                                                                     | • Before mitigation: fugitive dust (PM10) concentration of 95–115 µg/m³ → After mitigation: 50–70 µg/m³<br>• Before mitigation: fugitive dust (PM10) concentration of 75–100 µg/m³ → After mitigation: 20–60 µg/m³ |

## Metrics & Targets

### Community Engagement Metrics and Targets

Hyosung Heavy Industries has designated 2026 as a turning point for expanding employee-participation community engagement, and it has established implementation plans and goals to strengthen ESG activities together with local communities. Its community engagement goals are set with the aim of maximizing social value creation and building a sustainable community engagement model. To build constructive relationships with local communities and contribute to local environmental conservation, the company has established goals that enable annual performance reviews of community engagement activities at the Changwon Plant area—its major business sites—and manages and monitors its performance accordingly.

#### Community Engagement Activity Goals for Major Business Sites (Changwon)

| Strategic Directions                       | Key Goals                                                                                                                                                                                                                                                                      |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expanding Employee Participation           | <ul style="list-style-type: none"> <li>• Building a sustainable community engagement model in which employees participate voluntarily</li> <li>• Operating a health walking campaign as a core program to spread a participation-based community engagement culture</li> </ul> |
| Expansion of local community beneficiaries | <ul style="list-style-type: none"> <li>• Continuing existing donation-centered activities to provide broad support</li> <li>• Expanding the scope of community engagement activities to increase the number of local community beneficiaries</li> </ul>                        |

| Category                                                | 2025 Performance | 2026 Target | 2027 Target | 2028 Target |
|---------------------------------------------------------|------------------|-------------|-------------|-------------|
| Community engagement budget execution rate              | 61%              | 65%         | 66%         | 67%         |
| Increase rate of participating employees (year-on-year) | 2%               | 15%         | 7%          | 9%          |

# Information Security and Personal Information Protection

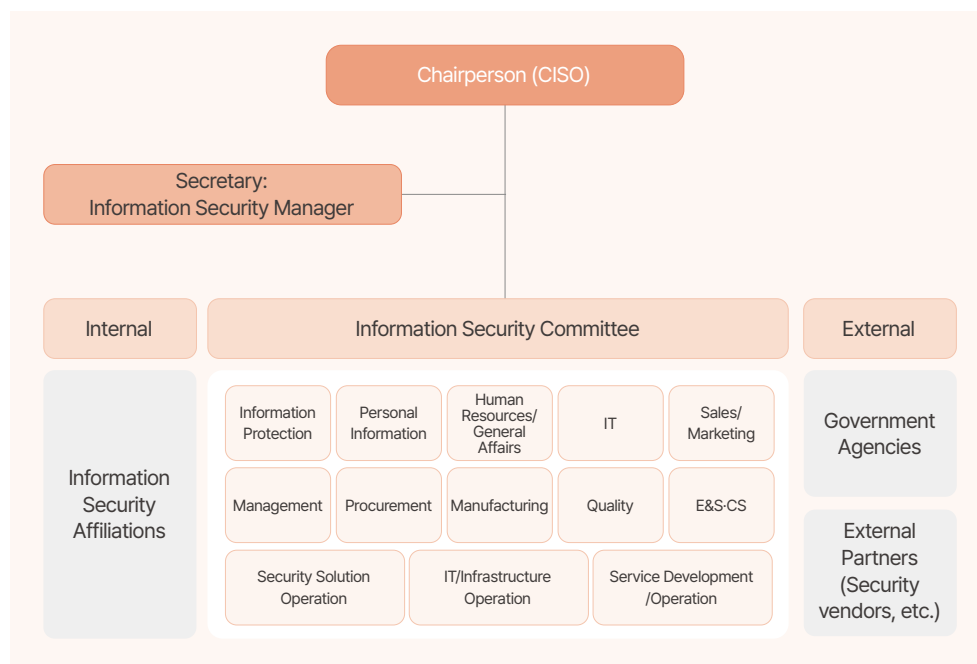
## Governance

### Information Security Management System

Hyosung Heavy Industries has established an organizational and decision-making structure to strengthen information security governance centered on the Chief Information Security Officer (CISO) and to carry out systematic information protection activities.

The Information Security Committee, which operates under the CISO, is held regularly once a year (in March) to make strategic decisions by sharing major information security issues and key trends, reviewing key regulatory requirements, and deliberating on information security operation performance and plans. The company has expanded the committee's operating organization by adding product-realization functions—such as development, design, manufacturing, quality, E&S, and CS—thereby strengthening the scope and expertise of its information security activities. In addition, its security solution and infrastructure operation organization contributes to strengthening company-wide information security capabilities by expanding its operations to enhance organizational efficiency and expertise.

#### Information Security Governance



#### Information Security Committee Activities

By holding regular Information Security Committee meetings, Hyosung Heavy Industries carries out deliberation and resolution for the continuous advancement and efficient operation of its information security management system.

Each year, the Information Security Committee ensures the continuity of the information security strategy by carefully evaluating the previous year's information security performance and deliberating on the current year's operating plan. It deliberates on and resolves key matters, including setting the strategic direction of the information security management system in consideration of Hyosung Heavy Industries' business characteristics, establishing major policies and operating standards, and developing risk management and advancement plans.

#### Information Security Committee Meeting Status

| Classification                     | Date of Meeting   | Key Items                                                                                                                                                                                                                                                            |
|------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1st Information Security Committee | February 28, 2024 | • Deliberation and resolution on the 'Information Security Management System' established according to the characteristics of Hyosung Heavy Industries business (4 items)                                                                                            |
| 2nd Information Security Committee | September 9, 2024 | • Deliberation and resolution on necessary changes to the information security management system (4 items)                                                                                                                                                           |
| 3rd Information Security Committee | March 26, 2025    | • Deliberation and resolution on 2024 information security performance, 2025 operating plan, and necessary changes to the management system (e.g., addition of operation standards, application of security solutions, risk acceptance, audit plans, etc.) (4 items) |
| 4th Information Security Committee | March 25, 2026    | • Deliberation and resolution on 2025 information security performance, 2026 operating plan, and necessary changes to the management system such as ISMS and CSMS integration (4 items)                                                                              |

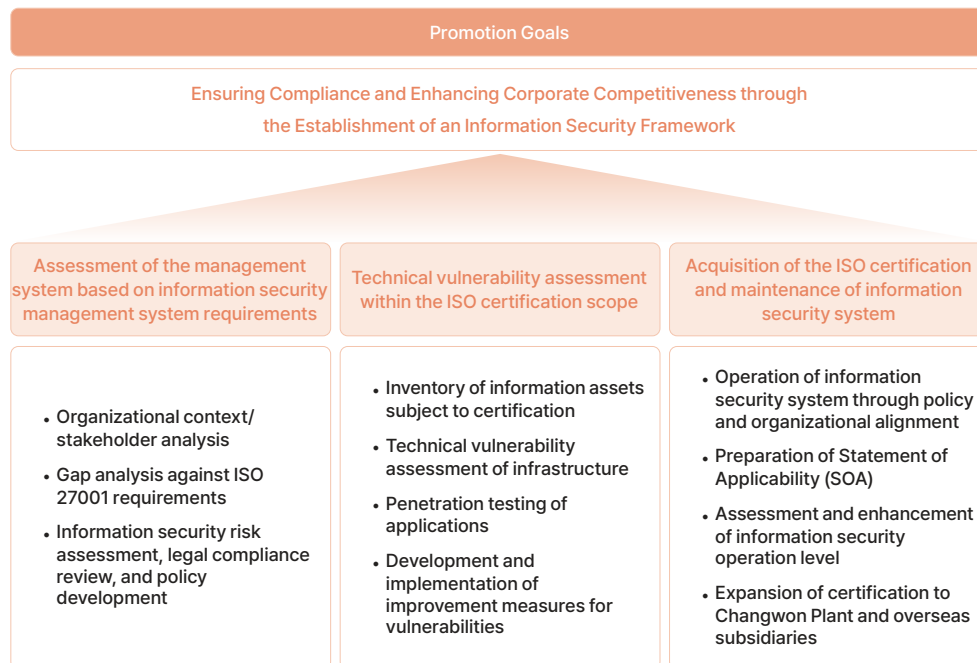
# Information Security and Personal Information Protection

## Strategy

### Information Security Strategy

Hyosung Heavy Industries has established a mid- to long-term strategy to upgrade its information security framework and to embed information security activities into its organizational culture, thereby ensuring corporate compliance and enhancing competitiveness. As part of its information security goals, the company strengthens management-system diagnosis and technical vulnerability analysis based on the requirements of its Information Security Management System (ISMS), and it establishes comprehensive security governance through the acquisition and maintenance of ISO certification.

#### Hyosung Heavy Industries Information Security Promotion Strategy



### Information Security Regulations and Personal Information Processing Policy

Hyosung Heavy Industries has established an information security management system by formulating an information security declaration and a set of regulations and policies for company-wide information security and personal information protection.

In March 2024, the company enacted its Information Security Declaration, which sets out its company-wide direction and goals. Also in March 2024, it enacted its Information Security Regulations, which define the protection of information assets and employees' compliance requirements; these have since been continuously upgraded through three revisions (September 2024, April 2025, and April 2026). The company has established an information security policy system consisting of one regulation and 15 standards, and it has prepared personal information protection operating standards and internal management plans to systematize its information protection management process.

Personal information of customers and partners, as well as information registered on the company's website, is collected with consent and encrypted and managed. The company also diagnoses and improves its level of information protection through administrator access restrictions and quarterly adequacy reviews. In addition, it has enhanced employees' access to its policies by posting its information security regulations and personal information processing policy on its website.

### Acquisition and Management of Information Security Certifications

Hyosung Heavy Industries has acquired a range of information security certifications to systematize and strengthen its information security system. To systematize its Information Security Management System (ISMS) and enhance its security level, the company has applied the international standard ISO/IEC 27001. On May 24, 2024, the Headquarters and Changwon Plants 1, 3, and 4 acquired ISO/IEC 27001 certification, and on April 23, 2026, the scope of certification was expanded to Changwon Plant 2 and the Anyang Plant, while the Memphis site is pursuing its own certification. In addition, the company systematized the development security framework for all of its power equipment products—including communication and control products such as STATCOM, HVDC, and ESS—and, on February 5, 2026, acquired IEC 62443-4-1 certification, an international standard for industrial control system security.



Information Security Declaration



ISO/IEC 27001 Certificate



IEC 62443 4-1 Certificate

# Information Security and Personal Information Protection

## Enhancing Information Security Awareness

### Malicious Email Simulation Training

To respond to the growing threat of malicious emails and to strengthen employees' security awareness, Hyosung Heavy Industries conducts regular malicious email simulation training and distributes related guides.

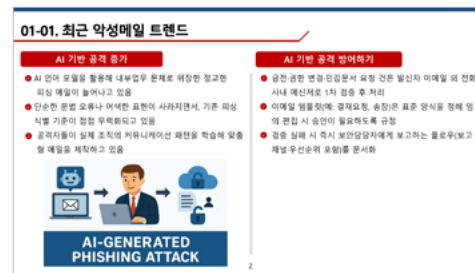
The company conducted its malicious email simulation training twice in 2025—in April and November—to enhance the security awareness of all employees in preparation for the continuously increasing threat of malicious emails. It also produces and distributes a malicious email response guide twice a year to improve employees' understanding of malicious email trends and effective response measures.

#### Malicious Email Simulation Training

| Classification                      | Date          | Target        | Number of Participants (Persons) |
|-------------------------------------|---------------|---------------|----------------------------------|
| Malicious Email Simulation Training | April 2025    | All employees | 3,314                            |
|                                     | November 2025 | All employees | 3,343                            |



Malicious Email Response Guide



### Information Security Training

Hyosung Heavy Industries conducts regular information security training to strengthen the information security capabilities of all employees and to build their knowledge of personal information protection.

In July 2025, the company conducted company-wide information security training as part of its ESG management training to raise employees' awareness of the importance of information security. In October 2025, it improved employees' understanding of personal information protection regulations and practical measures through its 'Personal Information Protection with Bae Sung-jae' training. The company also conducts its own personal information protection training for new hires to instill awareness of personal information protection. In addition, in December 2025, it strengthened the information protection capabilities of its suppliers by conducting information security training for the representatives of on-site suppliers on the requirements of ISO/IEC 27001:2022 and the key compliance items of its 2026 information security policy.

#### Information Security Training Performance

| Classification                                                                                                      | Training Date                       | Participants (Persons) | Attendance Rate (%) |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------|---------------------|
| Protection activities according to information security trends and security threats (Information Security Training) | July 1, 2025 – July 31, 2025        | 1,767                  | 83                  |
| Personal Information Protection Training with Bae Sung-jae                                                          | October 1, 2025 – October 31, 2025  | 207                    | 92                  |
| Personal Information Protection Training for New Hires                                                              | January 1, 2025 – December 31, 2025 | 556                    | 93                  |
| Information Security Training for Representatives of on-site suppliers                                              | December 22, 2025                   | 70                     | 92                  |



Information Security Training for Representatives of on-site suppliers



# Information Security and Personal Information Protection

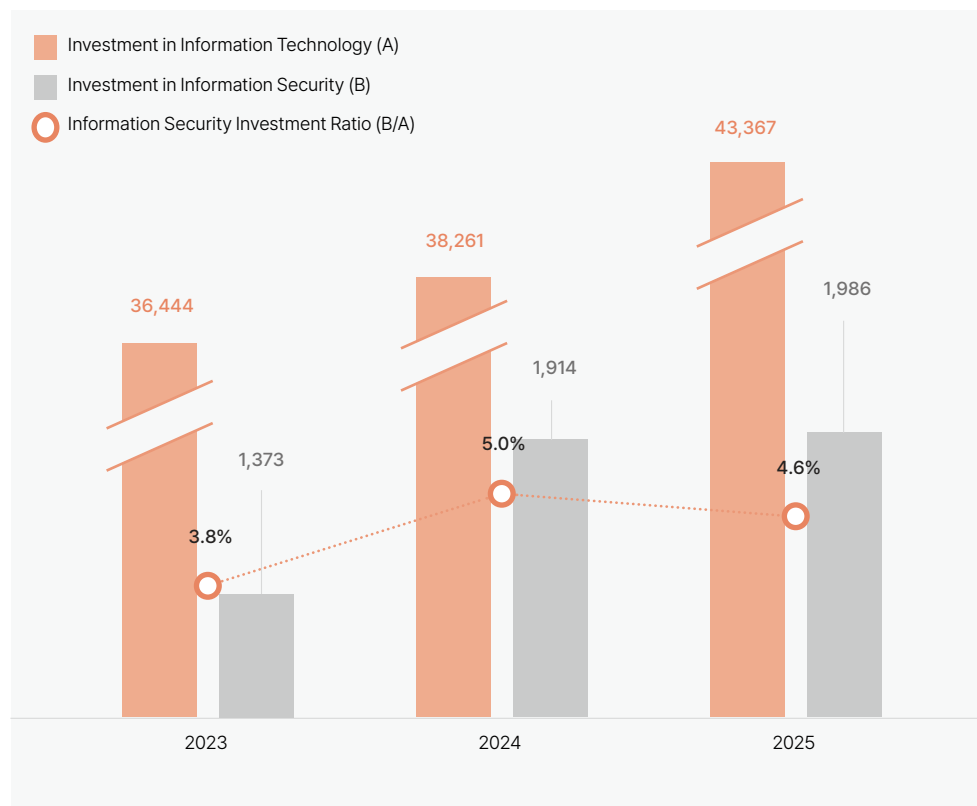
## Information Security Investment

### Information Security Investment

Hyosung Heavy Industries is expanding its investment in the information protection division to embed and enhance its information security system. Its investment in the information protection division increased from KRW 1,914 million in 2024 to KRW 1,986 million in 2025, and the ratio of information protection investment to total IT investment stood at 4.6% in 2025.

#### 3-Year Information Security Investment Status

(Unit: KRW million)



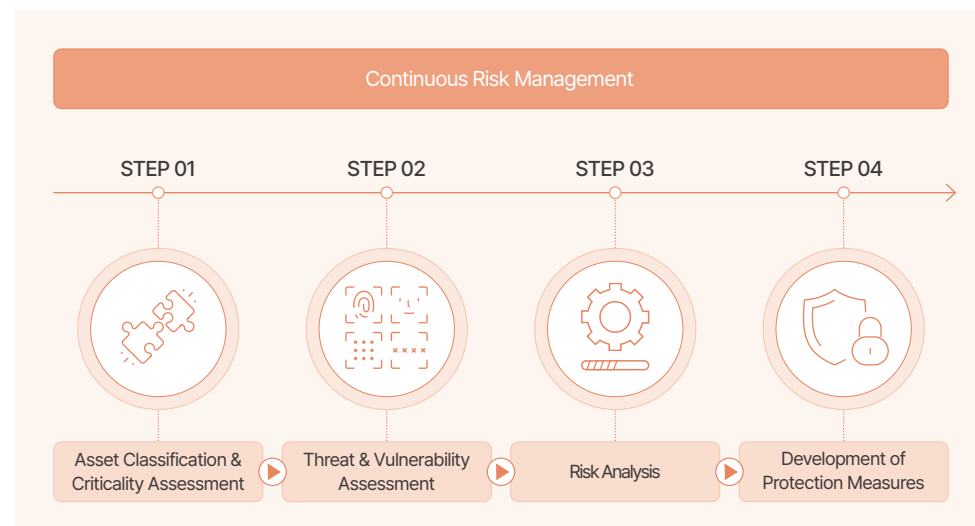
## Risk Management

## Information Security Risk Assessment

Hyosung Heavy Industries systematically conducts information security risk assessments to identify information security risk factors and vulnerabilities and to evaluate their potential impacts, thereby implementing security controls and establishing its information security management system.

Regarding the assessment cycle and process, the company conducts information security risk assessments periodically in phases—March 2024 (1st), January 2025 (2nd), and January 2026 (3rd)—and enhances the reliability of the process by defining detailed impact indicators and standardizing checklists. Its assessment procedure begins with the classification and criticality assessment of information assets, followed by threat and vulnerability assessment and an in-depth analysis of risk factors. The company carries out continuous information security risk management through a series of processes, including the establishment of effective protection measures. In terms of its assessment scope, the information security risk assessment is defined broadly to cover a total of 450 assets, including the information assets and the information security management systems at Hyosung Heavy Industries' Headquarters and Changwon Plant. For action plans and management, the company has established and implemented action plans for 94.1% of the detailed vulnerability items identified, while low-risk items for which no action plans were established are managed through separate security measures.

#### Information Security Risk Assessment Procedure

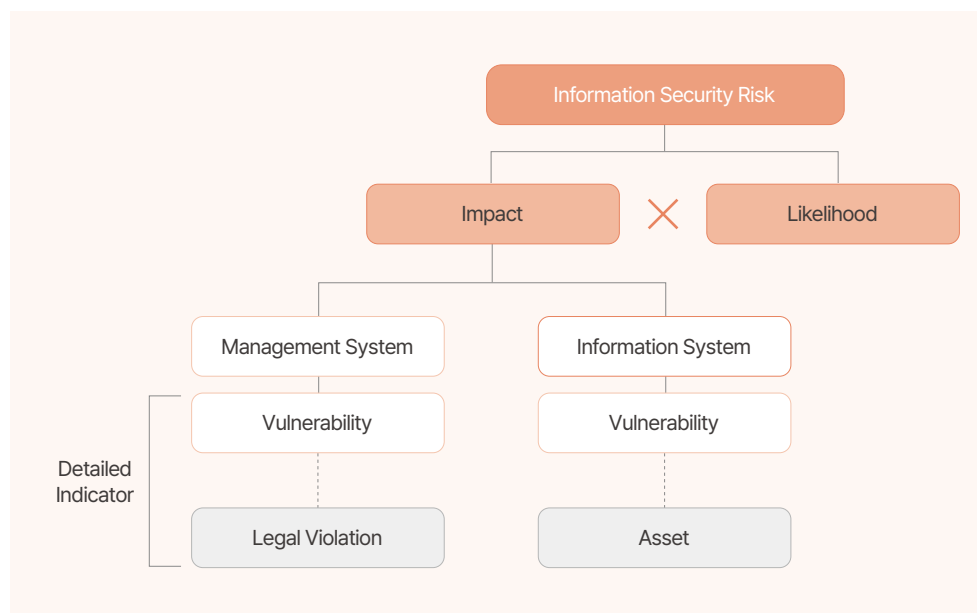


# Information Security and Personal Information Protection

## Information Security Risk Assessment Indicators

Hyosung Heavy Industries conducts information security risk assessments by comprehensively considering the impact and likelihood of threats through its information security risk assessment indicators. Information security risk is calculated by multiplying the impact of a threat by its likelihood of occurrence, thereby representing the overall level of risk. In its risk assessments, the company considers vulnerabilities in the management systems and information systems as key factors, using legal compliance and potential impacts on information assets as detailed indicators.

### Information Security Risk Assessment Indicators



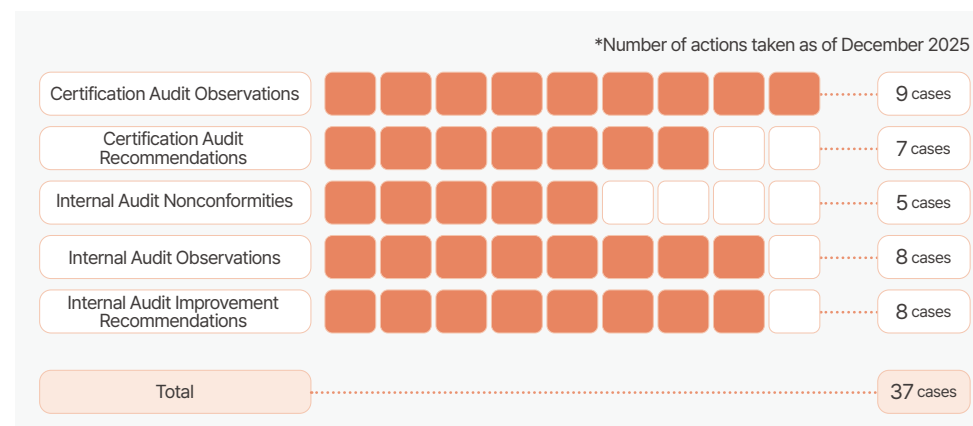
## Vulnerability Improvements by Information Security Area

Hyosung Heavy Industries systematically identifies vulnerabilities and risk factors to continuously strengthen its information security management system and improve its security level. The company comprehensively identifies vulnerabilities and risk factors by information security area through the results of risk assessments, technical assessments of applications and infrastructure, and findings from internal and certification audits. Areas identified as requiring improvement are derived as improvement tasks through in-depth analysis and are pursued as internalization activities.

To effectively manage the vulnerabilities and risk factors identified, the company implements technical and administrative protection measures for practical security reinforcement and data protection. To prevent information leakage incidents, it implements security measures such as vulnerability analysis, USB locking, restrictions on the use of generative AI, and the masking and encryption of information on employees and their families. It strengthens process data security through network separation by user group, including employees and suppliers, and additionally installs and operates firewalls to protect factory data. The Information Security Team responds immediately to external intrusions in cooperation with application and infrastructure operators and external agencies. The Changwon Plant is also advancing system-wide security through consultations on deleting unnecessary information within documents.

Of the 42 improvement tasks derived from internal and certification audits, 37 were set as the 2025 internalization activity goal and have been completed, while the remaining 5 long-term tasks are scheduled for completion by the end of 2026.

### Status of Internalization Activities by Issue



# Information Security and Personal Information Protection

## Metrics & Targets

### Information Security Metrics and Targets

Hyosung Heavy Industries operates an information security management system through which it establishes and systematically manages annual implementation plans and goals related to information security and personal information protection. To manage security risks associated with employees and outsourced personnel, the company sets security activities across its entire workforce as key performance indicators (KPIs) and manages them systematically.

The company systematically operates various KPIs for managing personnel-related security risks. These include training and the obtaining signed security pledges to strengthen information security awareness and ensure accountability among new personnel, the clarification of job responsibilities for outsourced personnel, and the collection of security documents to prevent information leakage by departing personnel. Going forward, the company will strengthen its security maturity by expanding its ISO 27001-based management system and enhance its industry-specific security competitiveness through the IEC 62443 certification newly acquired in 2026.

#### Information Security Direction

Establishing a foundation for embedding information security activities into the organizational culture through enhanced internal capabilities

#### Information Security Direction and Goals

##### 2024

- Acquisition of ISO 27001 certification centered on headquarters
- Formation of the information security organization and activation of communication channels through operation of the Information Security Committee
- Strengthening internal capabilities through the establishment of the information security management system

##### 2025

- Internalization of the information security management system tailored to the characteristics of the business
- Preparation for expansion of ISO 27001 certification scope (entire Changwon Plant)
- Establishment of security monitoring systems for overseas subsidiaries
- Establishment of a monitoring system for standardized operations and company-wide security inspection activities

##### 2026

- Establishment of a governance-based internal control system linked to company growth and management objectives
- Expansion of ISO 27001 certification scope application (Changwon Plant and overseas subsidiaries)
- Acquisition of IEC 62443 4-1 certification for Smart Power Solution

The company also establishes and manages operational security metrics to ensure the stability and continuity of its information assets, and it has expanded its response capabilities for potential threats into the scope of metric management. To demonstrate stable protection and recovery capabilities for its information assets, the company manages its backup compliance rate and IT failure recovery rate, achieving 100% of its annual plan for both. To secure rapid response and system recovery capabilities in the event of an IT failure or incident it conducts simulation drills by simulating application and infrastructure failures and incidents and checking and verifying the response process from incident detection to response. Going forward, the company will re-evaluate the status of its 2025 management metrics and review the incorporation of additional metrics necessary for operating an effective information security management system—such as the status of corrective actions for vulnerabilities identified during technical assessments—into its future metrics.

#### Information Security and Personal Information Protection Targets and 2025 Performance

| Category                                                                   | Indicator                                                                                                  | Unit | 2025 Target | 2025 Performance | 2026 Target |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|------|-------------|------------------|-------------|
| Backup compliance rate                                                     | Rate of backups completed as planned                                                                       |      | 100         | 100              | 100         |
| Information security training                                              | Completion rate of information security training for new hires and newly assigned ITO outsourced personnel |      | 95          | 97               | 100         |
| Collection of information security pledges                                 | Collection rate of information security pledges from new hires and incoming ITO outsourced personnel       |      | 95          | 97               | 100         |
| Preparation of job descriptions for ITO <sup>1)</sup> outsourced personnel | Collection rate of job descriptions from newly assigned ITO outsourced personnel                           | %    | 100         | 100              | 100         |
| Collection of security documents from departing personnel                  | Collection rate of security documents from departing ITO outsourced personnel                              |      | 95          | 92 <sup>2)</sup> | 95          |
| Internalization of information security                                    | Implementation rate of information security internalization activities                                     |      | 88          | 88               | 90          |

1) ITO (IT Outsourcing): A management strategy in which a company entrusts part or all of its IT-related tasks, such as information system development, operation, and maintenance, to an external professional company

2) Slightly missed the target due to setting a challenging target higher than in 2024 (78% performance)

# Connect Company

Board Structure and Governance 101

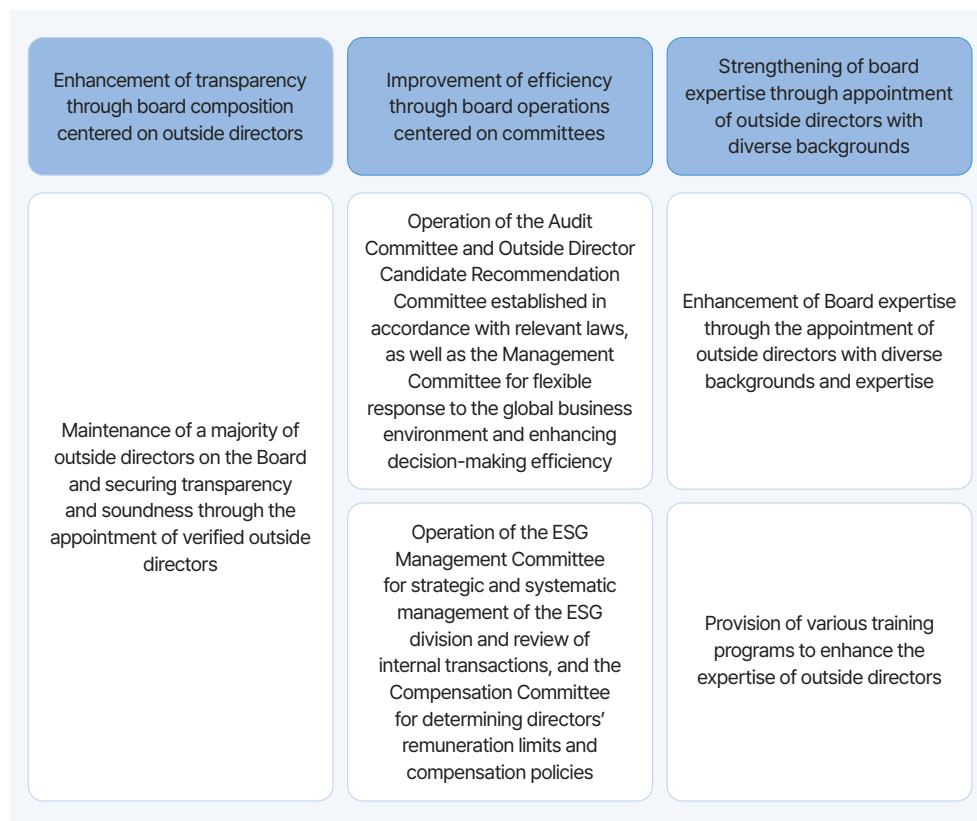
Ethical Management and  
Compliance 107

# Board Structure and Governance

## Governance Principles

Hyosung Heavy Industries has established and operates governance principles—including maintaining an independent Board of Directors centered on outside directors, strengthening the expertise of each committee, and appointing directors with diverse backgrounds—to establish sound and transparent corporate governance and earn the trust of its stakeholders.

### Hyosung Heavy Industries Governance Principles



## Governance Policy

### Corporate Governance Charter

Hyosung Heavy Industries aims to earn the trust of all its stakeholders and to make a leap forward as a global company by establishing a sound and transparent corporate governance structure. To realize fair and transparent responsible management under the oversight of an independent Board of Directors, the company enacted and publicly announced its Corporate Governance Charter in August 2021. The Corporate Governance Charter comprehensively reflects core governance principles, such as guaranteeing shareholders' rights, specifying the roles and responsibilities of the Board of Directors, ensuring the independence of audit bodies, protecting stakeholders, and enhancing the transparency of disclosures.

### Establishment of Governance-related Operational Guidelines

Hyosung Heavy Industries has disclosed a Corporate Governance Best Practices Code that reflects the specific characteristics of its business environment and international corporate governance practices, in order to enhance corporate transparency and efficiency. In addition to its Articles of Incorporation and Board of Directors Operation Regulations, the company enacted separate operating regulations for each committee under the board to support their efficient operation and made them public on its website. These committee operation regulations are managed on an ongoing basis—for example, newly establishing them when a new committee is formed or amending them as needed in line with changes in the internal business environment.

# Board Structure and Governance

## Board Composition

Hyosung Heavy Industries operates its Board of Directors as the highest permanent decision-making body, which deliberates and resolves on matters stipulated by law or the Articles of Incorporation, matters delegated by the General Meeting of Shareholders, basic management policies, and major agenda items related to business execution, while also overseeing the transparent performance of duties by its directors. To establish an efficient decision-making system, the Board is composed of three inside directors and four outside directors who possess expertise and diversity (as of June 2026).

### Board Composition Status

(As of June 2026)

| Category         | Name          | Gender | Age | Job Title                                                                                                                                                                                                                                                                                                                    | First Date Appointed             | Specialty                                | Major Career Highlights                                                                                                                                                                                                                       |
|------------------|---------------|--------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inside Director  | Tae-hee Woo   | Male   | 63  | <ul style="list-style-type: none"> <li>• CEO</li> <li>• Chairman of the Board of Directors</li> <li>• Representative Member of the Management Committee</li> <li>• Outside Director Candidate Recommendation Committee Member</li> <li>• ESG Management Committee Member</li> <li>• Compensation Committee Member</li> </ul> | March 2024                       | General Manager                          | <ul style="list-style-type: none"> <li>• Executive Vice Chairman of the Korea Chamber of Commerce &amp; Industry</li> <li>• 2nd Vice Minister of Trade, Industry and Energy</li> </ul>                                                        |
|                  | Hyun-joon Cho | Male   | 58  | <ul style="list-style-type: none"> <li>• Chairman of Hyosung Group</li> <li>• Chairman of Hyosung Corporation</li> </ul>                                                                                                                                                                                                     | March 2025                       | Corporate Management                     | <ul style="list-style-type: none"> <li>• Head of Information &amp; Communication PG, Hyosung Corporation</li> <li>• Head of Strategy Division, Hyosung Corporation</li> <li>• President of Hyosung Corporation, Head of Textile PG</li> </ul> |
|                  | Nam-yong Park | Male   | 58  | <ul style="list-style-type: none"> <li>• Management Committee Member</li> </ul>                                                                                                                                                                                                                                              | March 2024                       | Head of Construction Division Management | <ul style="list-style-type: none"> <li>• Head of Construction Division, Hyosung Heavy Industries</li> </ul>                                                                                                                                   |
| Outside Director | Jong-bae Park | Male   | 62  | <ul style="list-style-type: none"> <li>• Audit Committee Member</li> </ul>                                                                                                                                                                                                                                                   | March 2024 (1 consecutive term)  | Electrical and Electronics Engineering   | <ul style="list-style-type: none"> <li>• Professor of Electrical and Electronic Engineering, Konkuk University</li> </ul>                                                                                                                     |
|                  | Eun-hang Lee  | Male   | 60  | <ul style="list-style-type: none"> <li>• Audit Committee Representative Member</li> <li>• Representative member of ESG Management Committee</li> <li>• Compensation Committee Member</li> </ul>                                                                                                                              | March 2024 (1 consecutive term)  | Tax/Accounting (Tax Accountant)          | <ul style="list-style-type: none"> <li>• Deputy Commissioner of the National Tax Service</li> </ul>                                                                                                                                           |
|                  | Yeo-seon Yun  | Female | 59  | <ul style="list-style-type: none"> <li>• Representative member of the Outside Director Candidate Recommendation Committee</li> <li>• Compensation Committee Member</li> <li>• ESG Management Committee Member</li> </ul>                                                                                                     | March 2022 (2 consecutive terms) | Management & Marketing                   | <ul style="list-style-type: none"> <li>• Dean of KAIST College of Business</li> </ul>                                                                                                                                                         |
|                  | Yoon-soo Choi | Male   | 59  | <ul style="list-style-type: none"> <li>• Representative member of ESG Management Committee</li> <li>• Audit Committee Member</li> <li>• Outside Director Candidate Recommendation Committee Member</li> </ul>                                                                                                                | March 2023 (1 consecutive term)  | Legal (Attorney)                         | <ul style="list-style-type: none"> <li>• 2nd Deputy Director of the National Intelligence Service</li> </ul>                                                                                                                                  |

## Appointment of Directors

Hyosung Heavy Industries follows a rigorous process when appointing its directors. When appointing inside directors, the company utilizes a talent pool of non-registered executives to comprehensively evaluate their expertise, vision, and leadership, and submits the candidates to the General Meeting of Shareholders following a resolution of recommendation by the Board. When appointing outside directors, the company evaluates a wide range of candidate pools established by field from various angles—assessing not only the 'negative qualification requirements' under relevant laws such as Article 382 (3) and Article 542-8 (2) of the Commercial Act, but also 'positive qualification requirements' such as expertise, commitment, independence, social reputation, and integrity—and submits the candidates to the General Meeting of Shareholders following a resolution of recommendation by the Outside Director Candidate Recommendation Committee.

## Board Evaluation and Compensation System

At Hyosung Heavy Industries, the total compensation for all internal and outside directors is determined through Board review and the approval of the General Meeting of Shareholders, based on Article 388 of the Commercial Act, Article 26 of the Articles of Incorporation, and Article 10 of the Board Regulations. The Compensation Committee deliberates and resolves on major compensation matters—including the base salary of inside directors and the executive performance bonus system—in addition to pre-deliberating the director compensation limit submitted to the General Meeting of Shareholders. The company documents and discloses the appropriate level and criteria of its executive compensation system through its business reports and corporate governance reports. In accordance with its executive compensation regulations, compensation for inside directors is determined by comprehensively reviewing both quantitative indicators, such as sales and operating profit, and qualitative indicators, such as global management and other contributions to the company.

# Board Structure and Governance

## Board Independence

Hyosung Heavy Industries composes its Board of Directors with up to 16 members in accordance with Article 24 of the Articles of Incorporation, and appoints a majority of them as outside directors to ensure independence from management and controlling shareholders (outside director ratio as of June 2026: 57%). To enhance the independence of its outside director appointments, the company operates an Outside Director Candidate Recommendation Committee, which is composed of a majority of outside directors with an outside director serving as its representative member, thereby strengthening independence. In addition, the company enhances the fairness and independence of the overall director candidate recommendation and appointment process by providing prior notice of matters related to director appointments—in writing or by electronic document—approximately three weeks before the General Meeting of Shareholders.

## Board Diversity and Expertise

Hyosung Heavy Industries appoints four outside directors with expertise in various fields—including general management, auditing, and risk management—in accordance with relevant laws and regulations. To support the smooth performance of their duties, the company ensures that its outside directors can receive cooperation from employees and external experts when necessary, and it has codified this support system in its Corporate Governance Charter and Corporate Governance Best Practices Code. In addition, the company operates a training program for all outside directors at least once a year to enhance their understanding of the company's business operations and to strengthen their expertise.

### 2025 Status of Outside Director Training

| Date               | Outside Directors in Attendance | Key Training Content                                                                             |
|--------------------|---------------------------------|--------------------------------------------------------------------------------------------------|
| May 23, 2025       | Lee Eun-hang                    | • Training for Audit Committee Members hosted by the Samjong KPMG Audit Committee Support Center |
| July 01, 2025      | Lee Seong-geun                  | • ACI Seminar hosted by the Samjong KPMG Audit Committee Support Center                          |
| September 23, 2025 | Lee Seong-geun, Lee Eun-hang    | • Attendance at Accounting Transparency Seminar hosted by the EY Hanyoung                        |
| September 26, 2025 | All Outside Directors           | • On-site training including a tour of the KEPCO Sin-Anseong Substation                          |

## Board Activity Status

Hyosung Heavy Industries deliberates on key agenda items related to its management activities through regular quarterly Board meetings and convenes extraordinary Board meetings to respond to urgent issues. The company discusses the identification of major risks and response measures by submitting the status of financial and non-financial risks—proposed by the Management Committee and the ESG Management Promotion Committee under the Board of Directors—as agenda items for its regular quarterly Board meetings.

### 2025 Board Activity Performance

| Number of Meetings | Reported | Approved |
|--------------------|----------|----------|
| 6                  | 19       | 16       |

### 2025 Board Attendance Rate

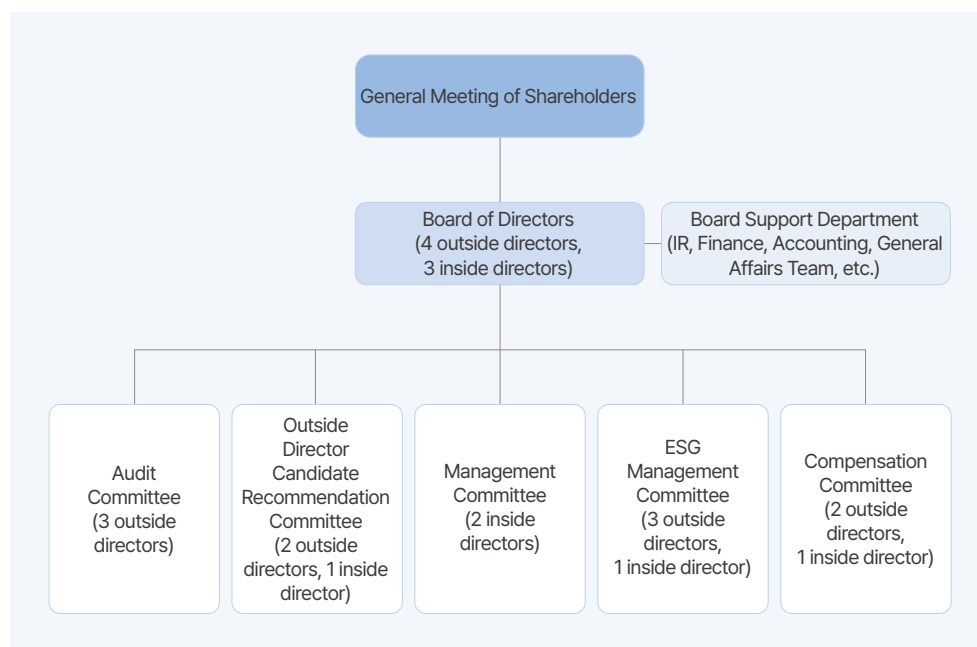
| Board Attendance Rate | Inside Director Attendance Rate | Outside Director Attendance Rate |
|-----------------------|---------------------------------|----------------------------------|
| 98.1%                 | 95.5%                           | 100%                             |

# Board Structure and Governance

## Operation of Committees within the Board

Hyosung Heavy Industries has established and operates five specialized committees under its Board of Directors in accordance with its Articles of Incorporation, and it assigns a dedicated support department to each committee to ensure smooth Board operations and an effective cooperation system with the subcommittees.

Organization Chart of the Board of Directors and Committees



## Committees within the Board

### Audit Committee

Hyosung Heavy Industries has established an internal audit body based on Article 415-2 of the Commercial Act and its Articles of Incorporation, which performs regular and ad-hoc operational audits as well as financial audits from an independent position. To ensure the committee's independence, the Audit Committee is composed entirely of outside directors (three members): a financial and accounting expert is appointed as the representative member, while outside directors with expertise in engineering and law serve as audit committee members, respectively, performing internal control and supervisory functions from diverse perspectives. In accordance with the Audit Committee Regulations, the Audit Committee follows the procedure of electing its representative member through a committee resolution.

### Outside Director Candidate Recommendation Committee

Hyosung Heavy Industries operates the Outside Director Candidate Recommendation Committee, which pre-reviews and nominates candidates from the perspectives of expertise, transparency, and independence in order to recommend outside director candidates to be appointed at the General Meeting of Shareholders. To ensure a transparent and fair outside director appointment process, the chairperson is appointed from among the outside directors, and the committee is operated with outside directors making up more than half of its total members (66.7% as of June 2026).

### Management Committee

To enhance the efficiency of Board operations, Hyosung Heavy Industries delegates certain matters related to corporate operations to the Management Committee. The Management Committee deliberates on major agenda items concerning the determination and modification of the company's basic management policies, and the details and results of these deliberations are reported at the quarterly Board meeting held after the closing.

### ESG Management Committee

Hyosung Heavy Industries established the ESG Management Committee in February 2025 for the purpose of strategically and systematically managing the ESG sector and reviewing internal transactions. The committee performs such roles as reviewing major ESG issues and strategies—including matters requiring deliberation in relation to fair trade and ethical management—and providing advice.

### Compensation Committee

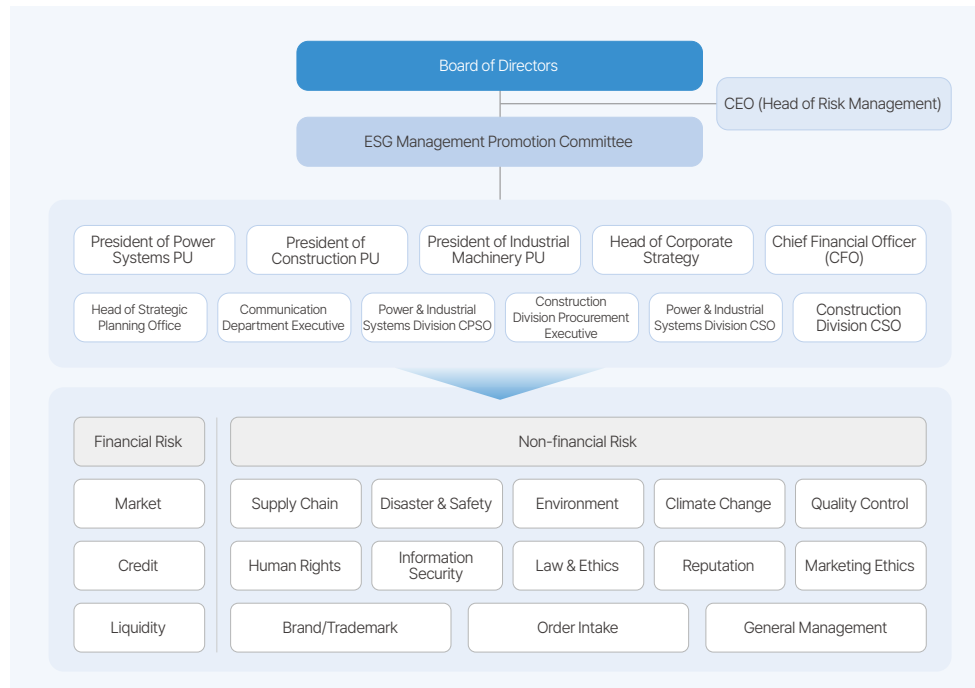
Hyosung Heavy Industries established the Compensation Committee in February 2025 for the purpose of establishing and reviewing a fair executive compensation system. The committee deliberates and resolves on matters concerning the compensation and reward system for executives.

# Board Structure and Governance

## Risk Management System and Organization

Hyosung Heavy Industries revised the regulations related to its risk management process in 2021 to enhance its company-wide risk response capabilities. The company defines major risks based on an assessment of their probability of occurrence and impact, and it establishes and operates a proactive prevention system accordingly. Risk-related agenda items are submitted, and major response measures are deliberated, through the Management Committee and the ESG Management Committee under the Board of Directors. The ESG Management Committee under the CEO is chaired by the CEO—who also serves as the person responsible for risk management—and is composed of executives with expertise in each field to enable multi-faceted review and decision-making regarding risks. This committee reviews and updates the status of risk management on a quarterly basis, and it monitors the response progress and goal achievement rate for each core risk.

### Risk Management System Governance and Risk Types



## Integrated Risk Management and Oversight

### Key Reporting Items to the Board of Directors

Hyosung Heavy Industries reports the status of major company-wide risks to the Board of Directors in order to strengthen risk management and oversight at the board level.

#### 2025 Key Reporting Items to the Board of Directors Regarding Risks

| No. | Date              | Agenda                                                                                                                     | Relevant Risk Category        |
|-----|-------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 1   | February 04, 2025 | • Approval of the 2025 Health and Safety Plan                                                                              | Disaster & Safety Risk        |
|     |                   | • Report on the Results of Compliance Support Activities                                                                   | Legal & Ethical Risk          |
|     |                   | • Report on the Operational Status of the Internal Accounting Control System                                               | Legal & Internal Control Risk |
| 2   | February 26, 2025 | • Report on the Evaluation of the Operational Status of the Internal Accounting Control System (Separate and Consolidated) | Legal & Internal Control Risk |
| 3   | July 25, 2025     | • Report on the Operational Status and Evaluation of the Internal Accounting Control System for the First Half of 2025     | Legal & Internal Control Risk |

### Key Reporting and Discussion Items of the ESG Management Promotion Committee

Hyosung Heavy Industries enhances the timeliness and effectiveness of its risk response by reporting and discussing major risk issues at the ESG Management Promotion Committee.

#### Key Reporting Items of the 2025 ESG Management Promotion Committee

| Date             | Agenda                                                                                                    | Related Risk Category                   |
|------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------|
| January 14, 2025 | • Strengthening compliance management through the operation of the Risk & Compliance Management Committee | Legal & Ethics Risk                     |
|                  | • 2024 environmental performance and 2025 plans                                                           | Climate Change Risk, Environmental Risk |
|                  | • Plans to implement improvement tasks for supply chain risk management in 2025                           | Supply Chain Risk                       |
| April 3, 2025    | • Major 2024 safety & health results and 2025 plans for the Power & Industrial Systems Division           | Disaster & Safety Risk                  |
|                  | • Key safety & health reporting items for the Construction Division                                       | Disaster & Safety Risk                  |
|                  | • Report on 2024 greenhouse gas emissions and emission allowance holdings                                 | Climate Change Risk, Environmental Risk |
| July 3, 2025     | • Status of violations of the Subcontracting Act and the Fair Trade Act (collusion)                       | Legal & Ethics Risk                     |
|                  | • Participation in the greenhouse gas emissions trading scheme                                            | Climate Change Risk, Environmental Risk |
| October 20, 2025 | • Status of investigations into conflict minerals and human rights risks in the supply chain              | Supply Chain Risk, Human Rights Risk    |
|                  | • Due diligence report on suppliers non-compliant with environmental requirements                         | Supply Chain Risk                       |
| January 13, 2026 | • Results of the Serious Accidents Punishment Act compliance inspection                                   | Disaster & Safety Risk                  |
|                  | • 2025 supply chain ESG risk due diligence results and 2026 plans                                         | Supply Chain Risk                       |
|                  | • 2025 human rights impact assessment and improvement status                                              | Human Rights Risk                       |

# Board Structure and Governance

## Integrated Risk Management and Response Status

| Category      |                     |                     | Risk Description                                                                                                                                                                                | Management Activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |
|---------------|---------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Financial     | Market              |                     | Market risks associated with financial factors such as stock price, interest rate, and exchange rate fluctuations                                                                               | <ul style="list-style-type: none"> <li>• Risk measurement, analysis, and hedging through the operation of specialized personnel in finance and trade finance</li> <li>• Minimize foreign exchange positions by matching currencies for deposits and expenditures, and systematically manage foreign exchange risk by specifically defining measurement cycles, hedging periods, and hedging ratios in the foreign exchange risk management policy</li> </ul>                                                                                                                                                                                                                                                                                                                                                                       |  |
|               | Credit              |                     | Risk that a customer or counterparty fails to fulfill their obligations under the contract terms risk                                                                                           | <ul style="list-style-type: none"> <li>• Establishment and management of credit limits for trade receivables counterparties in compliance with internal credit management regulations</li> <li>• Management of recovery plans such as credit investigations and collateral for investments and loans</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
|               | Liquidity           |                     | Risk of financial loss due to unexpected liquidity deterioration                                                                                                                                | <ul style="list-style-type: none"> <li>• Maintain an appropriate level of cash on hand by periodically forecasting future cash flows</li> <li>• Enter into agreements with financial institutions for emergency funding</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
| Non-financial | Business Continuity | Supply Chain        | Product delivery delays due to failure to secure raw material supply and production continuity risk                                                                                             | <ul style="list-style-type: none"> <li>• Establishment and training of response systems for each supply continuity emergency scenario (raw material supply disruption, customer supply emergency)</li> <li>• Regular evaluation and quality and environmental audits for raw material suppliers in accordance with ISO 9001 and ISO 14001</li> <li>• Consulting support for strengthening ESG management capabilities of suppliers and regular evaluation</li> <li>• Consulting and facility support for energy efficiency improvement</li> </ul>                                                                                                                                                                                                                                                                                  |  |
|               |                     | Disaster and Safety | Risk that may occur due to disasters such as earthquakes and fires, or safety accidents within the workplace risk                                                                               | <ul style="list-style-type: none"> <li>• Operation of an organization dedicated to company-wide safety risk management (operation of a Safety and Health team led by the CSO directly under the CEO to manage and inspect safety, health, and disaster systems at all business sites including the headquarters)</li> <li>• Establishment of disaster and safety accident emergency response organizations, preparation of manuals and recovery measures for each scenario</li> <li>• Regular joint public-private training based on accident scenarios such as factory fires and explosions</li> <li>• Annual accident case education and hazardous material handling education for all factory employees</li> <li>• Regular factory safety patrol inspections through the factory environment and safety organization</li> </ul> |  |
|               |                     | Environment         | Risk of legal sanctions and fines due to inadequate response to environmental regulations such as greenhouse gas and hazardous substance emissions risk                                         | <ul style="list-style-type: none"> <li>• Operation of an organization dedicated to environmental risk management</li> <li>• ISO 14001 certification re-examination and self-verification activities</li> <li>• Regular response training for each environmental accident scenario such as chemical and wastewater leaks</li> <li>• Regular factory patrol inspections through the factory environment and safety organization</li> <li>• Regular potential risk diagnosis and prevention through Environmental Impact Assessment</li> </ul>                                                                                                                                                                                                                                                                                        |  |
|               | Management          | Climate Change      | Regulatory risk related to emissions, physical risk, and risk of related business transition                                                                                                    | <ul style="list-style-type: none"> <li>• Operation of an organization dedicated to climate change risk management</li> <li>• Monitoring of related legal changes</li> <li>• Establishment and implementation management of reduction targets</li> <li>• Monitoring of greenhouse gas emissions at business sites and calculation of product carbon footprint through the carbon asset management system</li> <li>• Decision-making on business promotion direction and investment reflecting climate change risks and opportunities by utilizing internal carbon pricing</li> </ul>                                                                                                                                                                                                                                                |  |
|               |                     | Quality Management  | Risk due to 4M (Man, Machine, Material, Method) changes, risk affecting continuous supply or delivery, risk of non-conforming products Risk of occurrence or leakage                            | <ul style="list-style-type: none"> <li>• Feasibility evaluation (impact of change management and 4M changes)</li> <li>• Quality level monitoring</li> <li>• Establishment and training of emergency scenarios for quality management risk</li> <li>• Management according to the non-conforming product handling process</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |
|               |                     | Human Rights        | Human rights violation risk, human resource management risk                                                                                                                                     | <ul style="list-style-type: none"> <li>• Implementation and improvement of periodic human rights impact assessments</li> <li>• Establishment and distribution of human rights policies and guidelines</li> <li>• Periodic implementation of education on human rights protection, non-discrimination, etc.</li> <li>• Operation of a reporting system</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |
|               |                     | Security            | Risk of information loss due to internal data leakage and personal information leakage due to insufficient management risk                                                                      | <ul style="list-style-type: none"> <li>• Operation of a dedicated security organization</li> <li>• Establishment of security regulations and operating standards</li> <li>• Knowledge Management through the Enterprise Content Management (ECM) system</li> <li>• Thorough monitoring of the entire process of document creation, modification, export/import, and disposal, such as the introduction of security solution multifunction printers, the use of dedicated USB ports, and control of mobile device cameras</li> <li>• Regular education on the 10 major information security rules and in-house security guides, and separate IT security education at least once a month</li> </ul>                                                                                                                                 |  |
|               |                     | Legal and Ethics    | Risk of unfavorable contract execution, litigation, unfair trade, or corruption risk                                                                                                            | <ul style="list-style-type: none"> <li>• Prevention of legal risks through compliance with contract review regulations and use of standard contracts, and raising awareness through the dissemination of litigation case examples</li> <li>• Improvement of understanding through practical work training in foreign exchange, patents, contract management, etc.</li> <li>• Anti-corruption and ethical management education such as the Improper Solicitation and Graft Act, Subcontracting Act, and Fair Trade Act</li> <li>• Update of the Fair Trade Compliance Manual</li> <li>• Raising awareness through signing of ethical management pledges by all new employees</li> <li>• Operation of reporting channels</li> </ul>                                                                                                  |  |
|               |                     | Reputation          | Risk of corporate image decline due to misinformation or negative communication risk                                                                                                            | <ul style="list-style-type: none"> <li>• PR risk response training for new employees, newly promoted employees, and new team leaders</li> <li>• Raising awareness through implementation of behavioral principles, behavioral processes, and case education for PR personnel</li> <li>• Brand marketing and stakeholder communication through various channels</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |
|               |                     | Marketing Ethics    | Risk of false, exaggerated, or reduced information in advertising or marketing, or information delivery that does not consider vulnerable groups in information perception and acquisition risk | <ul style="list-style-type: none"> <li>• Establishment and operation of ethical marketing operating principles</li> <li>• Encouraging external companies entrusted with advertising and marketing tasks to respect and comply with the operating principles</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |
|               |                     | Brand/ Trademark    | Risk of infringement of brand/trademark rights or damage to value                                                                                                                               | <ul style="list-style-type: none"> <li>• Establishment and compliance with separate guidelines for the protection and value enhancement of brands and trademarks</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
|               |                     | Order Intake        | Risk of malicious order intake due to collection conditions, contract toxic clauses, unclear specifications, failure to secure delivery dates, civil complaints, local country situations, etc. | <ul style="list-style-type: none"> <li>• Order deliberation, operation of Bid Approval Committee (BAC)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |
|               |                     | General Management  | Operational risk due to person-in-charge or system errors                                                                                                                                       | <ul style="list-style-type: none"> <li>• Integrated management of all management activities by utilizing ERP (Enterprise Resource Planning)</li> <li>• Systematic VOC management and customer satisfaction improvement through C-Cube system establishment</li> <li>• Establishment and operation of disaster and crisis response processes (virtualization of meetings, expansion of flexible working systems and IT support, establishment and operation of response processes)</li> </ul>                                                                                                                                                                                                                                                                                                                                       |  |

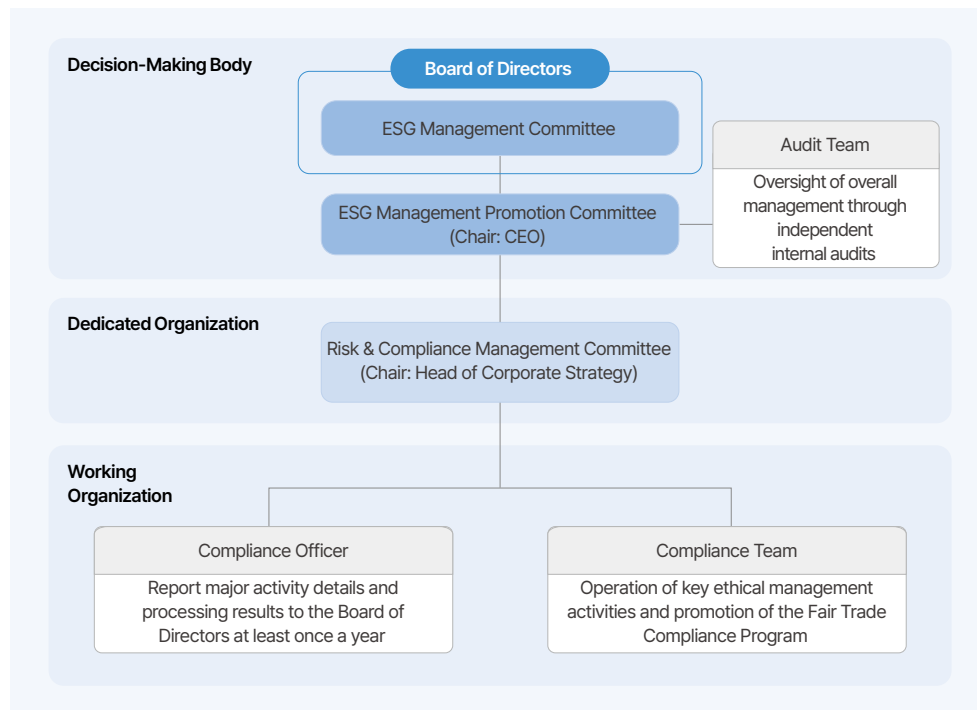
# Ethical Management and Compliance

## Governance

### Ethical Management and Compliance System

Hyosung Heavy Industries has established an ethics management organizational system in which the Compliance Team, the Audit Team, and the ESG Management Team collaborate to promote transparent and principled management activities. Under this system, the company operates an inter-departmental collaboration structure for the establishment, implementation, and inspection of ethics management policies; designates and appoints an executive responsible for compliance and anti-corruption matters; and has formalized its Guidelines for Implementing the Code of Ethics. In addition, by reporting the compliance officer's major activities and their outcomes to the Board of Directors at least once a year, the company operates a CEO-led ethical management system.

#### Ethics Management Governance



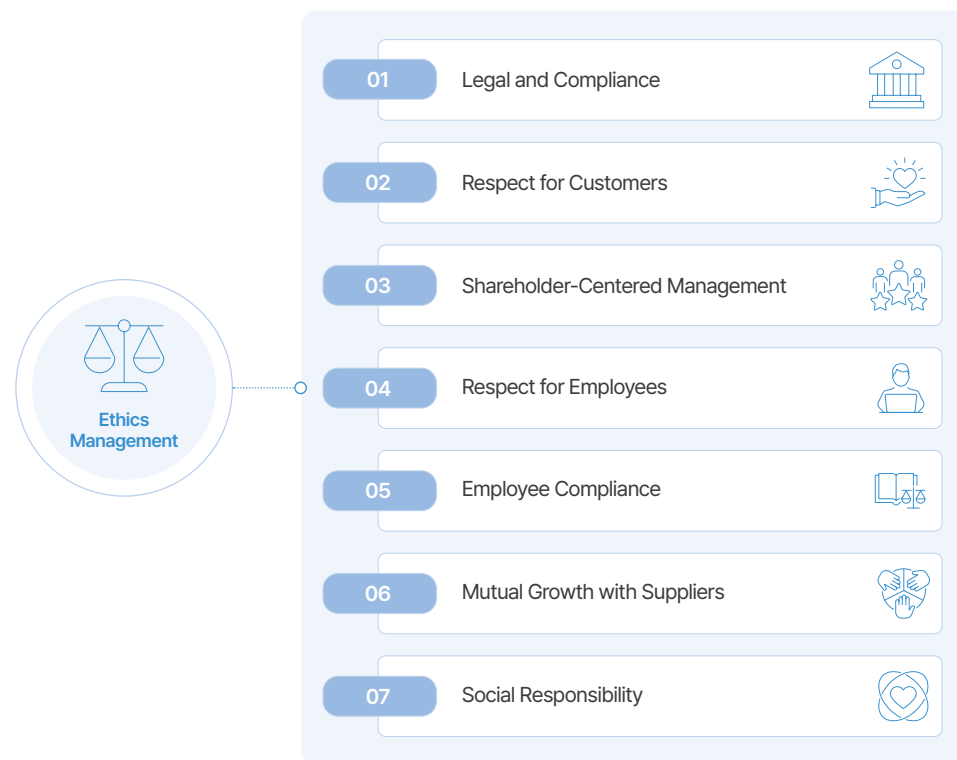
## Strategy

### Ethical Management and Compliance Strategy

#### Ethics Management Vision

Hyosung Heavy Industries aims to fulfill its social roles and responsibilities as a global corporate citizen by establishing a transparent and ethical corporate culture based on integrity. To this end, the company has established an ethics management vision centered on seven areas: compliance with laws and regulations, customer-oriented management, shareholder-focused management, the strengthening of respect for employees, compliance by employees, collaborative partnerships with suppliers, and social responsibility management.

#### Ethics Management Vision



# Ethical Management and Compliance

## Code of Ethics and Guidelines for Its Implementation

Based on management that respects customers, shareholders, employees, and suppliers, Hyosung Heavy Industries defines standards for responsible corporate activities, including fair trade, respect for human rights, the prohibition of discrimination, and the prevention of conflicts of interest. The company prohibits corrupt practices, bribery, and the private use of internal information, and it has specified practical standards for preventing ethical violations and fostering a sound organizational culture. Following the establishment of the ESG Management Committee in 2025, the company supplemented its ethics management system and revised the Code of Ethics Practice Guidelines to reflect employee action plans and objectives for compliance with fair trade laws.

## Anti-Corruption Policy

To strengthen the prevention of corrupt practices by employees and to reinforce compliance with relevant laws, Hyosung Heavy Industries established an Anti-Corruption Policy in 2023 and disclosed it on its website. The policy applies to all employees within the scope of financial consolidation, including the head office as well as domestic and overseas subsidiaries and branches. It prohibits bribery, inappropriate gifts and entertainment, facilitation payments, and corrupt practices conducted through third parties across both the public and private divisions. Centered on six general principles—such as the prohibition of corruption and restrictions on gifts and entertainment—the policy comprehensively regulates overall anti-corruption standards, including reporting and management systems, implementation plans, and goals.



Anti-Corruption Policy

## Participation in External Fair Trade Initiatives

In 2025, Hyosung Heavy Industries joined the Korea Fair Competition Federation, which supports the spread of a fair trade culture and the strengthening of fair competition capabilities. Through this membership, the company continues to carry out activities aimed at reinforcing its fair trade and compliance management system.

## Raising Awareness of Ethical Management

### Operation of the Compliance Program

Hyosung Heavy Industries operates a Compliance Program (CP), an internal management system designed to ensure voluntary compliance with fair trade-related laws and regulations. The company discloses its Fair Trade Compliance Manual so that employees can review the program's operating guidelines at any time, and it updates the manual and provides related guidance on an annual basis. To ensure independent and transparent fair trade management, the company has appointed a compliance officer as its compliance manager and established an execution system centered on the Compliance Support Team. Through an internal monitoring system, ongoing reviews of transactions across the company, and ethics training for employees, the company proactively prevents risks arising from legal violations and fosters a culture of fair trade.

### Ethics Management Communication Channels

Hyosung Heavy Industries operates various communication channels—including email, postal mail, and in-person consultations—so that employees can report unethical conduct and file grievances. To ensure that reports are handled fairly and systematically, the company has established a Reporting Process that sets out reporting methods, processing procedures, and principles for whistleblower protection. Consultations on matters requiring ethical judgment are supported through the HR Counseling Center, while grievances such as job-related stress are addressed through the Grievance Handling Office; in parallel, the company also operates an online anonymous reporting system to protect reporters' identities. In addition, Hyosung Heavy Industries has separately established and operates a 'Report' channel on its website to enable external reporting of unethical conduct within the supply chain, such as bribery, improper solicitation, and unfair trade.

### Ethical Management Communication Channels

#### Hyosung Heavy Industries Ethical Management Communication Channels

Grievance Counseling Office



HR Counseling Center



Whistleblowing Center



# Ethical Management and Compliance

## Ethics Training

To enhance the ethical awareness of all employees, Hyosung Heavy Industries requires new employees to familiarize themselves with the Code of Ethics and its Practice Guidelines upon joining the company, and to submit an Ethics Management Practice Pledge as well as a pledge against improper solicitation and bribery; the company also conducts regular training. To encourage interest and participation in ethics management, the company produces promotional videos and magazine-style content and distributes them regularly through its corporate groupware. Ethics management training is conducted on a regular annual basis, and essential training is mandatory for new hires and newly promoted employees. For sales departments, the company internalizes compliance standards through case-based training on trade secret protection, bribery, and fair trade. In May 2025, the company conducted separate Subcontracting Act training (basic and advanced courses) for departments that interact extensively with suppliers, such as the Purchasing Team. In addition, in 2025, to enhance awareness of legal risks and strengthen response capabilities, the company conducted separate compliance management training—covering compliance, the Fair Trade Act, the Occupational Safety and Health Act, international trade, and other topics—for executives and team leaders.

## 2025 Employee Compliance Training Performance

| Frequency | Training Content                                | Target                          | Method       | Remarks   |
|-----------|-------------------------------------------------|---------------------------------|--------------|-----------|
| Annual    | Anti-corruption (Ethics Management) Training    | All employees                   | Online video | 1 hour    |
| Annual    | Fair Trade Act Training                         | All employees                   | Online video | 1 hour    |
| As Needed | Code of Ethics and Practice Guidelines Training | New hires,<br>Experienced hires | Live Online  | 1 hour    |
| As Needed | Code of Ethics and Practice Guidelines Training | New executives                  | In Person    | 0.5 hours |
| As Needed | Compliance Management Training                  | Executives                      | In Person    | 4 hours   |
| As Needed | Compliance Management Training                  | Team leaders                    | Live Online  | 8 hours   |

## 2025 Compliance Management Training Materials for Executives and Team Leaders



## Strengthening Supply Chain Ethics Management Capabilities

When signing contracts with suppliers, Hyosung Heavy Industries requires them to commit to implementing ethics management items, such as anti-corruption measures, by signing the Supplier Code of Conduct. To enhance suppliers' awareness and execution capabilities with respect to ethics management, the company provides ESG management consulting for suppliers and provides ethics training materials and training facilities for their employees, thereby supporting the smooth implementation of ethics training.

# Ethical Management and Compliance

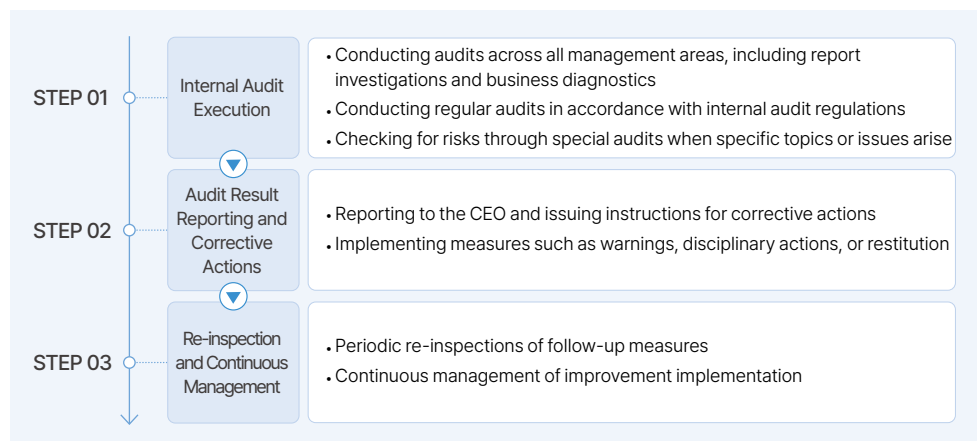
## Risk Management

### Risk Management for Ethical Management and Compliance

#### Strengthening Internal Monitoring Processes and Follow-up Management

Hyosung Heavy Industries conducts audits across all areas of management—including investigations of reports and business diagnostics—covering the technology and quality divisions as well as field operations. The company performs regular audits in accordance with its internal audit regulations and conducts special audits to check for risks when specific issues or pending matters arise. To maintain the independence of its audit activities, the company guarantees anonymity throughout the entire audit process so that whistleblowers and auditees are not treated unfairly, and it operates protective measures to prevent secondary victimization. Audit results are reported to the CEO; the audited personnel implement immediate corrective actions for the issues identified, and measures such as warnings, disciplinary actions, or restitution are taken depending on the severity of the matters discovered. To prevent the recurrence of the same issues, the company continuously manages the implementation of improvements through periodic re-inspections of follow-up measures.

#### Internal Monitoring Process



## Metrics & Targets

### Ethical Management Metrics and Targets

#### Mid- to Long-term Ethics Management Targets

Hyosung Heavy Industries is gradually expanding its ethics training for all employees to include topics such as conflicts of interest, fraud prevention, and anti-money laundering. The company has set the ethics training completion rate as a mid- to long-term management metric and establishes and operates annual targets accordingly. By expanding the scope of training and strengthening mandatory training, the company aims to have all employees achieve a 100% completion rate by 2030, thereby promoting the internalization of ethical awareness.

#### Mid- to Long-term Ethical Management Targets

| Category                                                                                                                                      | 2026 Target | 2027 Target | 2030 Target |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|
| Ethics training completion rate including topics such as conflicts of interest, fraud prevention, and anti-money laundering for all employees | 70%         | 75%         | 100%        |

#### Status of Receipt and Handling of Reports on Corruption and Unethical Conduct

Hyosung Heavy Industries operates systematic internal management procedures that span the entire process—from the receipt of reports on corruption and unethical conduct to investigation and follow-up measures. After verifying the facts of the reports received, the company implements necessary measures, such as disciplinary action, based on the severity of each matter, and it manages all reported cases to ensure that they are handled appropriately.

#### 2025 Corruption and Malpractice Report Receipts

| Category                   | Number of reports | Number of actions taken | Measures taken         | Processing rate |
|----------------------------|-------------------|-------------------------|------------------------|-----------------|
| Corruption and malpractice | 3                 | 3                       | 2 disciplinary actions | 100%            |

# Appendix

|                                                             |     |
|-------------------------------------------------------------|-----|
| ESG Data Book                                               | 112 |
| GRI Content Index                                           | 125 |
| SASB Index                                                  | 127 |
| UN SDGs                                                     | 128 |
| ESG Ratings and Evaluations ·<br>Membership Status · Awards | 129 |
| GHG Assurance Statement                                     | 130 |
| Independent Assurance Statement                             | 131 |

# ESG Data Book

## Economic Performance

### Consolidated Statement of Financial Position

| Category                | Unit        | 2023      | 2024      | 2025      |
|-------------------------|-------------|-----------|-----------|-----------|
| <b>Assets</b>           |             |           |           |           |
| Current assets          | KRW million | 2,351,430 | 3,036,423 | 3,738,228 |
| Non-current assets      | KRW million | 2,409,871 | 3,182,390 | 3,489,655 |
| Total assets            | KRW million | 4,761,301 | 6,218,813 | 7,227,883 |
| <b>Liabilities</b>      |             |           |           |           |
| Current liabilities     | KRW million | 2,811,485 | 3,092,775 | 3,561,458 |
| Non-current liabilities | KRW million | 725,656   | 1,070,419 | 1,176,704 |
| Total liabilities       | KRW million | 3,537,141 | 4,163,194 | 4,738,162 |
| <b>Equity</b>           |             |           |           |           |
| Total equity            | KRW million | 1,224,160 | 2,055,619 | 2,489,721 |

### Consolidated Statement of Comprehensive Income

| Category                                     | Unit        | 2023      | 2024      | 2025      |
|----------------------------------------------|-------------|-----------|-----------|-----------|
| Revenue                                      | KRW million | 4,300,572 | 4,894,980 | 5,968,512 |
| Cost of sales                                | KRW million | 3,663,029 | 4,103,207 | 4,715,860 |
| Gross profit                                 | KRW million | 637,543   | 791,772   | 1,252,652 |
| Selling, general and administrative expenses | KRW million | 336,710   | 384,791   | 452,042   |
| Research and development expenses            | KRW million | 42,996    | 44,502    | 53,640    |
| Operating income                             | KRW million | 257,837   | 362,479   | 746,968   |
| Other income                                 | KRW million | 18,806    | 18,020    | 71,567    |
| Other expenses                               | KRW million | 9,490     | 116,670   | 110,659   |
| Finance income                               | KRW million | 202,141   | 528,284   | 474,235   |
| Finance costs                                | KRW million | 296,768   | 566,862   | 552,850   |
| Profit (loss) of associates                  | KRW million | -2,862    | -1,617    | -3,471    |
| Profit (loss) before tax                     | KRW million | 169,664   | 223,634   | 625,790   |
| Income tax expense                           | KRW million | 37,742    | 705       | 122,952   |
| Net profit (loss)                            | KRW million | 131,922   | 222,929   | 502,838   |
| Other comprehensive income (loss)            | KRW million | -10,974   | 629,196   | -29,636   |
| Total comprehensive income                   | KRW million | 120,948   | 852,125   | 473,202   |

# ESG Data Book

## Environmental Performance

### GHG Emissions<sup>1)</sup>

| Category                                                                   |                       |                                         | Unit   | Hyosung Heavy Industries |        |                |                       | Subsidiaries |        |      |
|----------------------------------------------------------------------------|-----------------------|-----------------------------------------|--------|--------------------------|--------|----------------|-----------------------|--------------|--------|------|
|                                                                            |                       |                                         |        | 2023                     | 2024   | 2025<br>(Plan) | 2025<br>(Performance) | 2023         | 2024   | 2025 |
| Direct GHG emissions<br>(Scope 1)                                          | Stationary combustion | tCO <sub>2</sub> eq                     | 7,468  | 8,730                    | 9,547  | 9,662          | 4,188                 | 3,720        | 3,814  |      |
|                                                                            | Mobile combustion     | tCO <sub>2</sub> eq                     | 844    | 768                      | 819    | 783            | 1,121                 | 958          | 1,206  |      |
|                                                                            | Process emissions     | tCO <sub>2</sub> eq                     | -      | -                        | -      | -              | -                     | -            | -      |      |
|                                                                            | Waste disposal        | tCO <sub>2</sub> eq                     | 53     | 53                       | 58     | 23             | -                     | -            | 55     |      |
|                                                                            | Other emissions       | tCO <sub>2</sub> eq                     | 211    | 284                      | 313    | 299            | -                     | -            | 184    |      |
|                                                                            | Subtotal              | tCO <sub>2</sub> eq                     | 8,576  | 9,835                    | 10,737 | 10,767         | 5,310                 | 4,677        | 5,260  |      |
| Indirect GHG emissions <sup>2)</sup><br>(Scope 2)                          | Electricity           | tCO <sub>2</sub> eq                     | 39,289 | 42,651                   | 46,632 | 46,211         | 20,212                | 22,566       | 20,292 |      |
|                                                                            | Steam                 | tCO <sub>2</sub> eq                     | 12     | 114                      | 125    | -              | 7,223                 | 7,246        | 7,578  |      |
|                                                                            | Subtotal              | tCO <sub>2</sub> eq                     | 39,301 | 42,765                   | 46,757 | 46,211         | 27,434                | 29,812       | 27,869 |      |
| Total GHG emissions <sup>3)</sup><br>(Scope 1 and 2)                       |                       | tCO <sub>2</sub> eq                     | 47,877 | 52,593                   | 57,494 | 56,969         | 32,744                | 34,490       | 33,129 |      |
| Revenues (based on separate financial statements)                          |                       | KRW 100 million                         | 30,964 | 33,603                   | 36,964 | 40,978         | 16,970                | 22,123       | 29,325 |      |
| GHG emissions intensity <sup>4)</sup><br>(Total GHG emissions/<br>revenue) | Scope 1               | tCO <sub>2</sub> eq/<br>KRW 100 million | 0.277  | 0.293                    | 0.290  | 0.263          | 0.313                 | 0.211        | 0.179  |      |
|                                                                            | Scope 2               | tCO <sub>2</sub> eq/<br>KRW 100 million | 1.269  | 1.273                    | 1.265  | 1.128          | 1.617                 | 1.348        | 0.950  |      |
|                                                                            | Subtotal              | tCO <sub>2</sub> eq/<br>KRW 100 million | 1.546  | 1.565                    | 1.555  | 1.390          | 1.930                 | 1.559        | 1.130  |      |

1) Based on the certified amount of emission permits submitted for the current year in accordance with the Guidelines for Reporting and Certification of Emissions under the Greenhouse Gas Emission Trading Scheme and the Ministry of Environment's conformity assessment.

2) The subsidiary's 2024 solar electricity generation was determined to represent electricity procured through a Power Purchase Agreement (PPA), rather than on-site renewable energy generation. Therefore, the amount was reclassified as PPA electricity consumption and adjusted accordingly. Consequently, the subsidiary's Scope 2 emissions were quantified based on the market-based method.

3) Only CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O are emitted among greenhouse gases, and the sum of GHG emissions above differs from the corporate GHG emissions disclosed in the Annual Report due to rounding down at each business site.

4) Intensity is calculated based on separate revenue.

### Energy Consumption

| Category                                                                 |                                                | Unit                  | Hyosung Heavy Industries |        |                |                       | Subsidiaries <sup>6)</sup> |        |        |
|--------------------------------------------------------------------------|------------------------------------------------|-----------------------|--------------------------|--------|----------------|-----------------------|----------------------------|--------|--------|
|                                                                          |                                                |                       | 2023                     | 2024   | 2025<br>(Plan) | 2025<br>(Performance) | 2023                       | 2024   | 2025   |
| Direct energy consumption                                                | Diesel                                         | TJ                    | 9.40                     | 9.40   | 10.00          | 8.49                  | 11.55                      | 7.53   | 11.40  |
|                                                                          | Kerosene                                       | TJ                    | 21.09                    | 23.54  | 26.00          | 46.40                 | 22.29                      | 8.63   | 8.37   |
|                                                                          | LNG                                            | TJ                    | 105.11                   | 129.70 | 142.00         | 116.49                | 0.90                       | 1.77   | 1.62   |
|                                                                          | NG                                             | TJ                    | -                        | -      | -              | -                     | 36.43                      | 48.10  | 52.94  |
|                                                                          | Gasoline                                       | TJ                    | 2.91                     | 2.83   | 3.00           | 2.75                  | 4.46                       | 5.70   | 5.89   |
|                                                                          | Propane                                        | TJ                    | 6.44                     | 5.81   | 6.00           | 6.19                  | 0.87                       | 3.19   | 0.92   |
|                                                                          | Anthracite                                     | TJ                    | -                        | -      | -              | -                     | -                          | 0.02   | 0.03   |
|                                                                          | Other solid fuels                              | TJ                    | 4.38                     | 1.82   | 2.00           | 3.54                  | 9.55                       | 5.70   | 4.18   |
|                                                                          | LPG                                            | TJ                    | 0.62                     | 0.50   | 1.00           | 0.61                  | 1.34                       | 0.12   | 1.02   |
|                                                                          | Subtotal                                       | TJ                    | 149.95                   | 173.60 | 190.00         | 184.48                | 87.39                      | 81.35  | 89.67  |
| Indirect energy consumption                                              | Electricity <sup>5)</sup>                      | TJ                    | 821.00                   | 891.25 | 974.00         | 971.74                | 229.34                     | 266.93 | 196.87 |
|                                                                          | Steam                                          | TJ                    | 0.33                     | 2.89   | 3.00           | -                     | 65.66                      | 65.87  | 74.22  |
|                                                                          | Heat from waste incineration                   | TJ                    | 45.54                    | 32.81  | -              | 44.34                 | -                          | -      | -      |
|                                                                          | Subtotal                                       | TJ                    | 866.87                   | 926.95 | 977.00         | 1,016.08              | 295.00                     | 332.80 | 271.08 |
| Total energy consumption                                                 |                                                | TJ                    | 1,017                    | 1,101  | 1,167          | 1,201                 | 382                        | 414    | 357    |
| Energy intensity <sup>4)</sup><br>(Total energy consumption/<br>revenue) |                                                | TJ/KRW<br>100 million | 0.033                    | 0.033  | 0.032          | 0.029                 | 0.023                      | 0.019  | 0.012  |
| Renewable energy consumption                                             | Purchased(PPA/REC/Green Premium) <sup>2)</sup> | TJ                    | -                        | -      | -              | -                     | -                          | 0.95   | 0.85   |
|                                                                          | Purchased (Heat from waste incineration)       | TJ                    | 45.54                    | 32.81  | 36.00          | 44.34                 | -                          | -      | -      |
|                                                                          | Self-produced (solar energy) <sup>2)</sup>     | TJ                    | 0.06                     | 3.24   | 6.00           | 6.09                  | -                          | -      | -      |
|                                                                          | Subtotal                                       | TJ                    | 45.60                    | 36.05  | 42.00          | 50.44                 | -                          | 0.95   | 0.85   |

5) Conversion factors for electricity energy consumption: 9.6 TJ/GWh applied for domestic (based on national specific calorific values and emission factors by fuel) and 3.6 TJ/GWh for overseas.

6) Correction of errors in the 2023-2024 energy consumption data of subsidiaries.

# ESG Data Book

## Expected Reduction of Energy Consumption and GHG Emissions

| Site of Operation | Project Title                                     | Investment Cost (KRW million) | Energy Savings (MWh/year) | GHG Reduction (tCO <sub>2</sub> eq/year) |
|-------------------|---------------------------------------------------|-------------------------------|---------------------------|------------------------------------------|
| Changwon Plant    | Installation of solar power generation facilities | 2,914                         | 3,653                     | 1,678                                    |
|                   | Equipment replacement (air conditioners, etc.)    | 45                            | 18                        | 8                                        |
|                   | Others                                            | 191                           | 162                       | 74                                       |

## Treatment of Water and Effluents

| Category                        | Unit | Hyosung Heavy Industries |       |             |                    | Subsidiaries <sup>1)</sup> |        |        |
|---------------------------------|------|--------------------------|-------|-------------|--------------------|----------------------------|--------|--------|
|                                 |      | 2023                     | 2024  | 2025 (Plan) | 2025 (Performance) | 2023                       | 2024   | 2025   |
| Total wastewater discharge      | ton  | 5,453                    | 5,595 | 5,560       | 6,215              | 16,453                     | 17,429 | 19,273 |
| Biochemical Oxygen Demand (BOD) | ton  | -                        | -     | 0.06        | 0.04               | 6.00                       | 1.77   | 1.08   |
| Total Organic Carbon (TOC)      | ton  | 0.02                     | 0.25  | 0.23        | 0.14               | -                          | -      | -      |
| Suspended Solids (SS)           | ton  | 0.04                     | 0.03  | 0.03        | 0.04               | 3.00                       | 3.56   | 1.86   |

1) Data for 2023 and 2024 have been corrected as it was confirmed that there was no wastewater discharge from subsidiaries that do not generate wastewater (Pittsburgh, Nantong, Pune, ChinHung International).

## Water Management

| Category                                                           |                                        | Unit                          | Hyosung Heavy Industries |         |                |                       | Subsidiaries          |                       |         |
|--------------------------------------------------------------------|----------------------------------------|-------------------------------|--------------------------|---------|----------------|-----------------------|-----------------------|-----------------------|---------|
|                                                                    |                                        |                               | 2023                     | 2024    | 2025<br>(Plan) | 2025<br>(Performance) | 2023                  | 2024                  | 2025    |
| Water usage<br>by withdrawal<br>source                             | Municipal<br>water                     | ton                           | 120,367                  | 156,047 | 121,922        | 121,985               | 230,637               | 242,322               | 208,539 |
|                                                                    | Groundwater                            | ton                           | 217,595                  | 236,331 | 339,328        | 339,317               | 19,578                | 11,205                | 12,492  |
|                                                                    | Industrial<br>water                    | ton                           | 374,671                  | 385,583 | 402,508        | 387,251               | 35,894                | 37,087                | 42,422  |
|                                                                    | Reused<br>sewage<br>treatment<br>water | ton                           | -                        | -       | -              | -                     | 2,883                 | 2,282                 | 2,431   |
|                                                                    | River water                            | ton                           | -                        | -       | -              | -                     | -                     | -                     | -       |
| Total water usage                                                  |                                        | ton                           | 712,633                  | 777,961 | 863,758        | 848,553               | 288,992 <sup>2)</sup> | 292,896 <sup>2)</sup> | 265,884 |
| Water usage intensity <sup>3)</sup><br>(Total water usage/revenue) |                                        | ton/<br>KRW<br>100<br>million | 23.02                    | 23.16   | 21.08          | 20.71                 | 17.03                 | 13.24                 | 9.07    |
| Total reused water                                                 |                                        | ton                           | -                        | -       | -              | -                     | 2,883                 | 2,282                 | 2,431   |
| Percentage of reused water                                         |                                        | %                             | -                        | -       | -              | -                     | 1.0                   | 0.8                   | 0.9     |

| Category                         |                               | Unit | 2025 Performance by Business Site |                      |                |                   |               |
|----------------------------------|-------------------------------|------|-----------------------------------|----------------------|----------------|-------------------|---------------|
|                                  |                               |      | Gongdeok Headquarters             | Hoehyeon AK Building | Changwon Plant | Construction site | Wellington CC |
| Water usage by withdrawal source | Municipal water               | ton  | 8,083                             | 6,197                | -              | 83,694            | 24,011        |
|                                  | Groundwater                   | ton  | -                                 | 6,183                | -              | 109,580           | 223,554       |
|                                  | Industrial water              | ton  | -                                 | -                    | 387,251        | -                 | -             |
|                                  | Reused sewage treatment water | ton  | -                                 | -                    | -              | -                 | -             |
|                                  | River water                   | ton  | -                                 | -                    | -              | -                 | -             |

2) As a result of this year's review, water usage figures have been adjusted following the re-verification of the operational status and organizational boundaries of some subsidiaries.

3) Intensity is calculated based on separate revenue.

# ESG Data Book

## Air Pollutant Emissions

| Category               |                                                | Unit | Hyosung Heavy Industries |       |                |                       | Subsidiaries |      |      |
|------------------------|------------------------------------------------|------|--------------------------|-------|----------------|-----------------------|--------------|------|------|
|                        |                                                |      | 2023                     | 2024  | 2025<br>(Plan) | 2025<br>(Performance) | 2023         | 2024 | 2025 |
| General air pollutants | Nitrogen Oxides (NOx)                          | ton  | 2.55                     | 2.29  | 2.05           | 2.88                  | 4.37         | 2.93 | 4.74 |
|                        | Sulfur Oxides(SOx)                             | ton  | 0.02                     | 0.45  | 0.41           | 0.75                  | 0.05         | 0.04 | 0.12 |
|                        | Total Hydrocarbons(THC)                        | ton  | 26.09                    | 19.65 | 17.69          | 13.90                 | 0.13         | 0.03 | 0.02 |
|                        | Particulate Matter (PM)                        | ton  | 2.46                     | 3.63  | 3.27           | 2.76                  | 6.93         | 3.66 | 4.79 |
|                        | Volatile Organic Compounds(VOCs) <sup>1)</sup> | ton  | 0.17                     | 0.23  | 0.23           | 0.28                  | -            | -    | -    |

## Chemical Substances Management

| Category                                          | Unit                | Hyosung Heavy Industries |         |                |                       | Subsidiaries <sup>2)</sup> |         |         |
|---------------------------------------------------|---------------------|--------------------------|---------|----------------|-----------------------|----------------------------|---------|---------|
|                                                   |                     | 2023                     | 2024    | 2025<br>(Plan) | 2025<br>(Performance) | 2023                       | 2024    | 2025    |
| Hazardous chemicals usage                         | ton                 | 20.91                    | 5.77    | 5.93           | 2.71                  | 202.96                     | 246.92  | 273.98  |
| Hazardous chemicals usage intensity <sup>3)</sup> | ton/KRW 100 million | 0.00068                  | 0.00017 | 0.00014        | 0.00007               | 0.03767                    | 0.03037 | 0.02156 |
| Chemical substance emissions                      | ton                 | 18.99                    | 13.84   | 14.53          | 0.50                  | 1.97                       | 3.33    | 1.88    |

1) For overseas subsidiaries, Volatile Organic Compounds (VOCs) are not included in the air pollutant management items and are therefore not aggregated.

2) Memphis, a subsidiary that does not manage hazardous chemical usage and chemical substance emissions, is excluded from the reporting scope.

3) Hazardous chemical usage intensity is calculated based on separate revenue.

## Waste Disposal

| Category                             |              | Unit | Hyosung Heavy Industries |        |                |                       | Subsidiaries <sup>4)</sup> |        |        |
|--------------------------------------|--------------|------|--------------------------|--------|----------------|-----------------------|----------------------------|--------|--------|
|                                      |              |      | 2023                     | 2024   | 2025<br>(Plan) | 2025<br>(Performance) | 2023                       | 2024   | 2025   |
| Total waste generated                |              | ton  | 138,594                  | 73,657 | 65,965         | 70,402                | 39,595                     | 68,040 | 47,725 |
| Waste recycled                       |              | ton  | 11,556                   | 40,607 | 14,275         | 14,340                | 23,435                     | 43,904 | 40,815 |
| Waste recycling ratio                |              | %    | 8.3                      | 55.1   | 21.6           | 20.4                  | 59.2                       | 64.5   | 85.5   |
| Non-hazardous waste (ordinary waste) |              |      |                          |        |                |                       |                            |        |        |
| Self-treatment                       | Reuse        | ton  | -                        | -      | -              | -                     | 155                        | 234    | 328    |
|                                      | Recycling    | ton  | 7,231                    | 6,011  | 7,456          | 7,257                 | 4,528                      | 6,297  | 21,917 |
| Outsourced treatment                 | Incineration | ton  | 207                      | 98     | 118            | 116                   | 41                         | 51     | 66     |
|                                      | Landfill     | ton  | 489                      | 352    | 371            | 353                   | 239                        | 1,207  | 2,761  |
|                                      | Other        | ton  | -                        | -      | -              | -                     | -                          | -      | -      |
| Subtotal                             |              | ton  | 7,927                    | 6,462  | 7,944          | 7,726                 | 4,963                      | 7,790  | 25,071 |
| Hazardous waste (designated waste)   |              |      |                          |        |                |                       |                            |        |        |
| Self-treatment                       | Reuse        | ton  | -                        | -      | -              | -                     | -                          | -      | -      |
|                                      | Recycling    | ton  | 263                      | 402    | 1,136          | 1,082                 | 244                        | 538    | 483    |
| Outsourced treatment                 | Incineration | ton  | 196                      | 218    | 235            | 224                   | 104                        | 144    | 162    |
|                                      | Landfill     | ton  | 11                       | 3      | 6              | 6                     | 10                         | 10     | 7      |
|                                      | Other        | ton  | 16                       | -      | 10             | 10                    | -                          | -      | -      |
| Subtotal                             |              | ton  | 486                      | 623    | 1,388          | 1,322                 | 358                        | 693    | 652    |
| Construction waste                   |              |      |                          |        |                |                       |                            |        |        |
| Self-treatment                       | Reuse        | ton  | -                        | -      | -              | -                     | -                          | -      | -      |
|                                      | Recycling    | ton  | 4,062                    | 34,194 | 5,684          | 6,002                 | 18,508                     | 36,834 | 18,088 |
| Outsourced treatment                 | Incineration | ton  | -                        | -      | -              | -                     | -                          | -      | -      |
|                                      | Landfill     | ton  | 126,119                  | 32,379 | 50,949         | 55,353                | 15,767                     | 22,723 | 3,913  |
|                                      | Other        | ton  | -                        | -      | -              | -                     | -                          | -      | -      |
| Subtotal                             |              | ton  | 130,181                  | 66,573 | 56,633         | 61,355                | 34,275                     | 59,558 | 22,001 |

4) Data for the past three years has been restated following a review of waste classification criteria and correction of construction waste aggregation errors.

# ESG Data Book

## Environment-Friendly Vehicles<sup>1)</sup>

| Category                                        |                                     | Unit    | Hyosung Heavy Industries |      |      | Subsidiaries <sup>4)</sup> |      |      |
|-------------------------------------------------|-------------------------------------|---------|--------------------------|------|------|----------------------------|------|------|
|                                                 |                                     |         | 2023                     | 2024 | 2025 | 2023                       | 2024 | 2025 |
| On-road vehicle <sup>2)</sup>                   | Electric vehicle                    | vehicle | 10                       | 10   | 10   | -                          | 1    | 2    |
|                                                 | Hydrogen fuel cell electric vehicle | vehicle | 1                        | 1    | -    | -                          | -    | -    |
| Off-road vehicles <sup>3)</sup>                 | Electric vehicle                    | vehicle | 165                      | 172  | 176  | 41                         | 42   | 50   |
|                                                 | Hydrogen fuel cell electric vehicle | vehicle | -                        | -    | -    | -                          | -    | -    |
| Total No. of company vehicles                   |                                     | vehicle | 415                      | 395  | 363  | 119                        | 127  | 143  |
| Ratio of environment-friendly vehicle ownership |                                     | %       | 42                       | 46   | 51   | 34                         | 34   | 36   |

## Environmental Impact Assessment Implementation Ratio

| Category                                                                 | Unit | Hyosung Heavy Industries |      |      | Subsidiaries |      |      |
|--------------------------------------------------------------------------|------|--------------------------|------|------|--------------|------|------|
|                                                                          |      | 2023                     | 2024 | 2025 | 2023         | 2024 | 2025 |
| Rate of all operating sites with environmental risk assessment conducted | %    | 100                      | 100  | 100  | 83           | 83   | 83   |

## Environmental Certifications

| Category                               |                                       | Business Sites           |                                                                                                   |
|----------------------------------------|---------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------|
| Environmental management certification | ISO 14001                             | Hyosung Heavy Industries | Mapo Gongdeok Building (Headquarters), Hoehyeon AK Tower, Changwon Plant 1, 2, 3, 4, Anyang Plant |
|                                        |                                       | Subsidiaries             | ChinHung International, Hyosung T&D (India/Pune), Nantong (China)                                 |
| Eco-friendly certifications            | Green Building Certification (G-SEED) | Hyosung Heavy Industries | Hoehyeon AK Tower                                                                                 |

- 1) Applied classification according to the definitions in Article 2 of the Act on Promotion of Development and Distribution of Environmentally Friendly Motor Vehicles (abbreviated as the Eco-friendly Motor Vehicle Act)
- 2) Passenger cars, vans, trucks, special-purpose vehicles, and two-wheeled vehicles (excluding electric bicycles)
- 3) Includes vehicles not specified, such as construction machinery and agricultural machinery (e.g., forklifts, tool carts, carts, etc., used at business sites)
- 4) Data has been corrected by re-verifying the vehicle ownership status of subsidiaries for the past three years

## Sales and Purchases of Eco-friendly Products and Services<sup>5)</sup>

| Category                                       |                                                           | Unit            | Hyosung Heavy Industries |        |        | Subsidiaries |      |      |
|------------------------------------------------|-----------------------------------------------------------|-----------------|--------------------------|--------|--------|--------------|------|------|
|                                                |                                                           |                 | 2023                     | 2024   | 2025   | 2023         | 2024 | 2025 |
| Sales of eco-friendly products and services    |                                                           | KRW 100 million | 10,115                   | 11,931 | 15,883 | 697          | 979  | 633  |
| Purchase of eco-friendly products and services | Eco-labeled materials                                     | KRW 100 million | 96                       | 138    | 196    | 113          | 132  | 20   |
|                                                | High-efficiency energy certified equipment                | KRW 100 million | -                        | -      | -      | -            | 47   | 5    |
|                                                | Energy-saving and environmental impact reducing materials | KRW 100 million | 34                       | 62     | 5      | 1            | 15   | 3    |
|                                                | Subtotal                                                  | KRW 100 million | 130                      | 200    | 201    | 114          | 194  | 28   |

## Renewable Material Consumption

| Category                                     | Unit | Hyosung Heavy Industries |         |         |
|----------------------------------------------|------|--------------------------|---------|---------|
|                                              |      | 2023                     | 2024    | 2025    |
| Total consumption <sup>6)</sup>              | ton  | 66,625                   | 111,764 | 123,278 |
| Renewable material consumption <sup>7)</sup> | ton  | -                        | -       | -       |

### 5) Definition of eco-friendly products and services

[Standard Definition]

① Products and services that comply with the K-Taxonomy green economic activity classification system, or ② products and services recognized by the government or third parties for reducing environmental impact

[List of eco-friendly products and services purchases by division]

① Power & Industrial Systems Division: Biodegradable insulating oil (89.2% biodegradability based on OECD 301B, an international standard biodegradation evaluation method recognized by the U.S. Environmental Protection Agency (U.S. EPA), meeting the 60% or higher 'Readily Biodegradable' criteria under the same standard)

② Construction Division: Eco-label certified materials such as ready-mixed concrete, insulation materials, and waterproofing sheets

③ Subsidiaries: Eco-label certified materials (flooring, insulation, etc.), high-efficiency energy certified materials (lighting fixtures), etc

6) Total consumption includes major materials (copper products, electrical steel sheets, reinforcing bars, structural steel)

7) Materials that are rapidly renewed by ecological cycles or agricultural processes (e.g., raw materials harvested from bamboo, hemp, etc., for textiles, bio-based chips, etc.)

# ESG Data Book

## Social Performance

### Employee Status

| Category                                    |                      |                                                | Unit   | Hyosung Heavy Industries |       |       | Subsidiaries |       |       |
|---------------------------------------------|----------------------|------------------------------------------------|--------|--------------------------|-------|-------|--------------|-------|-------|
|                                             |                      |                                                |        | 2023                     | 2024  | 2025  | 2023         | 2024  | 2025  |
| Total No. of employees                      |                      |                                                | Person | 3,291                    | 3,403 | 3,576 | 2,419        | 2,714 | 3,072 |
| Gender                                      | Permanent            | Male                                           | Person | 2,767                    | 2,840 | 2,983 | 1,688        | 1,846 | 2,098 |
|                                             |                      | Female                                         | Person | 228                      | 232   | 269   | 280          | 317   | 393   |
|                                             |                      | Subtotal                                       | Person | 2,995                    | 3,072 | 3,252 | 1,968        | 2,163 | 2,491 |
|                                             | Temporary            | Male                                           | Person | 125                      | 164   | 168   | 409          | 531   | 544   |
|                                             |                      | Female                                         | Person | 171                      | 167   | 156   | 42           | 20    | 37    |
|                                             |                      | Subtotal                                       | Person | 296                      | 331   | 324   | 451          | 551   | 581   |
| Age                                         | Permanent            | Under 30                                       | Person | 275                      | 305   | 381   | 499          | 604   | 692   |
|                                             |                      | 30-50                                          | Person | 2,014                    | 2,037 | 2,113 | 1,180        | 1,233 | 1,448 |
|                                             |                      | Over 50 years old                              | Person | 706                      | 730   | 758   | 289          | 326   | 351   |
|                                             | Temporary            | Under 30                                       | Person | 124                      | 130   | 110   | 226          | 364   | 397   |
|                                             |                      | 30-50                                          | Person | 102                      | 115   | 124   | 154          | 130   | 107   |
|                                             |                      | Over 50 years old                              | Person | 70                       | 86    | 90    | 71           | 57    | 77    |
| Job category                                | Permanent            | Executive                                      | Person | 62                       | 67    | 68    | 22           | 27    | 29    |
|                                             |                      | Manager level(PM) or higher <sup>1)</sup>      | Person | 1,381                    | 1,429 | 1,496 | 352          | 464   | 491   |
|                                             |                      | Non-manager level (Pro or lower) <sup>2)</sup> | Person | 1,552                    | 1,576 | 1,688 | 1,594        | 1,672 | 1,971 |
|                                             | Temporary            | Executive                                      | Person | -                        | -     | -     | 1            | 52    | 1     |
|                                             |                      | Manager level(PM) or higher                    | Person | 15                       | 21    | 16    | 36           | 32    | 30    |
|                                             |                      | Non-manager level (Pro or lower)               | Person | 281                      | 310   | 308   | 414          | 467   | 550   |
| Workers who are not employees <sup>3)</sup> | Gender <sup>4)</sup> | Male                                           | Person | 1,077                    | 1,081 | 962   | 2,750        | 1,440 | 1,932 |
|                                             |                      | Female                                         | Person | 330                      | 302   | 265   | 214          | 88    | 143   |
|                                             |                      | Subtotal                                       | Person | 1,407                    | 1,383 | 1,227 | 2,964        | 1,528 | 2,075 |

1) PM/Manager level and above

2) Pro/Assistant Manager level and below

3) Hyosung Heavy Industries Construction site workers and contract personnel

4) 2023 and 2024 data corrected due to changes in data collection criteria for consolidated subsidiaries

### Employee Diversity

| Category                                   |                                                                  | Unit   | Hyosung Heavy Industries |       |       | Subsidiaries |      |      |
|--------------------------------------------|------------------------------------------------------------------|--------|--------------------------|-------|-------|--------------|------|------|
|                                            |                                                                  |        | 2023                     | 2024  | 2025  | 2023         | 2024 | 2025 |
| Gender diversity in the Board of Directors | Male                                                             | Person | 7                        | 7     | 8     | 25           | 25   | 23   |
|                                            | Female                                                           | Person | 1                        | 1     | 1     | -            | -    | -    |
|                                            | Subtotal                                                         | Person | 8                        | 8     | 9     | 25           | 25   | 23   |
| Employee diversity                         | Employees with disability <sup>5)</sup>                          | Person | 90                       | 79    | 94    | 45           | 53   | 26   |
|                                            | Veterans                                                         | Person | 58                       | 65    | 63    | 13           | 54   | 28   |
|                                            | Subtotal                                                         | Person | 148                      | 144   | 157   | 58           | 107  | 54   |
| Fostering female talent                    | Female employee ratio                                            | %      | 12.1                     | 11.7  | 11.9  | 13.3         | 12.4 | 14.0 |
|                                            | Number of female employees in management positions or higher     | Person | 105                      | 112   | 124   | 29           | 39   | 42   |
|                                            | Number of male employees in management positions or higher       | Person | 1,291                    | 1,338 | 1,388 | 359          | 457  | 479  |
|                                            | Percentage of female employees in management positions or higher | %      | 7.5                      | 7.7   | 8.2   | 7.5          | 7.9  | 8.1  |

### Employee Diversity Performance and Targets

| Category           |                           | Unit   | Performance |      |             |                    | Target |      |
|--------------------|---------------------------|--------|-------------|------|-------------|--------------------|--------|------|
|                    |                           |        | 2023        | 2024 | 2025 (Plan) | 2025 (Performance) | 2026   | 2027 |
| Employee diversity | Employees with disability | Person | 90          | 79   | 96          | 94                 | 100    | 105  |
|                    | Female                    | Person | 399         | 399  | 440         | 425                | 440    | 450  |

5) Based on the number of personnel reported to the Korea Employment Agency for the Disabled

# ESG Data Book

## New Employee Hires

| Category  |                                       | Unit   | Hyosung Heavy Industries |      |      | Subsidiaries |      |      |
|-----------|---------------------------------------|--------|--------------------------|------|------|--------------|------|------|
|           |                                       |        | 2023                     | 2024 | 2025 | 2023         | 2024 | 2025 |
| New hires | Total new hires                       | Person | 608                      | 594  | 627  | 717          | 623  | 751  |
|           | New hires                             | Person | 442                      | 462  | 503  | 287          | 172  | 306  |
|           | Experienced new hires                 | Person | 149                      | 103  | 90   | 426          | 451  | 444  |
|           | Transferees from affiliated companies | Person | 17                       | 29   | 34   | 4            | -    | 12   |

## Employee Turnover

| Category                                                              |                                    | Unit   | Hyosung Heavy Industries |      |      | Subsidiaries |      |      |
|-----------------------------------------------------------------------|------------------------------------|--------|--------------------------|------|------|--------------|------|------|
|                                                                       |                                    |        | 2023                     | 2024 | 2025 | 2023         | 2024 | 2025 |
| No. of employee turnover                                              | Total turnover (resignation)       | Person | 230                      | 186  | 144  | 440          | 490  | 566  |
|                                                                       | Voluntary turnover                 | Person | 128                      | 85   | 81   | 344          | 349  | 363  |
|                                                                       | Transfer to affiliated company     | Person | 13                       | 21   | 3    | 3            | -    | 12   |
|                                                                       | Involuntary turnover <sup>1)</sup> | Person | 89                       | 80   | 60   | 93           | 141  | 202  |
| Turnover rate (Total No. of employee turnover/Total No. of employees) | Voluntary turnover rate            | %      | 3.9                      | 2.5  | 2.3  | 14.2         | 12.9 | 11.8 |
|                                                                       | Total turnover rate                | %      | 7.0                      | 5.5  | 4.0  | 18.2         | 18.1 | 18.8 |

1) Recommended resignation, dismissal, death, etc.

## Employee Salary and Compensation

| Category                                                                                                                                                                                |                                                             | Unit        | Hyosung Heavy Industries |       |       | Subsidiaries |       |       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------|--------------------------|-------|-------|--------------|-------|-------|
|                                                                                                                                                                                         |                                                             |             | 2023                     | 2024  | 2025  | 2023         | 2024  | 2025  |
| Average Total annual compensation for entry-level employees                                                                                                                             | Male                                                        | KRW million | 51                       | 62    | 63    | 59           | 45    | 41    |
|                                                                                                                                                                                         | Female                                                      | KRW million | 35                       | 34    | 39    | 39           | 39    | 38    |
|                                                                                                                                                                                         | Total employees                                             | KRW million | 50                       | 54    | 57    | 56           | 44    | 40    |
| Average Total annual compensation for each employee category                                                                                                                            | Male Executive                                              | KRW million | 205                      | 197   | 255   | 172          | 165   | 188   |
|                                                                                                                                                                                         | Male Manager level(PM) or higher                            | KRW million | 99                       | 107   | 112   | 98           | 91    | 92    |
|                                                                                                                                                                                         | Male Non-manager level (Pro or lower)                       | KRW million | 60                       | 73    | 76    | 55           | 50    | 42    |
|                                                                                                                                                                                         | Female Executive                                            | KRW million | 193                      | 170   | 186   | 58           | 57    | 61    |
|                                                                                                                                                                                         | Female Manager level(PM) or higher                          | KRW million | 83                       | 92    | 97    | 47           | 80    | 77    |
|                                                                                                                                                                                         | Female Non-manager level (Pro or lower)                     | KRW million | 33                       | 37    | 39    | 41           | 44    | 36    |
| Ratio of the total salary and compensation for female compared to male                                                                                                                  | Executive                                                   | %           | 94.4                     | 86.2  | 72.9  | 33.6         | 34.7  | 32.7  |
|                                                                                                                                                                                         | Manager level(PM) or higher                                 | %           | 83.6                     | 85.8  | 86.6  | 48.5         | 87.2  | 83.3  |
|                                                                                                                                                                                         | Non-manager level (Pro or lower)                            | %           | 54.8                     | 50.4  | 51.3  | 74.9         | 88.1  | 84.5  |
| Average total annual compensation <sup>2)</sup>                                                                                                                                         |                                                             | KRW million | 78                       | 86    | 92    | 62           | 59    | 58    |
| Highest-paid individual                                                                                                                                                                 | Total annual compensation                                   | KRW million | 419                      | 426   | 2,500 | 293          | 280   | 339   |
|                                                                                                                                                                                         | Year-on-year increase in total compensation                 | %           | 110.2                    | 101.6 | 587.4 | 82.2         | 103.3 | 125.0 |
| Employees (excluding highest paid individual)                                                                                                                                           | Median annual total compensation                            | KRW million | 81                       | 91    | 91    | 64           | 62    | 56    |
|                                                                                                                                                                                         | Median annual total compensation growth rate year-over-year | %           | 107.4                    | 112.7 | 99.9  | 164.5        | 107.8 | 101.5 |
| Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) |                                                             | times       | 5.2                      | 4.7   | 27.5  | 4.6          | 4.5   | 6.1   |

2) Correction of data errors for consolidated subsidiaries in 2023 and 2024

# ESG Data Book

## Maternity Leave and Childcare Leave

|                          | Category                                                                                                                             | Unit   | Hyosung Heavy Industries |      |      | Subsidiaries <sup>1)</sup> |      |      |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------|--------|--------------------------|------|------|----------------------------|------|------|
|                          |                                                                                                                                      |        | 2023                     | 2024 | 2025 | 2023                       | 2024 | 2025 |
| Maternity leave (male)   | No. of employees under maternity leave                                                                                               | Person | 51                       | 40   | 68   | 21                         | 34   | 24   |
|                          | Returning ratio to work after maternity leave                                                                                        | %      | 100                      | 100  | 100  | 96.2                       | 100  | 100  |
| Maternity leave (female) | No. of employees under maternity leave                                                                                               | Person | 11                       | 16   | 13   | 3                          | 7    | 9    |
|                          | Returning ratio to work after maternity leave                                                                                        | %      | 91.0                     | 100  | 100  | 100                        | 75.0 | 100  |
| Childcare leave (male)   | No. of employees entitled to Childcare leave                                                                                         | Person | 619                      | 597  | 483  | N/A                        | N/A  | N/A  |
|                          | No. of employees on Childcare leave                                                                                                  | Person | 43                       | 24   | 46   | N/A                        | N/A  | N/A  |
|                          | No. of employees returning to work after Childcare leave                                                                             | Person | 51                       | 24   | 39   | N/A                        | N/A  | N/A  |
|                          | No. of employees with over 12 months of service after Childcare leave                                                                | Person | 48                       | 51   | 24   | N/A                        | N/A  | N/A  |
|                          | return rate after Childcare leave                                                                                                    | %      | 93.8                     | 85.7 | 95.1 | N/A                        | N/A  | N/A  |
|                          | Ratio of employees retained 12 months after returning to work in the previous reporting period following a period of Childcare leave | %      | 100                      | 100  | 100  | N/A                        | N/A  | N/A  |
|                          | No. of employees entitled to Childcare leave                                                                                         | Person | 38                       | 33   | 31   | N/A                        | N/A  | N/A  |
| Childcare leave (female) | No. of employees on Childcare leave                                                                                                  | Person | 10                       | 14   | 16   | N/A                        | N/A  | N/A  |
|                          | No. of employees returning to work after Childcare leave                                                                             | Person | 12                       | 8    | 16   | N/A                        | N/A  | N/A  |
|                          | No. of employees with over 12 months of service after Childcare leave                                                                | Person | 17                       | 10   | 8    | N/A                        | N/A  | N/A  |
|                          | return rate after Childcare leave                                                                                                    | %      | 76.9                     | 80.0 | 93.8 | N/A                        | N/A  | N/A  |
|                          | Ratio of employees retained 12 months after returning to work in the previous reporting period following a period of Childcare leave | %      | 100                      | 76.9 | 100  | N/A                        | N/A  | N/A  |

1) For subsidiaries, aggregation based on the same criteria is not possible due to differences in parental leave systems by country (N/A)

## Labor Union

| Category                                                                             | Unit   | Hyosung Heavy Industries |      |      | Subsidiaries |       |       |
|--------------------------------------------------------------------------------------|--------|--------------------------|------|------|--------------|-------|-------|
|                                                                                      |        | 2023                     | 2024 | 2025 | 2023         | 2024  | 2025  |
| No. of employees covered by collective bargaining agreements <sup>2)</sup>           | Person | 600                      | 575  | 656  | 1,191        | 1,187 | 1,272 |
| Ratio of employees covered by collective bargaining agreements among total employees | %      | 18.2                     | 16.9 | 18.3 | 49.2         | 43.7  | 41.4  |
| No. of union workers                                                                 | Person | 584                      | 565  | 583  | 1,042        | 1,088 | 1,186 |
| Rate of enrollment to the union                                                      | %      | 97.3                     | 98.3 | 88.9 | 87.5         | 91.7  | 93.2  |

## Number of Human Rights-related Grievances Received

| Category                                           | Unit | Hyosung Heavy Industries |      |      | Subsidiaries |      |      |
|----------------------------------------------------|------|--------------------------|------|------|--------------|------|------|
|                                                    |      | 2023                     | 2024 | 2025 | 2023         | 2024 | 2025 |
| Number of human rights-related grievances received | Case | 2                        | 8    | 10   | -            | -    | -    |
| Number of human rights-related grievances resolved | Case | 2                        | 8    | 10   | -            | -    | -    |
| Ratio of human rights-related grievances resolved  | %    | 100                      | 100  | 100  | -            | -    | -    |

2) Hyosung Heavy Industries Collective Agreement Coverage: Level 5 Production Workers

# ESG Data Book

## Employee Training<sup>1)2)</sup>

| Category                                                                                                                      |                                  | Unit        | Hyosung Heavy Industries |         |         | Subsidiaries |        |        |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------|--------------------------|---------|---------|--------------|--------|--------|
|                                                                                                                               |                                  |             | 2023                     | 2024    | 2025    | 2023         | 2024   | 2025   |
| No. of training participants (cumulative)                                                                                     |                                  | Person      | 103,893                  | 107,348 | 83,775  | 11,797       | 13,071 | 16,709 |
| Total training expenses                                                                                                       |                                  | KRW million | 2,521                    | 2,894   | 3,338   | 133          | 153    | 223    |
| Total training hours                                                                                                          |                                  | Hour        | 188,562                  | 229,444 | 222,315 | 39,755       | 39,748 | 43,407 |
| Average training hours per employee (total training hours / number of employees) <sup>3)</sup>                                |                                  | Hour        | 59                       | 67      | 62      | 16           | 15     | 14     |
| Average training expenses per employee (total training expense / number of employees) <sup>3)</sup>                           |                                  | KRW         | 789,980                  | 850,447 | 933,439 | 54,801       | 56,496 | 72,591 |
| training hours per employee by gender                                                                                         | Male                             | Hour        | 167,929                  | 203,555 | 194,234 | 33,959       | 33,379 | 36,524 |
|                                                                                                                               | Female                           | Hour        | 20,634                   | 25,890  | 28,081  | 5,795        | 6,369  | 6,883  |
| Average training hours per employee by gender <sup>3)</sup>                                                                   | Male                             | Hour        | 58                       | 68      | 62      | 16           | 14     | 14     |
|                                                                                                                               | Female                           | Hour        | 52                       | 65      | 66      | 18           | 19     | 16     |
| Total training hours by employee category                                                                                     | Executive                        | Hour        | 437                      | 2,127   | 1,622   | 179          | 156    | 198    |
|                                                                                                                               | Manager level(PM) or higher      | Hour        | 79,756                   | 98,931  | 112,923 | 4,926        | 4,833  | 5,642  |
|                                                                                                                               | Non-manager level (Pro or lower) | Hour        | 108,370                  | 128,386 | 107,770 | 34,650       | 34,759 | 37,567 |
| Average training hours per employee by category <sup>3)</sup>                                                                 | Executive                        | Hour        | 7                        | 32      | 24      | 8            | 2      | 7      |
|                                                                                                                               | Manager level(PM) or higher      | Hour        | 59                       | 68      | 75      | 13           | 10     | 11     |
|                                                                                                                               | Non-manager level (Pro or lower) | Hour        | 59                       | 68      | 54      | 17           | 16     | 15     |
| No. of participants in environmental training                                                                                 |                                  | Person      | 1,822                    | 1,926   | 1,796   | 1,107        | 1,269  | 1,289  |
| No. of participants in ethics and anti-corruption training                                                                    |                                  | Person      | 1,893                    | 1,837   | 1,804   | 1,027        | 1,317  | 1,725  |
| No. of participants in fair trade training                                                                                    |                                  | Person      | 1,888                    | 1,842   | 1,809   | 18           | 23     | 490    |
| No. of participants in safety and health training                                                                             |                                  | Person      | 43,282                   | 42,675  | 27,795  | 1,802        | 1,930  | 1,377  |
| No. of participants in human rights training (sexual harassment/disability awareness/discrimination prevention) <sup>3)</sup> |                                  | Person      | 9,273                    | 8,559   | 9,166   | 1,099        | 1,193  | 2,329  |
| Total no. of employees trained for information security                                                                       |                                  | Person      | 1,923                    | 1,840   | 2,103   | 787          | 1,006  | 638    |
| No. of participants in retiree training                                                                                       |                                  | Person      | -                        | 23      | -       | 64           | 68     | 73     |
| Total no. of employees who received career- or skills-related training                                                        |                                  | Person      | 851                      | 1,120   | 1,230   | 214          | 96     | 755    |
| Percentage of the total workforce across all locations who received career- or skills-related training                        |                                  | %           | 25.9                     | 32.9    | 34.4    | 8.8          | 3.5    | 24.6   |

1) The number of trainees represents the cumulative number of participants per course, and the collection criteria include all employees, including regular and contract workers.

2) Total training personnel, costs, and hours include new hire training, general/professional job training, leadership training, globalization training, and sustainability management training, etc.

3) Data for 2023 and 2024 has been corrected due to errors.

## Regular Performance and Career Development Reviews<sup>4)</sup>

| Category                                                                    |                                  | Unit   | Hyosung Heavy Industries |       |       | Subsidiaries <sup>5)</sup> |       |       |
|-----------------------------------------------------------------------------|----------------------------------|--------|--------------------------|-------|-------|----------------------------|-------|-------|
|                                                                             |                                  |        | 2023                     | 2024  | 2025  | 2023                       | 2024  | 2025  |
| No. of employees subject to performance evaluation                          |                                  | Person | 2,995                    | 3,072 | 3,252 | 1,823                      | 2,013 | 2,152 |
| Performance evaluation rate                                                 |                                  | %      | 91.0                     | 90.3  | 90.9  | 93.9                       | 94.7  | 94.2  |
| Regular performance and career development review rate by gender            | Male                             | %      | 95.7                     | 94.5  | 94.7  | 94.1                       | 94.7  | 94.3  |
|                                                                             | Female                           | %      | 57.1                     | 58.1  | 63.3  | 91.9                       | 94.5  | 91.8  |
| Regular performance and career development review rate by employee category | Executive                        | %      | 100                      | 100   | 100   | 97.5                       | 95.7  | 97.8  |
|                                                                             | Manager level(PM) or higher      | %      | 98.9                     | 98.6  | 98.9  | 97.6                       | 97.8  | 97.7  |
|                                                                             | Non-manager level (Pro or lower) | %      | 84.7                     | 83.6  | 84.6  | 90.4                       | 91.3  | 90.4  |

4) Hyosung Heavy Industries Performance evaluation targets are regular employees (Level 1, 2, 3), and the figures include: ① employees with less than 6 months of service during the evaluation period, ② Level 1 new hires who joined after January 1, 2024, and ③ employees on leave or maternity/paternity leave during the evaluation period.

5) Data for 2023 and 2024 has been restated due to changes in the data collection criteria for subsidiaries.

# ESG Data Book

## Supplier Status

| Category                                                                                     | Unit        | Hyosung Heavy Industries |           |           | Subsidiaries |           |           |
|----------------------------------------------------------------------------------------------|-------------|--------------------------|-----------|-----------|--------------|-----------|-----------|
|                                                                                              |             | 2023                     | 2024      | 2025      | 2023         | 2024      | 2025      |
| No. of suppliers <sup>1)</sup>                                                               | Company     | 2,231                    | 2,221     | 2,222     | 1,703        | 1,791     | 1,636     |
| Total purchase amount from suppliers <sup>1)</sup>                                           | KRW million | 2,080,957                | 2,026,164 | 2,758,697 | 1,350,956    | 1,652,527 | 1,857,370 |
| Total purchase amount from local suppliers <sup>1)</sup>                                     | KRW million | 1,675,081                | 1,597,457 | 2,126,012 | 1,053,004    | 1,201,251 | 1,286,085 |
| Percentage of purchase from local suppliers <sup>1)</sup>                                    | %           | 80.5                     | 78.8      | 77.1      | 77.9         | 72.7      | 69.2      |
| No. of suppliers that have signed the Supplier Code of Conduct Pledge                        | Company     | 616                      | 602       | 590       | -            | -         | 380       |
| Percentage of targeted suppliers that have signed the Supplier Code of Conduct               | %           | 100                      | 100       | 100       | -            | -         | 23.2      |
| No. of suppliers with contracts containing ESG clauses <sup>1)</sup>                         | Company     | 2,033                    | 2,033     | 1,992     | 883          | 767       | 583       |
| Percentage of targeted suppliers with contracts containing ESG clauses <sup>1)</sup>         | %           | 91.1                     | 91.5      | 96.8      | 51.8         | 42.8      | 35.6      |
| No. of suppliers that have undergone an on-site CSR assessments                              | Company     | 66                       | 65        | 112       | 13           | 6         | 41        |
| Percentage of targeted suppliers that have undergone an on-site CSR assessment <sup>1)</sup> | %           | 100                      | 100       | 100       | 0.8          | 0.3       | 2.5       |

1) 2023 and 2024 data corrected due to changes in data collection criteria

## Environmental/Social Impact Assessment of the Supply Chain<sup>2)</sup>

| Category                                                                                                                      | Unit    | Hyosung Heavy Industries |      |       | Subsidiaries |      |      |
|-------------------------------------------------------------------------------------------------------------------------------|---------|--------------------------|------|-------|--------------|------|------|
|                                                                                                                               |         | 2023                     | 2024 | 2025  | 2023         | 2024 | 2025 |
| No. of new suppliers <sup>1)</sup>                                                                                            | Company | 254                      | 272  | 270   | 210          | 183  | 241  |
| No. of new suppliers with environmental/social impact assessments <sup>1)</sup>                                               | Company | 85                       | 95   | 117   | 13           | 6    | 23   |
| Percentage of new suppliers with environmental/social impact assessments <sup>1)</sup>                                        | %       | 33.5                     | 34.9 | 43.3  | 6.2          | 3.3  | 9.5  |
| No. of prioritized suppliers <sup>1)</sup>                                                                                    | Company | 684                      | 699  | 798   | 337          | 345  | 286  |
| No. of suppliers with environmental/social impact assessments <sup>1)</sup>                                                   | Company | 870                      | 726  | 1,042 | 43           | 32   | 56   |
| No. of suppliers having actual or potential negative environmental/social Impacts <sup>1)</sup>                               | Company | 21                       | 8    | 30    | 19           | 10   | 14   |
| No. of suppliers that agreed improvement based on the results of environmental/social impact assessments <sup>1)</sup>        | Company | 21                       | 8    | 30    | 19           | 10   | 14   |
| Percentage of suppliers that agreed improvement based on the results of environmental/social impact assessments <sup>1)</sup> | %       | 100                      | 100  | 100   | 100          | 100  | 100  |
| No. of suppliers whose contracts were terminated based on the results of environmental/social impact assessments              | Company | -                        | -    | -     | -            | -    | -    |
| Percentage of suppliers whose contracts were terminated based on the results of environmental/social impact assessments       | %       |                          |      |       |              |      |      |

## Supplier Dissatisfaction/Safety and Health Related Grievance Mechanism

| Category                                                 | Unit                   | Hyosung Heavy Industries |      |      | Subsidiaries |      |      |
|----------------------------------------------------------|------------------------|--------------------------|------|------|--------------|------|------|
|                                                          |                        | 2023                     | 2024 | 2025 | 2023         | 2024 | 2025 |
| Complaints/<br>Grievances from<br>Suppliers              | No. of cases received  | Case                     | -    | -    | -            | -    | -    |
|                                                          | No. of cases processed | Case                     | -    | -    | -            | -    | -    |
|                                                          | Resolution rate        | %                        | -    | -    | -            | -    | -    |
| Safety and health<br>grievances of<br>suppliers' workers | No. of cases received  | Case                     | 540  | 478  | 731          | -    | -    |
|                                                          | No. of cases processed | Case                     | 532  | 477  | 731          | -    | -    |
|                                                          | Resolution rate        | %                        | 98.5 | 100  | 100          | -    | -    |

2) When assessing the supply chain, environmental and social assessments are conducted simultaneously to integrate indicators

# ESG Data Book

## Social Contribution Status

| Category                                          | Unit        | Hyosung Heavy Industries |       |       | Subsidiaries |      |      |
|---------------------------------------------------|-------------|--------------------------|-------|-------|--------------|------|------|
|                                                   |             | 2023                     | 2024  | 2025  | 2023         | 2024 | 2025 |
| Social contribution investment                    | KRW million | 887                      | 765   | 1,250 | 74           | 87   | 122  |
| No. of social contribution programs               | Program     | 42                       | 34    | 36    | 8            | 18   | 18   |
| No. of participants among employees <sup>1)</sup> | Person      | 1,626                    | 1,276 | 1,435 | 62           | 52   | 160  |
| Total volunteer hours                             | Hour        | 647                      | 1,607 | 1,305 | 179          | 112  | 589  |
| Amount of social value generated                  | KRW million | 2,759                    | 2,132 | 3,624 | 75           | 4    | 35   |

## Products and Services for Which Health and Safety Impacts are Assessed for Improvements

| Category                                                                                                                                                                           | Unit | Hyosung Heavy Industries |      |      | Subsidiaries |      |      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------------------|------|------|--------------|------|------|
|                                                                                                                                                                                    |      | 2023                     | 2024 | 2025 | 2023         | 2024 | 2025 |
| Percentage of significant product or service categories covered by and assessed for compliance with the organization's procedures for product and service information and labeling | %    | 100                      | 100  | 100  | 100          | 100  | 100  |
| Percentage of significant product and service categories for which health and safety impacts are assessed                                                                          | %    | 100                      | 100  | 100  | 100          | 100  | 100  |

## Safety/Quality/Information Security Certification

| Category             |                         |                          | Certified Sites                                                                                                                                                     |
|----------------------|-------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Health and safety    | ISO 45001               | Hyosung Heavy Industries | Headquarters (Mapo), Hoehyeon AK Tower, Changwon Plants 1, 2, 3, 4, Anyang Plant                                                                                    |
|                      |                         | Subsidiaries             | ChinHung International, Pune Plant in India, Nantong Plants in China                                                                                                |
| Quality              | ISO 9001                | Hyosung Heavy Industries | Headquarters (Mapo), Hoehyeon AK Tower, Changwon Plants 1, 2, 3, 4                                                                                                  |
|                      |                         | Subsidiaries             | Memphis Plant in the USA, Vina Industrial Machinery Plant in Vietnam, Pune Plant in India, Nantong Plant in China, South Africa corporation, ChinHung International |
|                      | ISO 3834-KOLAS-KEPIC-EN | Hyosung Heavy Industries | Changwon Plants 1, 2, 3, 4                                                                                                                                          |
|                      | ISO 17025               | Subsidiaries             | Nantong Plant in China                                                                                                                                              |
| Information security | ISO/IEC 27001           | Hyosung Heavy Industries | Headquarters (Mapo), Changwon Plants 1, 2, 3, 4 Anyang Plant                                                                                                        |
|                      |                         | Subsidiaries             | Pittsburgh, USA                                                                                                                                                     |
|                      | IEC 62443 4-1           | Hyosung Heavy Industries | Headquarters (Mapo), Anyang Plant                                                                                                                                   |

1) 2024 data restated due to data aggregation errors

# ESG Data Book

## Customer Privacy Protection

| Category                                             | Unit                                                                           | Hyosung Heavy Industries |      |      | Subsidiaries |      |      |
|------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------|------|------|--------------|------|------|
|                                                      |                                                                                | 2023                     | 2024 | 2025 | 2023         | 2024 | 2025 |
| Breaches of customer privacy                         | Complaints received from outside parties and substantiated by the organization | Case                     | -    | -    | -            | -    | -    |
|                                                      | Complaints from regulatory bodies                                              | Case                     | -    | -    | -            | -    | -    |
| Identified leaks, thefts, or losses of customer data |                                                                                | Case                     | -    | -    | -            | -    | -    |

## Occupational Health and Safety Management System

| Category                                                                                                                  | Unit   | Hyosung Heavy Industries |       |       | Subsidiaries |       |       |
|---------------------------------------------------------------------------------------------------------------------------|--------|--------------------------|-------|-------|--------------|-------|-------|
|                                                                                                                           |        | 2023                     | 2024  | 2025  | 2023         | 2024  | 2025  |
| Total no. of employees + No. of workers who are not employees (=○)                                                        | Person | 4,698                    | 4,786 | 4,803 | 5,383        | 4,242 | 5,147 |
| No. of employees and workers who are covered by a system out of ○                                                         | Person | 4,698                    | 4,786 | 4,803 | 5,383        | 4,242 | 5,147 |
| No. of employees and workers who are covered by a system that has been internally audited out of ○                        | Person | 4,698                    | 4,786 | 4,803 | 5,383        | 4,242 | 5,147 |
| No. of employees and workers who are covered by a system that has been audited or certified by an external party out of ○ | Person | 4,698                    | 4,786 | 4,803 | 4,598        | 3,469 | 4,189 |

## Occupational Injuries and Ill-health

|                               | Category                                                            | Unit                | Hyosung Heavy Industries |           |           | Subsidiaries |           |           |
|-------------------------------|---------------------------------------------------------------------|---------------------|--------------------------|-----------|-----------|--------------|-----------|-----------|
|                               |                                                                     |                     | 2023                     | 2024      | 2025      | 2023         | 2024      | 2025      |
| Employees                     | No. of work-related injuries and ill health                         | Person              | 15                       | 22        | 31        | 6            | 6         | 9         |
|                               | Rate of work-related injuries and ill health <sup>1)</sup>          | %                   | 0.5                      | 0.6       | 0.9       | 0.2          | 0.2       | 0.3       |
|                               | No. of fatalities as a result of work-related injuries              | Person              | 1                        | -         | -         | -            | -         | -         |
|                               | Work-related fatality rate per ten thousand employees <sup>2)</sup> | % <sub>1000</sub>   | 3.0                      | -         | -         | -            | -         | -         |
|                               | Total hours worked                                                  | Hour                | 6,871,608                | 7,105,464 | 7,466,688 | 5,050,872    | 5,666,832 | 6,414,336 |
|                               | Lost Time Injury(LTI)                                               | Case                | 11                       | 22        | 25        | 6            | 6         | 8         |
|                               | Lost Time Injury Frequency Rate(LTIFR) <sup>3)</sup>                | per 1,000,000 hours | 1.6                      | 3.1       | 3.3       | 1.2          | 1.1       | 1.2       |
|                               | Lost work days                                                      | day                 | 8,587                    | 1,325     | 2,413     | 200          | 573       | 309       |
|                               | Lost Time Injury Severity Rate(LTISR)                               | Per 1,000,000 hours | 1,249.6                  | 186.5     | 323.2     | 39.6         | 101.1     | 48.2      |
| Workers who are not employees | No. of work-related injuries and ill health                         | Person              | 59                       | 51        | 103       | 18           | 24        | 21        |
|                               | Rate of work-related injuries and ill health <sup>1,4)</sup>        | %                   | 4.2                      | 3.7       | 8.4       | 0.6          | 1.6       | 1.0       |
|                               | No. of fatalities as a result of work-related injuries              | Person              | 0.07                     | -         | 0.11      | -            | -         | -         |
|                               | Work-related fatality rate per ten thousand employees <sup>2)</sup> | % <sub>1000</sub>   | 0.5                      | -         | 0.9       | -            | -         | -         |
|                               | Total hours worked <sup>5)</sup>                                    | Hour                | 2,937,816                | 2,887,704 | 2,561,976 | 6,188,832    | 3,190,464 | 4,332,600 |
|                               | Lost Time Injury(LTI)                                               | Case                | 59                       | 51        | 100       | 18           | 24        | 21        |
|                               | Lost Time Injury Frequency Rate(LTIFR) <sup>3)</sup>                | per 1,000,000 hours | 20.1                     | 17.7      | 39.0      | 2.9          | 7.5       | 4.8       |

1) Number of work-related injuries and ill health ÷ Number of employees × 100

2) Work-related fatality rate per 10,000 employees: Number of work-related fatalities ÷ Number of employees × 10,000

3) Lost Time Injury Frequency Rate (LTIFR): Number of lost time injuries ÷ Total hours worked × 1,000,000

4) 2024 data restated due to changes in data collection criteria

5) 2023 and 2024 data restated due to data aggregation errors

# ESG Data Book

## Governance Performance

### Compliance with Ethics and Laws

| Category                                                                                                                                               |                                                       | Unit   | Hyosung Heavy Industries |       |       | Subsidiaries |      |       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|--------|--------------------------|-------|-------|--------------|------|-------|
|                                                                                                                                                        |                                                       |        | 2023                     | 2024  | 2025  | 2023         | 2024 | 2025  |
| Corruption                                                                                                                                             | No. of reported incidents of corruption               | case   | -                        | 2     | 3     | -            | -    | -     |
|                                                                                                                                                        | No. of people dismissed or disciplined for corruption | Person | -                        | 3     | 2     | -            | -    | -     |
| No. of the Board of Directors (governance body) members that have received notification and training on anti-corruption policies and procedures        |                                                       | Person | -                        | -     | -     | -            | -    | -     |
| Percentage of the Board of Directors (governance body) members that have received notification and training on anti-corruption policies and procedures |                                                       | %      | -                        | -     | -     | -            | -    | -     |
| No. of employees that have received notification and training on anti-corruption policies and procedures                                               |                                                       | Person | 1,893                    | 1,837 | 1,594 | 1,027        | 950  | 1,263 |
| Percentage of employees that have received notification and training on anti-corruption policies and procedures                                        |                                                       | %      | 57.5                     | 54.0  | 44.6  | 42.5         | 35.0 | 41.1  |
| Percentage of all operating sites that are subject to human rights reviews or human rights impact assessments                                          |                                                       | %      | 100                      | 100   | 100   | -            | -    | -     |
| Percentage of all operating sites with a certified anti-bribery management system (ISO 37001 certified)                                                |                                                       | %      | -                        | -     | -     | -            | -    | -     |

### Non-compliance with Laws and Regulations (Separate)

| Category                                                                                    |                                                                                                                                        | Unit        | Hyosung Heavy Industries |      |        |
|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------------------|------|--------|
|                                                                                             |                                                                                                                                        |             | 2023                     | 2024 | 2025   |
| Non-compliance with laws and regulations                                                    | Cases of fines imposed <sup>1)2)3)</sup>                                                                                               | case        | -                        | -    | 2      |
|                                                                                             | Cases of non-monetary sanctions <sup>2)</sup>                                                                                          | case        | -                        | -    | 1      |
|                                                                                             | No. of violations of legal and voluntary regulations regarding product and service information and labeling                            | case        | -                        | -    | -      |
|                                                                                             | No. of violations of legal and voluntary regulations regarding health and safety impact of products and services                       | case        | -                        | -    | -      |
|                                                                                             | No. of violations of legal and voluntary regulations regarding marketing communication such as advertising, promotion, and sponsorship | case        | -                        | -    | -      |
|                                                                                             | Total amount of fines <sup>1)2)3)</sup>                                                                                                | KRW million | -                        | -    | 11,341 |
|                                                                                             | No. of unfair transaction practices <sup>2)</sup>                                                                                      | case        | -                        | 1    | 1      |
|                                                                                             | Fine for unfair transaction practices <sup>1)2)3)</sup>                                                                                | KRW million | -                        | -    | 11,341 |
| Fines for violation of environmental regulations, such as pollutant emissions <sup>1)</sup> |                                                                                                                                        | KRW million | -                        | -    | -      |

1) Aggregated based on cases of single regulatory violations of US\$10,000 or more

2) Litigation is in progress to cancel the corrective order and imposition of a penalty surcharge (KRW 11,237 million) by the Korea Fair Trade Commission regarding 170kV GIS bid rigging

3) The penalty surcharge related to 170kV GIS bid rigging has been revised to be reflected in the 2025 data based on the time of payment

# GRI Content Index

|                        |                                                                                                                                                                                          |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Statement of use       | Hyosung Heavy Industries has reported the information cited in this Sustainability Report for the period from January 1, 2025 to December 31, 2025 in accordance with the GRI Standards. |
| GRI 1 used             | GRI 1: Foundation 2021                                                                                                                                                                   |
| GRI Sector Standard(s) | As of June 2026, the time of publication of Hyosung Heavy Industries Co., Ltd.'s Sustainability Report, no applicable GRI Sector Standards are available.                                |

| No.                        | Category                                                                    | Disclosure Location                                                               | Remarks |
|----------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------|---------|
| GRI 2: General Disclosures |                                                                             |                                                                                   |         |
| 2-1                        | Organizational details                                                      | 6-10                                                                              |         |
| 2-2                        | Entities included in the organization's sustainability reporting            | 2                                                                                 |         |
| 2-3                        | Reporting period, frequency and contact point                               | 2                                                                                 |         |
| 2-4                        | Restatements of information                                                 | 112-124                                                                           |         |
| 2-5                        | External assurance                                                          | 131                                                                               |         |
| 2-6                        | Activities, value chain and other business relationships                    | 6-10                                                                              |         |
| 2-7                        | Employees                                                                   | 117                                                                               |         |
| 2-8                        | Workers who are not employees                                               | 117                                                                               |         |
| 2-9                        | Governance structure and composition                                        | 102, Homepage(Board Composition)                                                  |         |
| 2-10                       | Nomination and selection of the highest governance body                     | 104, Homepage(Board Composition)                                                  |         |
| 2-11                       | Chair of the highest governance body                                        | 102, Homepage(Board Composition)                                                  |         |
| 2-12                       | Role of the highest governance body in overseeing the management of impacts | 13, 104                                                                           |         |
| 2-13                       | Delegation of responsibility for managing impacts                           | 13, 104                                                                           |         |
| 2-14                       | Role of the highest governance body in sustainability reporting             | 13                                                                                |         |
| 2-15                       | Conflicts of interest                                                       | Homepage (Board of Directors Operating Regulations, Corporate Governance Charter) |         |
| 2-16                       | Communication of critical concerns                                          | 21, 30, 36, 49, 55                                                                |         |
| 2-17                       | Collective knowledge of the highest governance body                         | 103                                                                               |         |
| 2-18                       | Evaluation of the performance of the highest governance body                | 102                                                                               |         |
| 2-19                       | Remuneration policies                                                       | Annual Report412-416                                                              |         |
| 2-20                       | Process to determine remuneration                                           | Homepage (Corporate Governance Charter, 11)                                       |         |

| No.  | Category                                           | Disclosure Location        | Remarks |
|------|----------------------------------------------------|----------------------------|---------|
| 2-21 | Annual total compensation ratio                    | 118                        |         |
| 2-22 | Statement on sustainable development strategy      | 4                          |         |
| 2-23 | Policy commitments                                 | Homepage (ESG Policy)      |         |
| 2-24 | Embedding policy commitments                       | Homepage (ESG Policy)      |         |
| 2-25 | Processes to remediate negative impacts            | Homepage (ESG Policy)      |         |
| 2-26 | Mechanisms for seeking advice and raising concerns | 108, Homepage (ESG Policy) |         |
| 2-27 | Compliance with laws and regulations               | 124                        |         |
| 2-28 | Membership associations                            | 129                        |         |
| 2-29 | Approach to stakeholder engagement                 | 19                         |         |
| 2-30 | Collective bargaining agreements                   | 119                        |         |

| No.                    | Category                             | Disclosure Location | Remarks |
|------------------------|--------------------------------------|---------------------|---------|
| GRI 3: Material Topics |                                      |                     |         |
| 3-1                    | Process to determine material topics | 16                  |         |
| 3-2                    | List of material topics              | 18                  |         |

# GRI Content Index

## Climate Change Response

| No.   | Category                                                                       | Disclosure Location | Remarks |
|-------|--------------------------------------------------------------------------------|---------------------|---------|
| 3-3   | Management of material topics                                                  | 18                  |         |
| 201-2 | Financial implications and other risks and opportunities due to climate change | 21-27               |         |
| 302-1 | Energy consumption within the organization                                     | 113                 |         |
| 302-2 | Energy consumption outside of the organization                                 | 113                 |         |
| 302-3 | Energy intensity                                                               | 113                 |         |
| 302-4 | Reduction of energy consumption                                                | 113                 |         |
| 302-5 | Reductions in energy requirements of products and services                     | 113                 |         |
| 305-1 | Direct (Scope 1) GHG emissions                                                 | 113                 |         |
| 305-2 | Energy indirect (Scope 2) GHG emissions                                        | 113                 |         |
| 305-4 | GHG emissions intensity                                                        | 113                 |         |
| 305-5 | Reduction of GHG emissions                                                     | 113                 |         |

## Sustainable Products and Solutions

| No.                                   | Category                                              | Disclosure Location | Remarks |
|---------------------------------------|-------------------------------------------------------|---------------------|---------|
| 3-3                                   | Management of material topics                         | 18                  |         |
| Company-Specific Management Indicator | Current year sales performance by product and service | 31-34               |         |

## Ensuring Product Quality

| No.                                   | Category                      | Disclosure Location | Remarks |
|---------------------------------------|-------------------------------|---------------------|---------|
| 3-3                                   | Management of material topics | 18                  |         |
| Company-Specific Management Indicator | Number of VOC registrations   | 64                  |         |

## Workplace Health and Safety

| No.                                   | Category                                                                                                      | Disclosure Location | Remarks |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------|---------|
| 3-3                                   | Management of material topics                                                                                 | 18                  |         |
| 403-1                                 | Occupational health and safety management system                                                              | 37                  |         |
| 403-2                                 | Hazard identification, risk assessment, and incident investigation                                            | 41, 46              |         |
| 403-3                                 | Occupational health services                                                                                  | 45                  |         |
| 403-4                                 | Worker participation, consultation, and communication on occupational health and safety                       | 42-44               |         |
| 403-5                                 | Worker training on occupational health and safety                                                             | 39                  |         |
| 403-6                                 | Promotion of worker health                                                                                    | 45                  |         |
| 403-7                                 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 45                  |         |
| 403-8                                 | Workers covered by an occupational health and safety management system                                        | 123                 |         |
| 403-9                                 | Work-related injuries                                                                                         | 123                 |         |
| 403-10                                | Work-related ill health                                                                                       | 123                 |         |
| Company-Specific Management Indicator | Status of Safety Culture scores                                                                               | 48                  |         |
| Company-Specific Management Indicator | Fatality rate per 10,000 employees                                                                            | 48, 123             |         |

## Sustainable Supply Chain

| No.                                   | Category                                                             | Disclosure Location | Remarks |
|---------------------------------------|----------------------------------------------------------------------|---------------------|---------|
| 3-3                                   | Management of material topics                                        | 18                  |         |
| 308-1                                 | New suppliers that were screened using environmental criteria        | 121                 |         |
| 308-2                                 | Negative environmental impacts in the supply chain and actions taken | 53, 121             |         |
| 414-2                                 | Negative social impacts in the supply chain and actions taken        | 121                 |         |
| Company-Specific Management Indicator | Advancement stage of supply chain assessment system                  | 121                 |         |
| Company-Specific Management Indicator | Support for sustainability education and consulting                  | 121                 |         |

# SASB Index

## Electrical & Electronic Equipment

### Sustainability Disclosure Topics & Metrics

| Code                         | Metric                                                                                                                 | Disclosure Location           |
|------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Energy Management            |                                                                                                                        |                               |
| RT-EE-130a.1                 | (1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable                                | 113                           |
| Hazardous Waste Management   |                                                                                                                        |                               |
| RT-EE-150a.1                 | (1) Amount of hazardous waste generated, (2) percentage recycled                                                       | 115                           |
| RT-EE-150a.2                 | (1) Number and aggregate quantity of reportable spills, (2) quantity recovered                                         | Insufficient Information      |
| Product Safety               |                                                                                                                        |                               |
| RT-EE-250a.1                 | (1) Number of recalls issued, (2) total units recalled                                                                 | N/A                           |
| RT-EE-250a.2                 | Total amount of monetary losses as a result of legal proceedings associated with product safety                        | 124                           |
| Product Lifecycle Management |                                                                                                                        |                               |
| RT-EE-410a.1                 | Percentage of products by revenue that contain IEC 62474 declarable substances                                         | N/A                           |
| RT-EE-410a.2                 | Percentage of eligible products, by revenue, certified to an energy efficiency certification                           | 116                           |
| RT-EE-410a.3                 | Revenue from renewable energy-related and energy efficiency-related products                                           | 116                           |
| Materials Sourcing           |                                                                                                                        |                               |
| RT-EE-440a.1                 | Description of the management of risks associated with the use of critical materials                                   | 116                           |
| Business Ethics              |                                                                                                                        |                               |
| RT-EE-510a.1                 | Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behaviour | Homepage (Ethical Management) |
| RT-EE-510a.2                 | Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption                 | N/A                           |
| RT-EE-510a.3                 | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations | 124                           |

### Activity Metrics

| Code        | Metric                                       | Disclosure Location |
|-------------|----------------------------------------------|---------------------|
| RT-EE-000.A | Number of units produced by product category | Not Disclosed       |
| RT-EE-000.B | Number of employees                          | 117                 |

## Engineering & Construction Services

### Sustainability Disclosure Topics & Metrics

| Code                                            | Metric                                                                                                                                                      | Disclosure Location           |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Environmental Impacts of Project Development    |                                                                                                                                                             |                               |
| IF-EN-160a.1                                    | Number of incidents of non-compliance with environmental permits, standards and regulations                                                                 | 124                           |
| IF-EN-160a.2                                    | Discussion of processes to assess and manage environmental risks associated with project design, siting and construction                                    | 34                            |
| Structural Integrity & Safety                   |                                                                                                                                                             |                               |
| IF-EN-250a.1                                    | Amount of defect- and safety-related rework cost                                                                                                            | N/A                           |
| IF-EN-250a.2                                    | Total amount of monetary losses as a result of legal proceedings associated with defect and safety-related incidents                                        | 124                           |
| Workforce Health & Safety                       |                                                                                                                                                             |                               |
| IF-EN-320a.1                                    | (1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees                                         | 123                           |
| Lifecycle Impacts of Buildings & Infrastructure |                                                                                                                                                             |                               |
| IF-EN-410a.1                                    | Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification   | 34                            |
| IF-EN-410a.2                                    | Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design                          | 34                            |
| Climate Impacts of Business Mix                 |                                                                                                                                                             |                               |
| IF-EN-410b.1                                    | Amount of backlog for (1) hydrocarbon-related projects and (2) renewable energy projects                                                                    | Not Disclosed                 |
| IF-EN-410b.2                                    | Amount of backlog cancellations associated with hydrocarbon-related projects                                                                                | Not Disclosed                 |
| IF-EN-410b.3                                    | Amount of backlog for non-energy projects associated with climate change mitigation                                                                         | Not Disclosed                 |
| Business Ethics                                 |                                                                                                                                                             |                               |
| IF-EN-510a.1                                    | (1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index     | Not Relevant                  |
| IF-EN-510a.2                                    | Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices    | 124                           |
| IF-EN-510a.3                                    | Description of policies and practices for the prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes | Homepage (Ethical Management) |

### Activity Metrics

| Code        | Metric                          | Disclosure Location |
|-------------|---------------------------------|---------------------|
| RT-EE-000.A | Number of active projects       | Not Disclosed       |
| RT-EE-000.B | Number of commissioned projects | Not Disclosed       |
| RT-EE-000.C | Total backlog                   | Not Disclosed       |

# UN SDGs

| Goals                                                                               |                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Hyosung Heavy Industries Key Activities                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | 1. End poverty in all its forms everywhere                                                                                                                                                   | 1.3 Implement country-appropriate social protection systems and measures for all, including social safety nets, and achieve substantive coverage for the poor and vulnerable by 2030                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | • Support programs and donor activities for vulnerable populations                                                                                                                                                                                                                                                                                 |
|    | 3. Ensure healthy lives and promote well-being for all at all ages                                                                                                                           | 3.9 Significantly reduce the number of deaths and diseases caused by hazardous chemicals, air pollution, water pollution, and soil pollution by 2030                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | • Promote management of pollutants and chemicals by setting own emission standards that exceed legal standards                                                                                                                                                                                                                                     |
|    | 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all                                                                                      | 4.3 Ensure equal access to affordable, quality technical, vocational and higher education, including universities, for all women and men by 2030<br>By 2030, ensure that all learners acquire the knowledge and skills necessary to promote sustainable development through education on sustainable development and sustainable livelihoods, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship, cultural diversity and the contribution of culture to sustainable development                                                                                                                          | • Implementing competency enhancement programs by job category/job function/ business unit/department to realize value management<br>• Conduct periodic training to internalize sustainability management, including environment, human rights, safety and health, etc.                                                                            |
|    | 5. Achieve gender equality and empower all women and girls                                                                                                                                   | 5.1 End all forms of discrimination against all women and girls everywhere<br>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in the political, economic and public divisions                                                                                                                                                                                                                                                                                                                                                                                                 | • Provide funding for vocational training and employment support for middle-aged and older women whose careers were interrupted by childbirth, family care, etc.<br>• Ensure equal opportunities for leadership through board diversity                                                                                                            |
|    | 6. Ensure availability and sustainable management of water and sanitation for all                                                                                                            | 6.3 By 2030, halve the proportion of untreated sewage and significantly expand recycling and safe reuse globally by reducing pollution, eliminating dumping of hazardous chemicals and minimizing emissions<br>6.4 Ensure sustainable withdrawal and supply of fresh water by 2030 to increase water use efficiency in all divisions, address water scarcity and significantly reduce the number of people suffering from water scarcity                                                                                                                                                                                                                  | • Promote management of pollutants and chemicals by setting own emission standards that exceed legal standards<br>• Proactively identify the level of water risk at its operations and regularly assess the level of water stress at its sites                                                                                                     |
|    | 7. Ensure access to affordable, reliable, sustainable and modern energy for all                                                                                                              | 7.1 Ensure universal access to affordable, reliable, sustainable and modern energy services by 2030<br>7.2 Significantly increase the share of renewable energy by 2030                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | • Ensure access to sustainable energy services by adopting green technologies in our electricity product portfolio and construction processes<br>• Promote access to cleaner fuels and technologies through the development of sustainable products and services<br>• Promote energy savings through solar installations and equipment replacement |
|   | 13. Take urgent action to combat climate change and its impacts                                                                                                                              | 13.1 Strengthen adaptive capacity and resilience to climate-related hazards and natural disasters<br>13.2 Integrate climate change actions into national policies, strategies and plans<br>13.3 Educate, raise awareness, and improve population and institutional capacity for climate change mitigation, adaptation, impact reduction, and early warning                                                                                                                                                                                                                                                                                                | • Measure financial impact through climate scenario analysis<br>• Implement activities to mitigate identified physical risks                                                                                                                                                                                                                       |
|  | 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development                                                                                           | 14.2 Sustainably manage marine and coastal ecosystems by 2020 by strengthening resilience and restoration activities and implementing protective measures<br>Provide small-scale and artisanal fishers with access to marine resources and markets                                                                                                                                                                                                                                                                                                                                                                                                        | • Through activities to expand seagrass beds (blue carbon) for marine resource protection (the Marine Forest Creation Project), the company contributes to the expansion of marine resource diversity and strengthening of access to fishery resources                                                                                             |
|  | 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss | 15.4 Ensure the conservation of forest ecosystems, including biodiversity, to enhance the carrying capacity of forest ecosystems to provide essential benefits for sustainable development by 2030<br>15.7 Take urgent and major action to reduce the degradation of natural habitats and halt the loss of biodiversity, and protect endangered species and prevent their extinction by 2020<br>15.a Call for immediate action to end poaching and trafficking of protected species and counter the supply and demand for illegal wildlife products<br>Mobilize financial resources for the protection and sustainable use of biodiversity and ecosystems | • Contribute to the preservation of ecosystem diversity through Winter Migratory Bird Feeding Support Project, endangered insect restoration projects, and biodiversity cooperation activities involving the private division, government, industry, and academia                                                                                  |
|  | 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels        | 16.2 End the abuse, exploitation and trafficking of children and all forms of violence and torture against them<br>16.3 Promote the rule of law at the national and international levels, and ensure equal access to justice for all                                                                                                                                                                                                                                                                                                                                                                                                                      | • Establish and disclose principles on the prohibition of child and forced labor in human rights policy<br>• Solidify commitment to compliance management by expanding the scope of management review to include ethics and compliance management, centered on the Risk & Compliance Management Committee                                          |

# ESG Ratings and Evaluations


**Silver**

 (Certification valid until:  
January 7, 2027)


| Evaluation Year | Overall rating |
|-----------------|----------------|
| 2025            | A-             |
| 2024            | B              |
| 2023            | A-             |



| Evaluation Year | Overall rating | Environmental | Social | Governance |
|-----------------|----------------|---------------|--------|------------|
| 2025            | B              | A             | A+     | D          |
| 2024            | B+             | A             | A+     | B          |
| 2023            | A              | A             | A+     | B+         |



| Evaluation Year | Overall rating |
|-----------------|----------------|
| 2025            | BBB            |
| 2024            | BB             |
| 2023            | B              |

# Membership in External Organizations and Awards

## Association Membership in Relation to Sustainable Management

| Hyosung Heavy Industries                                         |                                        |
|------------------------------------------------------------------|----------------------------------------|
| CDP                                                              | The Federation of Korean Industries    |
| TCFD                                                             | Korea Fair Competition Federation      |
| Construction Safety Executives Association                       | Korea International Trade Association  |
| Construction Safety Association                                  | Korea Hydropower Industry Association  |
| Korea Electrical-industry Association                            | Korea Smart Grid Association           |
| Hydrogen Convergence Alliance                                    | Korea Hydrogen Industry Association    |
| Energy Alliance                                                  | Korea Atomic Industrial Forum          |
| Changwon National Industrial Complex Plant Managers' Association | Korea Wind Energy Industry Association |
| Korea Exchange                                                   | Korea Plant Industries Association     |
| Korea Enterprises Federation                                     | Korea Ocean Grid Industry Association  |

## Awards and Recognitions

| Award                                                                                 | Award Date    | Awarding Organization                                                     | Description                                                                                                                                                                                                                                                                                                                                                                                          | Related Links        |
|---------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Minister's Award from the Ministry of Trade, Industry and Energy                      | Dec. 3, 2025  | Ministry of Trade, Industry and Energy                                    | Received the Minister's Award at the 2025 Korea Technology Awards in recognition of contributions to the advancement of industrial technology                                                                                                                                                                                                                                                        | <a href="#">Link</a> |
| '\$1 Billion Export Tower' Award                                                      | Dec. 4, 2025  | Ministry of Trade, Industry and Energy                                    | Received the '\$1 Billion Export Tower' award on Trade Day in recognition of contributions to overseas market development and export growth                                                                                                                                                                                                                                                          | <a href="#">Link</a> |
| Selection as a Recognized Sponsor Company for the Conservation of Endangered Wildlife | Dec. 15, 2025 | National Institute of Ecology                                             | Selected as a recognized company under the "Endangered Wildlife Conservation Sponsorship Recognition Program" hosted by the National Institute of Ecology under the Ministry of Environment, in recognition of contributions to endangered species conservation and biodiversity enhancement                                                                                                         |                      |
| Rural ESG Practice Recognition Company                                                | Dec. 18, 2025 | Korea Foundation for Cooperation of Large & Small Business, Rural Affairs | Selected as a "Certified Company for Rural ESG Practice" under a program jointly hosted by the Ministry of Agriculture, Food and Rural Affairs, the Ministry of Oceans and Fisheries, and the Korea Foundation for Cooperation of Large & Small Business, Rural Affairs, in recognition of ESG achievements for the sustainable development of agriculture, fisheries, and rural/fishing communities |                      |

# GHG Assurance Statement

## Third-Party Assurance Statement

### Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by Hyosung Heavy Industries Corporation (here after "Company" or "Hyosung Heavy Industries") to perform third party verification for the Company's Greenhouse Gas Statement. The Company is responsible for the preparation of the GHG statement on the basis set out within the guidelines on the operation of GHG emissions trading scheme (ETS) (Notification No. 2025-64), Korea Ministry of Environment) based on 'ISO 14064-1:2018'. The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or responsibility for any decisions, based upon the verification opinion.

### Objective and Scope of Verification

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

- Organizational Boundary: Hyosung Heavy Industries Corporation's domestic business sites in Korea
- Reporting Boundary: Scope 1 (Direct emissions), Scope 2 (Indirect emissions) (fugitive emissions from refrigerant are excluded)
- Reporting Period: 2025.01.01 ~ 2025.12.31

### Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG ETS (Notification No. 2025-165, Korea Ministry of Environment) based on 'ISO 14064-3:2019'. DNV planned and concluded our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

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

### Conclusions

Based on the verification conducted, the information related to the GHG statement has been properly calculated and reported.

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

(Unit: ton CO<sub>2</sub>eq)

| 2025                        | Direct Emissions<br>(Scope 1) | Indirect Emissions<br>(Scope 2) | Total Emissions |
|-----------------------------|-------------------------------|---------------------------------|-----------------|
| HYOSUNG HEAVY<br>INDUSTRIES | 10,767                        | 46,211                          | 56,969          |

\* There is a difference between each sites' emissions sum and total emissions as total emissions are sum up with each rounded business sites' emissions according to the related regulation.

June 05, 2026 Seoul, Republic of Korea

DNV Business Assurance Korea Ltd.  
Country Representative **Lee, Jang Sup**



A handwritten signature in black ink, appearing to read "J.S. Lee", with a stylized flourish at the end.

# Independent Assurance Statement

## 2025 Hyosung Heavy Industries Sustainability Report Dear Readers

### Introduction

Korea Management Registrar (KMR) was engaged to conduct an independent assurance of 2025 Hyosung Heavy Industries Sustainability Report for the year ending December 31, 2025. The preparation, information and internal control of the report are the sole responsibility of Hyosung Heavy Industries Corporation's the management. KMR's responsibility is to comply with the agreed engagement and express an opinion to Hyosung Heavy Industries Corporation's management.

### Subject Matter

The reporting boundaries included the performance and activities of sustainability-related organizations as described in Hyosung Heavy Industries Corporation's report:

- 2025 Hyosung Heavy Industries Sustainability Report

### Reference Standard

- GRI Standards 2021 : 2023 (GRI)

### Assurance criteria

KMR applied the quality management system in accordance with ISO 17029 and KMR EDV 01, and carried out the verification in accordance with the assurance criteria of AA1000AS v3 and KMR's proprietary SRV1000. Under AA1000AS v3, we assessed the adherence to the four principles presented in AA1000AP:2018—Inclusivity, Materiality, Responsiveness, and Impact—and evaluated the reliability and quality of the data and information using. Under SRV1000, we conducted a multidimensional review aimed at zero data errors, applying expert judgment to determine the materiality criteria.

- ISO 17029 : 2019, ISO 14065 : 2020, AA1000AS v3 : 2020 (AccountAbility), AA1000AP : 2018 (AccountAbility), SRV 1000 : 2022 (KMR), KMR EDV 01 : 2024 (KMR)
- Levels of assurance/materiality: AA1000AS v3 – Type 2/moderate, limited/ not set

### Scope of assurance

The information subject to verification in the sustainability report is as follows.

- GRI Standards 2021 reporting principles
- Universal Standards
- Topic Specific Standards
  - GRI 201: Economic Performance: 201-2
  - GRI 302: Energy
  - GRI 305: Emissions: 305-1, 305-2, 305-4, 305-5
  - GRI 308: Supplier Environmental Assessment
  - GRI 403: Occupational Health and Safety
  - GRI 414: Supplier Social Assessment: 414-2

As for the reporting boundary, information external to the organization was excluded from the scope of assurance.

### KMR's Approach

Our Assurance Team undertook the following activities for the agreed scope of assurance using the standard outlined above:

- Evaluating the appropriateness of the reference standard used as a basis for preparing sustainability information and the reliability of the materiality assessment process and its findings;
- Conducting inquiries to understand the data management and control environment, processes, and information systems (the effectiveness of controls was not tested);
- Evaluating the appropriateness and consistency of the methodology for estimation (note that the underlying data was not tested and KMR has not made any estimates);
- Visiting the headquarters, determining visit sites based on the site's contribution to sustainability and the possibility of unexpected changes since the previous period and sampling data, and carrying out due diligence on a limited number of source records at the sites visited;
- Interviewing people in charge of preparing the report;
- Considering whether the presentation and disclosures of sustainability information are accurate and clearly defined;
- Identifying errors through comparison and check against underlying information, recalculation, analyses, and backtracking; and
- Evaluating the reliability and balance of information based on independent external sources, public databases, and press releases.

# Independent Assurance Statement

## Limitations and Recommendations

The absence of generally accepted reporting frameworks or well-established practices on which to draw to evaluate and measure non-financial information allows for different measures and measuring techniques, which can affect comparability between entities. Therefore, our assurance team relied on professional judgment. In a limited assurance engagement, the scope of the risk assessment procedures and the subsequent procedures performed in response to the assessed risks are limited than in a reasonable assurance engagement. Our assurance team conducted our work to a limited extent through inquiries, analysis, and limited sampling based on the assumption that the data and information provided by Hyosung Heavy Industries Corporation are complete and sufficient. To overcome these limitations, we confirmed the quality and reliability of the information by referring to independent external sources and public databases, such as DART and the National GHGs Management System (NGMS).

## Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with Hyosung Heavy Industries Corporation on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. We found that the report was prepared in accordance with the criteria presented by Hyosung Heavy Industries Corporation, and nothing comes to our attention to suggest that the evidence obtained regarding its content is insufficient to provide a basis for our opinion. Our opinion on the principles is as follows:

### Inclusivity

Hyosung Heavy Industries Corporation has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

### Materiality

Hyosung Heavy Industries Corporation has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

### Responsiveness

Hyosung Heavy Industries Corporation prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of Hyosung Heavy Industries Corporation's actions.

### Impact

Hyosung Heavy Industries Corporation identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

## Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of sustainability performance data, including economic, environmental, and social performance data. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

## KMR's Competence, Independence, and Quality Control

Korea Management Registrar (KMR) is a verification body for the Republic of Korea Emissions Trading Scheme (K-ETS), accredited to ISO/IEC 17029:2019 (Conformity Assessment - General principles and requirements for validation and verification bodies), ISO 14067, the additional accreditation criteria ISO 14065, and ISO/IEC 17021:2015 (Requirements for bodies providing audit and certification of management systems). Additionally, KMR maintains a comprehensive quality control system that includes documented policies and procedures of the KMR EDV 01:2024 (ESG Disclosure Assurance System) based on ISO/IEC 17029 requirements and compliant with IAASB ISQM1:2022 (International Standard on Quality Management 1 by the International Auditing and Assurance Standards Board). Furthermore, KMR adheres to the ethical requirements of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior in accordance with the IESBA Code:2023 (International Code of Ethics for Professional Accountants). Our assurance team consists of sustainability experts. Other than providing an independent assurance, KMR has no other contract with Hyosung Heavy Industries Corporation and did not provide any services to Hyosung Heavy Industries Corporation that could compromise the independence of our work.

## Limitations of Use

This assurance statement is made solely for the management of Hyosung Heavy Industries Corporation for the purpose of enhancing an understanding of the organization's sustainability performance and activities. We assume no liability or responsibility for its use by third parties other than the management of Hyosung Heavy Industries Corporation. As this assurance statement may be subject to revision after the assurance date below, we recommend verifying whether this is the latest version.



SRV1000

Sustainability Committee Assurance

AA1000  
Licensed Report  
000-129/V3-ISOJY

May 25, 2026

CEO Hwang Eun-ju

**HYOSUNG** HEAVY  
INDUSTRIES